



Aide-memoire

Government Policy Statement on Housing and Urban Development: Talking Points for Cabinet Economic Development Committee

Date:	28-05-2021	Security level:	In Confidence
Priority:	Medium	Report number:	AMI20/21050542

Information for Minister(s)

Hon Dr Megan Woods Minister of Housing	
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Contact for discussion

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Other agencies consulted

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Minister's office to complete

<input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's notes <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by events <input type="checkbox"/> Declined <input type="checkbox"/> Referred to (specify) <hr/>	Comments
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Date returned to MHUD:



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For: Hon Dr Megan Woods, Minister of Housing

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Purpose

1. This aide-memoire presents talking points to support your discussion of the Government Policy Statement on Housing and Urban Development (GPS-HUD) at Cabinet Economic Development Committee (DEV) on 2 June 2021. [REDACTED]

Background

2. The GPS-HUD discussion document is due to be considered at DEV on 2 June, with recommendations that it is released for public consultation, and that you are authorised to make any further minor and technical changes and additions prior to its release. [REDACTED]

Suggested talking points

3. We suggest you use the talking points below to introduce and discuss the GPS-HUD discussion document.

Role of the GPS-HUD

4. The Government has a comprehensive work programme underway to resolve Aotearoa's housing crisis, which has been decades in the making. We are committing significant resource to: the provision of public and transitional housing, and addressing homelessness; investing in large-scale development projects and growth-supporting infrastructure; supporting new affordable housing supply and opportunities for first homebuyers; improving housing quality and the experience of renters; and undertaking the system reforms that will enable the right kind of housing and urban development to be delivered in the right places, particularly to support our climate change goals.
5. Our housing and urban work programme has links with, and is integral to achieving, all of our current priorities, including: housing affordability, addressing child poverty, transitioning to a productive, inclusive low carbon economy, and recovering well from Covid-19.
6. The GPS-HUD provides an opportunity to bring all of this important work together and tell a story about what we're doing, what we need to keep doing, but also what we need to start doing more of in order to deliver on a long-term vision for the housing and urban system that reaches across all our priorities.
7. To succeed, we will need the support of our partners and stakeholders. They also need to agree with, and be bought into, the long-term vision and strategic direction.
8. The GPS-HUD provides an opportunity to reach that agreement, and create a GPS-HUD that can endure and provide greater confidence and certainty to the sector, and to our communities, over the longer term. It will guide and inform not only government policy and investment, but the actions of everyone else in the system.

9. While the GPS-HUD is a requirement of the Kāinga Ora – Homes and Communities Act 2019, and especially important for providing direction to Kāinga Ora as a key and influential actor in the system, it is nevertheless a ‘whole-of-system’ strategy. As part of making decisions on the final GPS-HUD in September, we expect to seek Cabinet agreement that all agencies and portfolios who have an impact on housing and urban development will have obligations to give effect to the GPS-HUD.

Process to develop the GPS-HUD

10. The Minister of Finance and I are presenting a draft discussion document here that has been developed by Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) with input from iwi and Māori as partners, from key stakeholders across the system, and a large range of government agencies. This input has strongly shaped the vision, outcomes and focus areas we have proposed in the discussion document.
11. With Cabinet approval, this discussion document will be released for public consultation, as required by the Kāinga Ora – Homes and Communities Act 2019. As part of this, the Minister of Finance and I intend to direct officials to undertake further targeted consultation with iwi and Māori as partners, and with stakeholders from across the housing and urban development system, to make sure they have an opportunity to have their say.

Overview of the GPS-HUD structure

12. *You may wish to refer your colleagues specifically to the GPS-HUD overview diagram on page 10 of the discussion document, as well as to the ‘koru’ diagram on page 22, to see the GPS-HUD vision, outcomes and focus areas at a glance.*
13. The four outcomes support the vision, and are intended to be aspirational statements about where we want to get to. For the final version of the GPS-HUD we anticipate these outcomes will be supported by some key indicators that allow us to understand and report on whether we are on the right track.
14. The six focus areas are intended to reflect and give shape to the medium-term work programme. They are designed to operate as a set, and are all inter-dependent and critical to our GPS-HUD vision. In short, the six focus areas are about: 1) increasing housing supply (both through system reform and through direct government investment); 2) ensuring the right kinds of affordable homes are being built (for both owners and renters); 3) ensuring we are building homes in the right places, with the right connectivity (creating the prosperous, sustainable communities we need); 4) ensuring solutions are being delivered by and for Māori; 5) ensuring we are addressing the immediate needs of our most vulnerable (while our system reform takes effect); and, 6) ensuring we rebalance the economy away from housing investment and open up more opportunities for people to be homeowners.
15. The four ways of working inform how we want government, and the system, to operate: working in partnership with Māori, collaborating and building enduring relationships with others, taking a place-based approach, and creating certainty through stable funding and financing sources. This recognises that *how* we go about delivering is as important as *what* we are delivering, especially if we want to maintain broad support and buy-in for our long-term strategy.

The GPS-HUD discussion document incorporates and gives shape to the wider Government work programme

16. The GPS-HUD is being developed alongside all the work across Government to reshape the system, including:
 - a. the resource management and three waters reforms, and the review of local government;
 - b. recent decisions to establish a \$3.8bn Housing Acceleration Fund, changes to support first home buyers, and efforts to manage demand through extending the bright-line test and removing interest deductibility rules for investors in existing properties;

- c. the Urban Growth Agenda, and our work to make it easier to build more housing by implementing the National Policy Statement on Urban Development, Fast-Track Consenting, Urban Development Act and other measures;
 - d. the delivery of substantially more public and transitional housing places; and,
 - e. the development and implementation of the MAIHI Framework for Action, and new funding for Māori housing.
17. In particular, the three objectives for the housing market agreed as part of our recent housing supply and demand measures are incorporated within the GPS-HUD framework.
18. The GPS-HUD helps give shape to our work programme, helping us communicate what we are doing and enabling us to make good decisions within the context of clear long-term objectives. It also sits alongside the paper that Minister Henare has brought to this committee, proposing a review of the 2014 Māori Housing Strategy, He Whare Āhuru. Undertaking these reviews together enables us to align strategic direction across the GPS-HUD, MAIHI and the Māori housing strategy.

Incorporation of feedback

19. In developing the GPS-HUD, HUD received and incorporated feedback and views from a large number of government agencies. We also received valuable feedback through the pre-Cabinet ministerial consultation.
20. In response to this feedback, the draft document now, amongst other things:
- a. has a stronger focus on mitigating and managing the effects of climate change;
 - b. strengthens the connections with the objectives for the housing market that were agreed by Cabinet on 8 March, as part of the housing package that was announced at that time;
 - c. has a stronger focus on the importance of transport outcomes to our overall visions — i.e. on the need for streets to be opened up with more focus on safe infrastructure and prioritisation for active modes;
 - d. acknowledges the role of remote and regional communities, as well as our larger urban areas;
 - e. includes more discussion on the roles of other players in the housing and urban development system, beyond government; and,
 - f. signals the intent to follow with clear implementation plans.

Next steps

21. Between now and when the discussion document is released for public consultation in a few weeks the document will undergo some further design work and will incorporate te reo Māori translations of key sections, including the consultation questions.
22. What we are presenting today, and what will be released, is very much a discussion document. There is still work to be done to create the final GPS-HUD, and it may look different. In addition to the public consultation, we intend to use the time between now and September to discuss and strengthen the direction to be provided to Kāinga Ora, recognising that the GPS-HUD is an important lever for us to direct Kāinga Ora's work programme, priorities and the ways it partners with others.
23. We also intend to develop more detail about the implementation plans that would sit underneath the GPS-HUD, to assign accountability for actions in the GPS-HUD and help us monitor progress to make sure we are achieving the vision and outcomes. Some of these plans already exist, for example, in the form of the Public Housing Plan 2021-2024.
24. We intend to bring a final draft of the GPS-HUD back to Cabinet in September for approval and publication by 1 October 2021.