



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Briefing for incoming Ministers

23 November 2023



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Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Part 1: System context and direction



System Context and Direction:

The housing and urban systems in New Zealand are facing significant challenges. Over the last three decades, not enough houses have been built in the places they are needed or at the prices people can afford, and urban development and planning has not been responsive enough to demand.

Good housing and urban outcomes require people working together. The housing and urban systems are large and complex, with many moving parts and contributors such as building and construction, welfare and financial systems. This means working closely with and influencing central and local government, iwi and Māori, developers, investors, building and construction companies, Kāinga Ora – Homes and Communities (Kāinga Ora) and Community Housing Providers (CHPs).

Some key foundations have been put in place to enable better system performance. Housing supply and investment in urban development has also increased. However, many people are still experiencing poor housing outcomes. Long-term challenges from climate and population change are already having an impact.

Current economic conditions present additional challenges. Construction activity is likely to fall below capacity, while population growth remains high.

Government has a key role to play to support the market to build more houses, to improve performance of urban areas, and to support people in accessing stable and secure housing and meet their housing costs.

Given the long-term systemic challenges and current economic conditions, there are three broad areas of focus that inform recommended priority actions:

- **Remove system barriers to unlock housing supply** in the land, infrastructure, development and construction markets.
- **Prioritise investment and improve funds and programmes** to support the right mix of market, affordable and public homes in the places they are needed.
- **Improve planning and investment in places**, recognising that not all places are the same, and learn from and build on the still maturing placed-based partnerships in priority places across New Zealand.



There are some key foundations in place to enable better system performance

The Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora – the National Māori Housing Strategy clarify the **vision and outcomes for the housing and urban systems** and provide visibility and accountability for measuring progress. The GPS-HUD is required under the Kāinga Ora - Homes and Communities Act 2019 and is due for review in 2024.

Indicators have been developed to enable quantitative tracking of system progress. A **stronger evidence base** has been created to inform decision making and increase understanding of how the system is performing.

An approach that **delivers in places** has been developed, with a focus on encouraging local leadership. Place-based partnerships – in ten locations – are at various stages of maturity.

The **partnership approach with Māori** puts whānau at the centre and enables iwi, with support from government, to deliver affordable housing at pace, scale and in remote places. This approach breaks the reliance on dependency and focuses on permanent stable and secure housing, creating the conditions for whānau Māori to be independent and housed in safe, warm, and affordable homes.

A range of **funds and programmes** have also been established to open up land, develop infrastructure and increase housing supply (e.g., the Infrastructure Acceleration Fund, Affordable Housing Fund, Whai Kāinga Whai Oranga and Progressive Home Ownership). These funds and programmes will need to be adapted given current market and fiscal conditions.

New **regulatory tools** are in place to support housing and urban development such as:

- the National Policy Statement on Urban Development (NPS-UD), which directs councils to remove overly restrictive planning rules and plan for growth, both up and out.
- the Infrastructure Funding and Financing Act 2020, which provides tools to help local authorities with financing constraints.
- Specified Development Project powers for Kāinga Ora under the Urban Development Act 2020, to facilitate large and/or complex urban developments.

In its recent assessment of the Ministry of Housing and Urban Development's (HUD) system leadership role, the Office of the Auditor-General noted that: *The Ministry has largely set up the frameworks and governance arrangements to support its system leadership role. It now needs to focus on leading the delivery of its strategies and improving the system's performance.*

Many people are still experiencing poor outcomes...

The mismatch of housing supply with demand for homes has fuelled high housing costs and contributed to high rates of financial stress and homelessness.

These challenges result in high demand for government-funded housing (public housing, transitional housing, emergency housing). The costs of homelessness and housing insecurity are significant and there are immediate and long-term implications for health, education and social wellbeing.

Population and climate and other natural events are already impacting the housing and urban systems, and housing outcomes may get worse for some.

The population is growing, ageing and diversifying, which is changing the mix of housing and tenures needed.

More frequent and extreme natural disasters will continue to damage and reduce existing housing stock, resulting in expensive repairs, relocation costs and withdrawal of insurance cover.

Measures to reduce emissions should not unnecessarily increase construction costs or hinder housing supply, while improving energy savings and health and wellbeing benefits.

More people are renting and home ownership rates have declined.

- The 2018 Census indicated 64 percent of households lived in owner-occupied dwellings, compared to the peak of 74 percent of households in the 1990s. The rate for Māori was 47 percent and for Pacific people 35 percent in 2018.
- 67 percent of preschool-age children in 1986 lived in owner-occupied dwellings, compared to 55 percent in 2018.

Renting households are more likely to spend a lot on housing.

- As at June 2022, 43 percent of renting households spent at least 30 percent of their income on housing, compared to 21 percent of owner-occupied households.

Some people are homeless or in severely crowded homes.

- In 2018, at least 102,000 people were estimated to be living in severe housing deprivation. For Māori, the rate of homelessness was nearly double the national average and for Pacific people, nearly triple the national average.

Some people are more likely to live in overcrowded homes.

- In 2018, 18 percent of Pacific people were living in severely crowded homes – almost five times the national average – while one in three people with a disability were living in severely crowded homes.



...and current economic conditions make the landscape challenging, particularly in the regions

Rising construction costs and interest rates, and lower house prices, will reduce new housing supply. Interest rates are expected to remain at current elevated levels through to the end of 2024.

Recent indicators and sector feedback suggest **the construction sector is heading for a 'hard landing', with construction activity dropping around 20 percent below sector capacity** at a national level (Scenario 2 in the graph). Consents could fall to around 32,000 in 2024, below sector capacity of around 38,000 - 40,000 dwellings per annum.

Although house prices are now rising, presales for new projects remain low and development finance is difficult to attain. It is expected consents and construction activity will continue to fall.

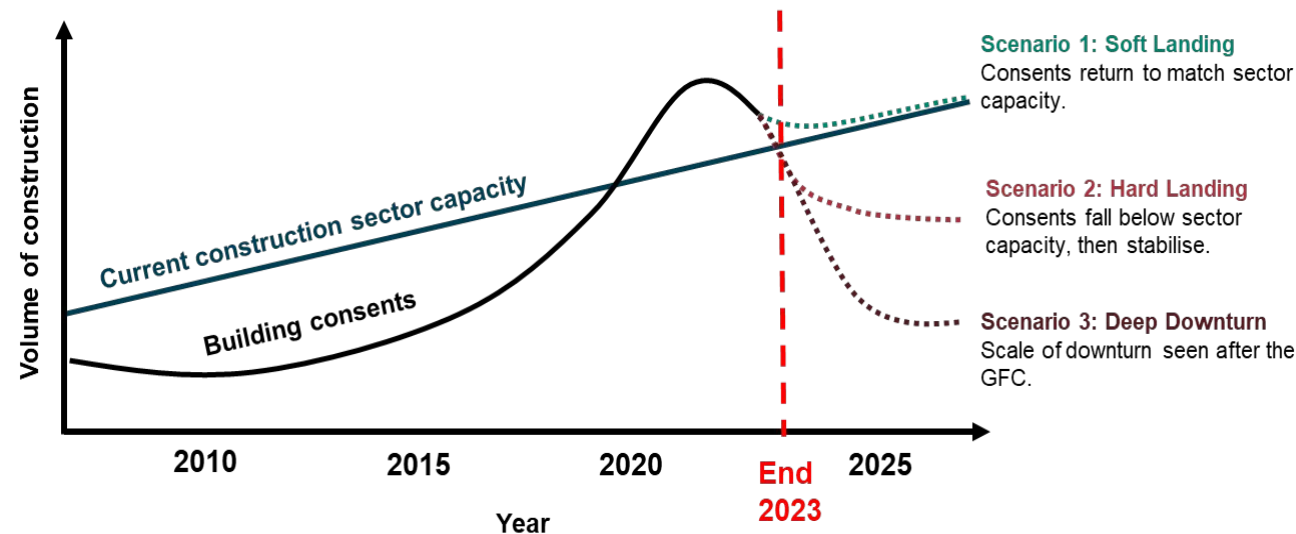
Historically, the construction sector has been slow to recover from cyclical downturns, creating ongoing impacts on housing supply.

High immigration and falling construction activity is placing pressure on the rental market, meaning **there will be a period of worsening rental affordability** at the same time unemployment is expected to rise.

Some regions face different challenges with the risk that a hard landing is prolonged. For some time, many regions have experienced high levels of housing deprivation and low levels of housing supply relative to their populations. Consents had increased in recent years due to rising prices, but consents are now falling.

In many regions it is not profitable to build, as the cost of building new homes exceeds the price of existing ones. Declining construction activity and investment in land development mean new housing supply could remain low for some time. This has been exacerbated by the recent extreme weather events.

Government can play a role in maintaining the development pipeline and the momentum of construction activity. The tight fiscal position means making challenging choices about where best to invest.



Addressing systemic issues that constrain development

Given the long-term systemic housing and urban challenges there are three broad areas of focus that inform recommended priority actions. Current economic conditions require an additional focus on supporting housing supply in the next few years.

Removing system barriers to unlock housing supply	Prioritising investment and improving funds and programmes	Improving planning and investment in places
<p>More homes are needed for rental and owner occupation.</p> <p>To enable the market to build more homes, it is necessary to remove barriers in the land, infrastructure, development and construction markets.</p>	<p>To support the right mix of market, affordable and public homes in the places they are needed.</p> <p>Sustainable funding is needed to increase the supply of stable and secure housing.</p> <p>Falling consents and the tight fiscal situation require an increased focus on the volume of housing supply in places where it is needed.</p>	<p>Different places need different strategies and responses, and government's role may vary.</p> <p>The mix of funds, programmes and levers need to be applied flexibly to support planning for growth, including infrastructure and housing delivery in specific places.</p>

Supporting supply to mitigate hard landing in construction activity



Priority actions:

1. Improve land use planning and consenting to support land supply and urban performance:

- Require joint **regional spatial planning that is robust and has weight in council land-use decision-making and investment**, to ensure enough land and infrastructure is available to support housing growth objectives.
- **Strengthen critical national direction** to increase housing supply and unlock opportunities in the right places. Retain the draft national direction on infrastructure and the existing NPS-UD and review these alongside other national direction to better enable development near transport corridors and town centres.
- **Ensure fast-track consenting pathways are available for housing** as part of immediate improvements to the resource management system.

2. Establish clear and reliable infrastructure funding and financing arrangements:

- Improve coordination between government **transport investment** and other decisions required to unlock growth areas identified in spatial plans, including reassessing the scale of investment and priorities under the Government Policy Statement for Land Transport.
- Improve tools for **landowners and users to contribute to the costs of infrastructure** (e.g., development contributions and value capture tools).
- Support investment in **water infrastructure** through institutional arrangements for infrastructure.

3. Reduce the cost of new housing supply:

- Ensure the **current review of the building consenting system** focuses on improving the speed and consistency of Building Consent Authority decision making, supporting more a competitive and flexible materials market and facilitating uptake of productivity enhancing technologies.
- Work with local authorities to improve the **efficiency of building and resource consenting** and other approvals to reduce the time, cost and uncertainty for the development sector.



Context: Investment in new housing supply

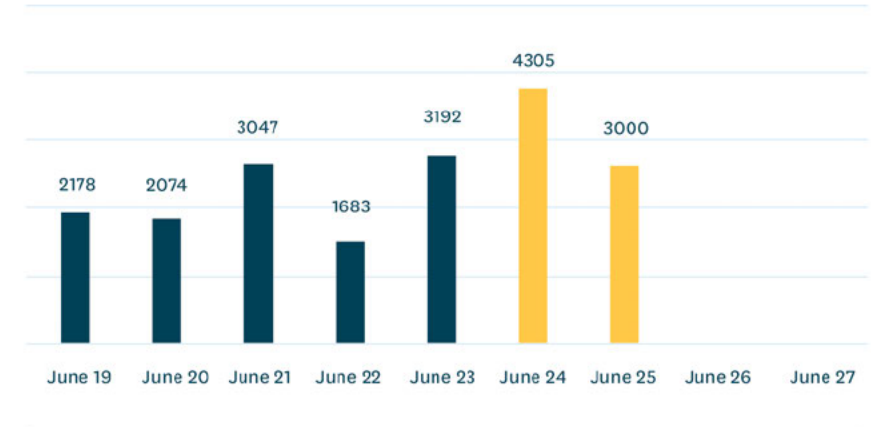
Investment in the housing and urban systems has increased significantly in the last few years:

- Facilitating and bringing forward new housing supply through targeted investment in infrastructure, redevelopment projects in Auckland and Porirua, direct investment in land and development and underwriting sales to support developers' access to development finance.
- Improving stability and reducing housing costs for low income and/or vulnerable households through new supply of public and affordable housing for ownership and rental.
- Working differently with Māori and iwi to provide affordable housing, reduce dependence on interim housing (emergency and transitional housing), and realise the cultural, social and economic potential of their land.
- Supporting vulnerable New Zealanders through access to housing-based services such as transitional housing, Housing First and Rapid Rehousing and initiatives within the Homelessness Action Plan.

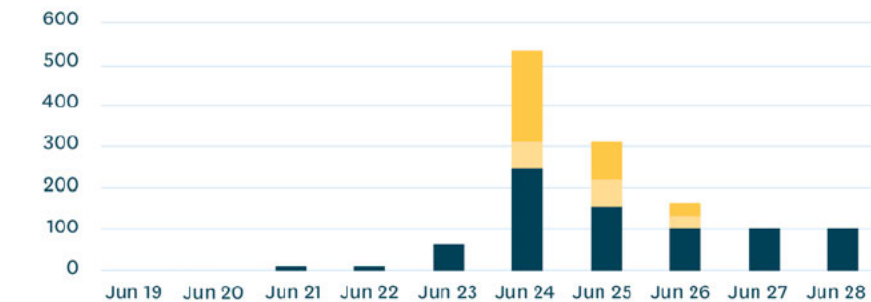
Investment has supported a range of delivery models through CHPs, Māori and iwi and Kāinga Ora, increasing capacity to deliver housing in the future.

But many of these tools and programmes have limited funding available beyond the next year or two. Government investment in new housing supply risks falling at the same time construction activity is in decline.

Public Housing Places – net new places delivered and planned



Funding for Affordable Housing Programmes (\$m)



Context: Current picture of programmes and new housing delivery

Delivery of housing supply contracted or approved within funds and programmes is shown below.

Key programmes and what they are trying to achieve	Four-year delivery ¹ – contracted and approved			
	23/24	24/25	25/26	26/27
Underwrites and pre-purchases: brings forward housing supply by meeting presales requirement for development finance.	800	700	200	-
Land Programmes: increase supply of public, affordable and market housing on government owned and private land. May partner with private sector, Māori and iwi.	350	250	550	150
Progressive Home Ownership: ² increase homeownership through shared ownership. New housing supply when partnering with housing providers, Māori and iwi who also share in capital growth.	150	100	100	-
Māori Housing: partner with Māori and iwi to unlock potential of whenua Māori and iwi owned land and reconnect Māori to their whenua. Māori-led housing can be flexible, responsive, cost effective and delivered at pace.	350	600	100	-
Affordable Rental Pathway: new affordable rentals (80 percent of market rent) delivered by housing providers.	100	150	50	-
Public housing: new stable and secure housing for people who cannot access market housing. Delivery models grow CHPs' capacity as developers, asset owners and/or tenancy managers and service providers.	3,500	2,450 ³	450 ³	-
Transitional housing: new and existing housing to provide interim housing and support for people with urgent needs.	150	100	-	-

1 – For 23/24 approximate rest of financial year delivery from end September or October onwards. All figures in this table are approximate and subject to change.

2 – Figures reflect contracted and approved delivery through the Provider and Te Au Taketake pathways. Delivery through the Kāinga Ora First Home Partner programme is not shown.

3 – Public Housing delivery for the 24/25 and 25/26 years reflects the gross number of new homes that are currently contracted or under construction. Each year approximately 1,000 to 1,200 homes are demolished to enable development resulting in a lower number of net new homes (likely to be approximately a third lower than the total homes built in a given year).

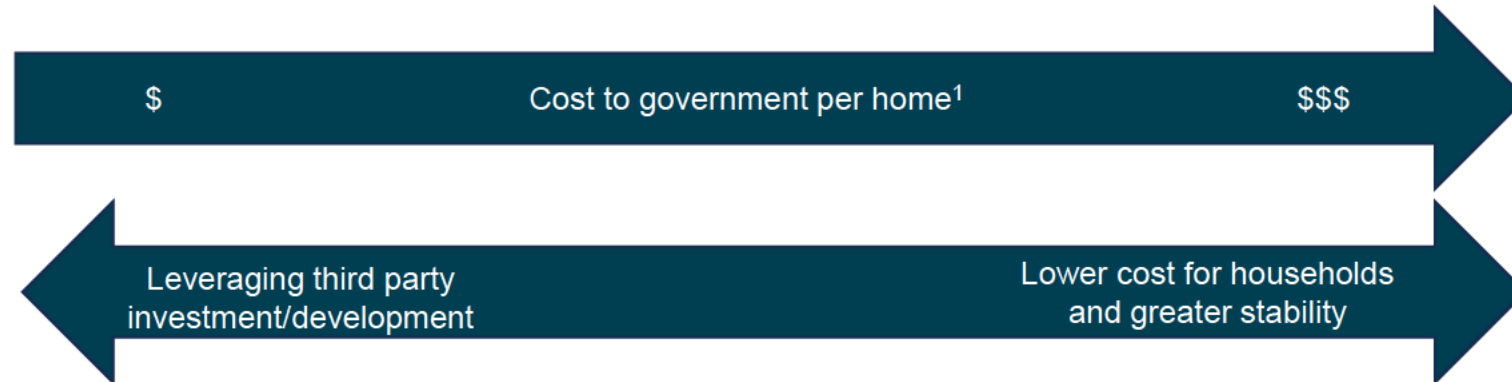
Context: Current programmes and relative costs

Different funds and programmes support a range of outcomes including:

- **More housing supply:** increasing housing choice and placing downward pressure on house prices and rents.
- **Improved affordability:** through reducing house prices and rents to below market levels.
- **Stability and access:** by providing housing to specific groups who can't access market housing.
- **Supporting partners:** by growing their capability, capacity and balance sheets to deliver housing and services in the future.

Given market and fiscal conditions there are choices around the weight placed on these outcomes. Typically, the cost to government is:

- Higher, the more investment focuses on providing stable housing and reducing housing costs for vulnerable and low-income households.
- Higher, in some regions due to poor infrastructure and low building sector capacity.
- Lower, where more third-party investment is leveraged.



Underwrites and pre-purchase	Land Programmes	Infrastructure Programmes	Progressive Home Ownership	Māori Housing	Affordable Rental Pathway	Public Housing
<p>Primarily capital to purchase homes which, if required, is recovered on sale.</p> <p>To date no losses have been incurred and capital retained.</p>	<p>Primarily capital for land purchase and development recovered through sale.</p> <p>Through Land for Housing average economic cost of $\\$9(2)(b)(ii)$ per home for recent projects.²</p>	<p>Average Infrastructure Acceleration Fund grant of $\\$9(2)(b)(ii)$ per home enabled (based on applicant projections).</p>	<p>Average interest free loan to housing providers around \$270k with interest concession cost of $\\$9(2)(b)(ii)$.</p> <p>Interest free loans to Kāinga Ora for First Home Partner around $\\$9(2)(b)(ii)$ and concession of $\\$9(2)(b)(ii)$.</p>	<p>Average upfront grant of $\\$9(2)(b)(ii)$ (house only, not including infrastructure).</p> <p>Cabins delivered in response to North Island Weather Events had average upfront grant of $\\$9(2)(b)(ii)$.</p>	<p>Average upfront grant is $\\$9(2)(b)(ii)$.</p>	<p>Budget 2023 assumed $\\$9(2)(b)(ii)$ p.a. IRRS cost for new places. Some CHP models will have lower costs.</p> <p>Kāinga Ora borrowing of $\\$9(2)(b)(ii)$ per place required.</p>

1 – Costs are illustrative and based on recent projects. Future costs will be impacted by a range of factors including construction costs and interest rates.
 2 – Economic costs for the Land for Housing programme are not a fiscal cost to government. They represent an economic cost given that proceeds from the sale of land received in the future are worth less than today. This economic cost is included for completeness.

Priority actions:

s 9(2)(f)(iv)

5. Improve the efficiency and effectiveness of the funds and programmes in the system:

- Ensure **sustainable funding** for investment in public, affordable and Māori and iwi housing so that partners can maintain and have confidence to grow their capability and capacity. There are choices about the mix of housing for people whose needs are not being met by the market, and who delivers it.
- **Make it easier for partners to work with us and provide more flexibility around tenure and delivery models** by consolidating government funds and programmes that have common delivery partners, address similar issues, and streamline funding/procurement processes. Also need to improve access to finance for CHPs and for Māori and iwi developing whenua Māori land.
- Ensure that the **Kāinga Ora public housing programme is fit for purpose**, efficient and effective (including total cost of borrowing and associated interest costs).

6. Rebalance funding over time from interim housing towards stable and secure housing options:

- Prioritise **new investment towards stable and secure housing** rather than additional interim housing, which is expensive and does not provide people with stable housing.
- Support **a range of delivery models** to enable the community housing sector, Māori and iwi, and Kāinga Ora to play to their respective strengths.



Context: Current state of place-based partnerships

Working with partners in place helps ensure that planning and investment is responsive to the specific need in different parts of the country.

HUD is the lead central government agency¹ driving **10 place-based partnerships** across New Zealand in places with high growth and/or high housing need. (HUD is also working with Nelson/Tasman).

These partnerships:

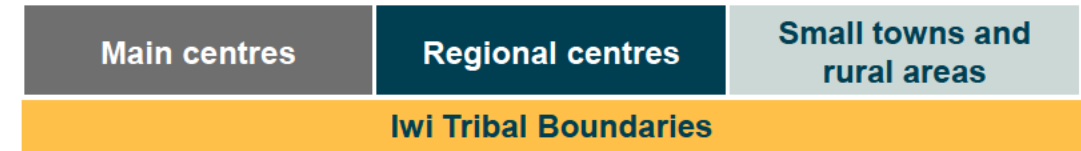
- Have **local leadership**.
- Agree on how urban areas will **accommodate growth** through spatial plans and future development strategies.
- Prioritise and co-ordinate **investment planning and delivery** in infrastructure and housing (within current system constraints)
- Drive and monitor **delivery progress**.

HUD also uses “on the ground” insights from the partnerships to **design policy and funding settings** that are effective in different types of places.

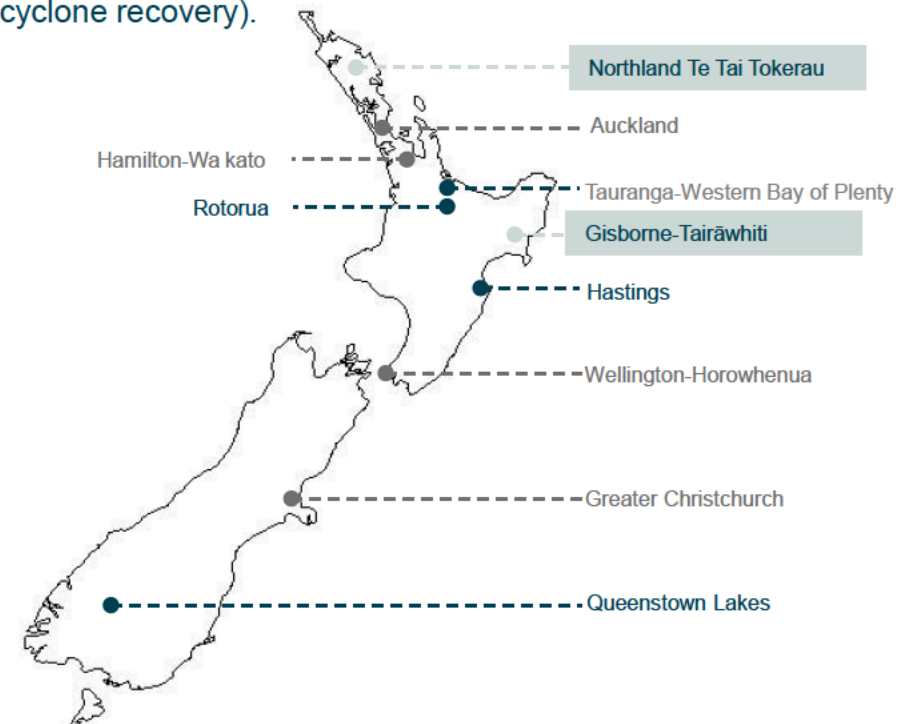
Partnerships in Auckland, Te Tai Tokerau, Hawke's Bay, and Tairāwhiti have enabled rapid responses in the wake of Cyclone Gabrielle to support immediate need and ongoing recovery/adaptation, working closely with iwi, local government and other central government agencies.

¹ Other central government agencies involved in one or more partnerships include: Waka Kotahi, Department of Internal Affairs, Ministry of Transport, Te Puni Kōkiri, Ministry of Social Development, Kāinga Ora, Ministry of Education, Te Whatu Ora, Crown Infrastructure Partners and the Ministry of Business, Innovation and Employment (Tourism).

These partnerships cover three main types of place, each of which has different needs and housing market dynamics:



Some places also have significant housing demand from non-residents (e.g., tourism, seasonal workers, workforce for large infrastructure projects including cyclone recovery).



Context: Progress on implementing a place-based focus and shifts required

Current state	Future shifts needed
<p>Moved from limited understanding of place beyond Auckland and "rest of New Zealand", to understanding the different needs across places and why different responses are needed.</p> <p>"On the ground" insights are increasingly informing policy design and implementation but are ad hoc.</p>	<p>Understanding of the specific context and need informs the appropriate mix of investment in infrastructure and housing in each place (e.g., volume of public housing versus affordable rentals or supported home ownership).</p> <p>More deliberate focus on local insights and expertise informing policy design and implementation.</p>
<p>Moved from limited/transactional engagement with local government, iwi and Māori to maturing strategic partnerships in ten places.</p>	<p>Continue to strengthen local leadership including across local government boundaries. Stronger community leadership in determining the trade-offs inherent in growth and change.</p>
<p>Moved from ad hoc spatial planning towards a more common approach. All high-growth centres will have spatial plans in place by the end of 2023, but plans are not necessarily well connected to investment decisions by local or central government.</p>	<p>Stronger connection between spatial planning and investment prioritisation by central and local government (transport, water, key community amenities).</p>
<p>Moved from limited number of Māori CHPs and Māori land lacking infrastructure, to iwi and Māori actively developing and delivering housing across a range of tenures (1,000+ housing pipeline, over 1,600 sites contracted for infrastructure, 27 Māori CHPs).</p>	<p>Iwi and Māori are a key partner for place-based housing solutions across multiple tenures, reducing pressure on public housing and improving wellbeing.</p> <p>The pipeline of supply through Māori and iwi partnerships is extended and sustainable.</p>
<p>Moved from few funding tools other than for public housing to having a broader range of tools. But tools were designed over time to respond to specific issues, often with time-limited funding, so are difficult to navigate and combine.</p>	<p>More flexible tools with sustainable funding to support mixed tenure development, different delivery models and provide certainty for developers and providers to plan and invest.</p> <p>"One door" for developers and providers to access and navigate housing funding.</p>
<p>Developing approach to joined up monitoring of delivery in place.</p>	<p>Stronger, more consistent focus on monitoring and improved data within a national framework.</p>



Priority actions:

7. In a fiscally constrained environment, tighter prioritisation of investment and focus to meet housing need in specific places:

s 9(2)(f)(iv)

8. Implement the priority actions identified in slides 9 and 13, with a strong focus on working with partners in places.

Slides 17-19 provide three **case studies** of delivery through a focus on place with local partners. Each case demonstrates the growing maturity of our partnerships and that the priority actions support the different system shifts required:

- Tauranga/Western Bay of Plenty: illustrates the different funding and financing tools that need to work together to deliver infrastructure to unlock housing supply.
- Toitū Tairāwhiti: Māori-led local solutions – illustrates successful use of a different delivery model which plays to local iwi strengths.
- Rotorua Housing Accord: an example of rebalancing investment from interim solutions towards stable and secure housing.



Case study: Tauranga/Western Bay of Plenty – working together to deliver infrastructure to unlock housing supply

There is a **lack of land for development to respond to the rapid population growth** across the Tauranga/Western Bay of Plenty metro area, with **significant infrastructure constraints** in greenfield areas.

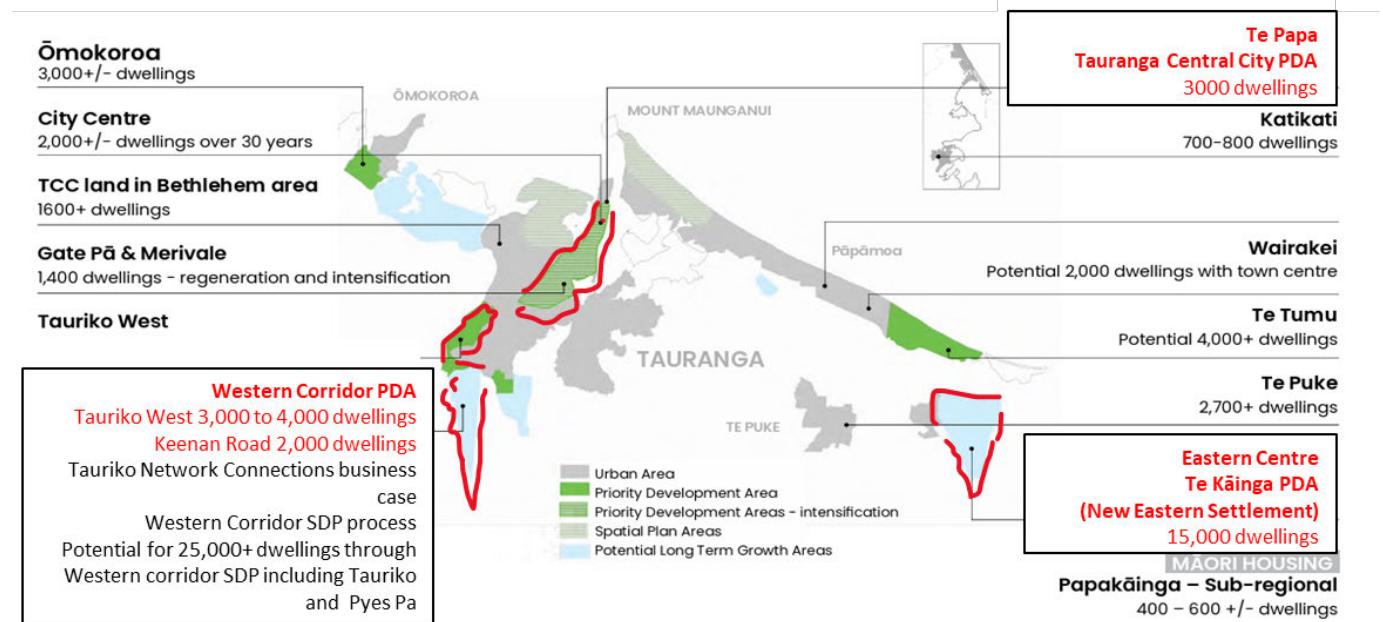
A range of funding and financing tools need to work together to unlock land for development, with different processes, decision makers and timeframes. Examples of current processes include:

- Tauranga City Council (TCC) are the first local authority to use the **Infrastructure Funding and Financing Act (IFF)**, with approval to raise \$175 million to contribute to the Western Bay of Plenty Transport System Plan. A second IFF levy is currently being consulted on for Te Manawataki o Te Papa – civic precinct development.
- Kāinga Ora is assessing the Western Corridor growth area as a potential **Specified Development Project**.
- The **Infrastructure Acceleration Fund** committed funding to enable over 6,000 homes in Tauriko West, Te Papa Peninsula and Ōmokoroa.
- **Tauriko Network Connections Business case** to provide long-term improvements to SH29A and SH29 has been approved by SmartGrowth Leadership Group and Waka Kotahi Board.

System shifts needed:

Improve co-ordination of decision-making and alignment of funding and financing tools to ensure infrastructure is delivered to unlock land identified in the regional spatial plan.

Key focus areas are Tauriko West, Te Papa and Eastern Centre to unlock new housing capacity and help create a clear development link from East to West. This aligns with the existing priorities of the SmartGrowth partnership (where HUD is a key partner) and the Future Development Strategy.



Case study: Toitū Tairāwhiti - Māori-led housing

Like many regions, Tairāwhiti has experienced population growth over the last decade with limited increase in housing supply. The shortfall in housing has resulted in fewer homes available for rent, increased overcrowding, and declining affordability and access to housing.

The impact on Māori has been acute, with Māori making up a high proportion of people in emergency housing, on the public housing register and in receipt of the Accommodation Supplement.

In 2022, HUD partnered with Toitū Tairāwhiti Housing Ltd (a collective of the four iwi in Tairāwhiti, Te Whānau-ā-Apanui and Te Whakatōhea) **to prototype the delivery of 225 rent-to-buy homes** by end-June 2026 (with 150 homes by end-June 2025).

The partnership with Toitū Tairāwhiti will enable them to deliver affordable homes at pace, scale and in areas where market housing would not be delivered. The key characteristics of Toitū Tairāwhiti's model include:

- Toitū Tairāwhiti contribute the land (mostly Māori freehold title sites across Tairāwhiti). Government funding supports feasibility to get the sites shovel ready, infrastructure and housing construction.
- Toitū Tairāwhiti work intensively with council to accelerate planning and consenting requirements to prepare sites to be shovel ready.
- Most of the homes are manufactured off-site and built at their Gisborne construction facility (joint venture with Built Smart).
- Homes can be completed within 14 months, shifting whānau from dependency to independence quickly without needing to go through public housing.

Impact and system shifts needed:

The upfront investment from Government means **income generated from rent-to-buy homes can be reinvested to build more homes** and create a sustainable, self-funded pipeline in the future.

With their increased capacity, Toitū Tairāwhiti were able to pivot their workforce and efforts to deliver an additional 104 relocatable cabins for residents impacted by Cyclone Gabrielle.

A continued focus on Māori-led housing is critical to:

- Share learnings about Toitū Tairāwhiti prototypes with other iwi across the country.
- Build capacity to potentially deliver other housing types.



Image: Toitū Tairāwhiti, Te Muriwai Development

Case study: Rotorua Housing Accord

Between 2013 and 2020, Rotorua's population increased much faster than the supply of new homes, leading to significant homelessness and reliance on motels for emergency housing. The **Rotorua Housing Accord**, signed in December 2022, formalised the partnership between central government, local government, Te Arawa and Ngāti Whakauae.

Increased supply of market and public housing is enabling a shift from motel-based emergency housing. The number of households receiving Emergency Housing Special Needs Grants have fallen from 370 at the end of 2021 to under 100 in September 2023. Key shifts in housing supply include:

- More than 900 new dwellings completed in the three years to September 2023.
- Kāinga Ora adding 92 new build public homes in the year to 30 September 2023, with around 200 to be delivered by August 2025.
- Housing providers and Māori and iwi are delivering around 200 public and affordable homes in partnership with government.
- Government has purchased land in Ngongotahā to deliver around 350 market, affordable and public homes in partnership with the private sector.
- Government has invested in enabling infrastructure that will, when combined with Rotorua Lakes Council's adoption of the Medium Density Residential Standards, enable around 4,000 homes over time.

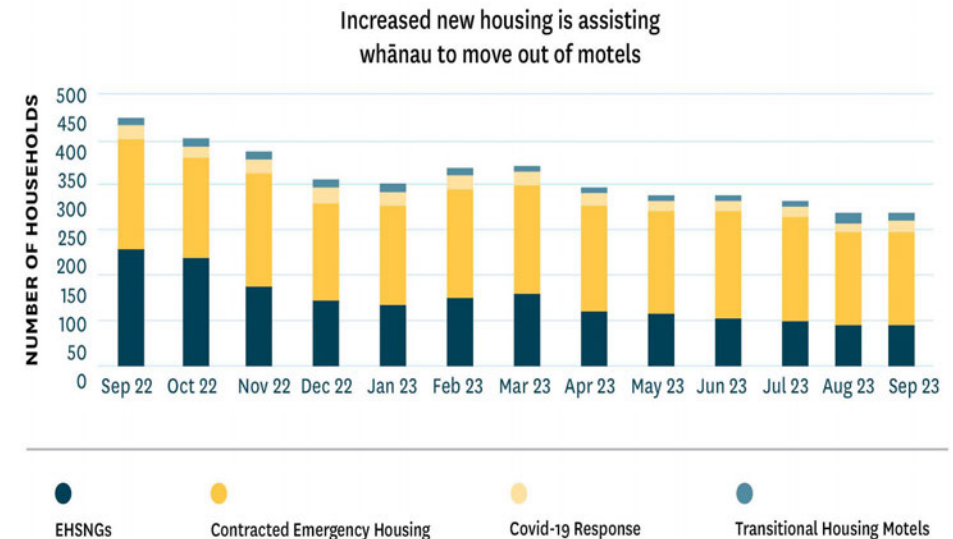
System shifts needed to sustain new housing supply to continue reducing housing insecurity and motel use:

Current economic conditions mean private consents are falling, with public housing and other government supported projects making up a growing share of construction. Government can play a key role working with developers and builders to sustain private construction and land development in the current environment.

To get more impact from investment in public and affordable housing, more flexibility is needed around tenures and delivery models to better match government support to the needs of potential developments. Further action is needed to remove barriers to Māori developing their land.



Government is supporting delivery of around 400 public, affordable or mixed-tenure homes with a range of partners in Rotorua.





Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Part 2: Portfolio responsibilities



Your role and responsibilities

As Minister of Housing, you have overall responsibility for leading the housing and urban development system

Your portfolio focuses on improving housing and urban outcomes across all of government. As part of this, you:

- set the Government's direction and priorities.
- determine and promote housing and urban development policy.
- coordinate cross-government action.
- advocate for housing and urban development outcomes to inform decisions made in other portfolios, providing advice on important trade-offs and choices that affect housing and urban environments.

You are responsible for:

- 11 Acts.
- Two crown entities: Kāinga Ora – Homes and Communities and Tāmaki Redevelopment Company Limited.
- Vote Housing and Urban Development, and delivery of programmes and initiatives within the Vote.

You are the lead Minister for the Waitangi Tribunal Wai 2750 Housing Policy and Services Kaupapa Inquiry.

You are accountable to Parliament for the overall efficiency and effectiveness of HUD.

Key portfolios that link to housing and urban development are: Building and Construction, Infrastructure, Transport, Environment, Social Development (including in relation to the Emergency Housing Special Needs Grant for which HUD has policy responsibility and MSD has delivery responsibility), Finance, Māori Development and Local Government.



Key legislation within your portfolio responsibilities

Kāinga Ora – Homes and Communities Act 2019: establishes Kāinga Ora as a Crown Entity and sets out its functions and its operating principles. With the Minister of Finance, you are responsible for issuing and reviewing the GPS-HUD and for appointing the Kāinga Ora Board.

Urban Development Act 2020: establishes a mechanism to streamline and consolidate planning and funding for selected urban development projects and makes a range of development powers available to Kāinga Ora.

Infrastructure Funding and Financing Act 2020: provides a different way to fund and finance infrastructure projects. The Act makes it easier for local authorities to overcome financing constraints. It also helps overcome charging high upfront costs to developers.

Public and Community Housing Management Act 1992: sets out a framework for public and community housing. The Act gives joint powers to the Ministers of Finance, Housing and Social Development to outline the terms and conditions for funding CHPs and Kāinga Ora through reimbursement, tailored agreements and criteria for assessing a person's eligibility for public housing.

Residential Tenancies Act 1986: sets out the rights and responsibilities of landlords and tenants in relation to rental properties. MBIE has responsibility for a range of operational functions under this Act, which includes acting as the regulator.

Retirement Villages Act 2003: sets out obligations for retirement village operators and the rights of residents.

Housing Act 1955: relates to housing and land development. Under the Act, you are responsible for determining what land can be acquired for State housing purposes¹ and what dwellings, commercial buildings and other infrastructure should be constructed on it.

Unit Titles Act 2010: provides a legal framework for the ownership and management of unit title developments. HUD has policy responsibility for the governance rules for unit titles development, including making regulations to implement the 2022 Amendment Act. MBIE and the Ministry of Justice have operational responsibility for the Tenancy Tribunal, which hears unit titles disputes. Land Information New Zealand is responsible for the land titles system.

¹ State housing purposes includes the development of land for housing of all types (eg. public, affordable and market housing), together with associated roading, water and other infrastructure, and commercial buildings that support the housing development (eg. local shops).



Crown entities

You have a role to oversee and manage the Crown's interest in and relationship with two Crown entities:

Kāinga Ora – Homes and Communities

Kāinga Ora is a Crown entity, formed on 1 October 2019 to contribute to sustainable, inclusive and thriving communities by providing rental housing and home-related financial assistance, leading or facilitating urban development projects, and enabling the aspirations of communities and Māori in relation to urban development.

Kāinga Ora is primarily governed by the Kāinga Ora – Homes and Communities Act 2019, the Urban Development Act 2020 and the Crown Entities Act 2004. As a 'Crown agent', Kāinga Ora can be directed by the responsible Minister to give effect to a government policy that relates to the entity's functions and objectives.

The Chair is Vui Mark Gosche and the Deputy Chair is John Duncan. Their terms run until 30 September 2024.

There are currently 10 Board members, with one member's term expiring on 31 December 2023 and two members' terms expiring on 5 February 2024.

Tāmaki Redevelopment Company Ltd (trading as Tāmaki Regeneration Company (TRC))

TRC is a Schedule 4A company under the Public Finance Act 1989. It was established in 2012 by the Government (59 percent shareholder) and Auckland Council (41 percent shareholder). It delivers the Tāmaki regeneration programme which will redevelop 2,500 public houses into over 10,500 new public, affordable and market homes in the Auckland suburbs of Glen Innes, Panmure and Point England while leading social and economic regeneration.

The Chair is Evan Davies, and his term runs until 31 December 2025. There is currently no Deputy Chair. There are two Crown appointed directors with terms expiring 30 September 2024.

The Board comprises one Crown appointee, one Council appointee and up to seven joint appointees including the Chair. The Board currently has eight directors.

As outlined in the Crown Entities Act 2004, HUD will assist you to carry out your role to oversee and manage the Crown's interest in, and relationship with, these Crown entities. HUD will provide an objective and independent view of their operations and performance.



Delegations from Minister to Chief Executive

The Chief Executive is delegated the power under section 2A of the Housing Act 1955 to declare any land held for state housing purposes to be subject to section 2A of the Housing Act 1955. This is used in relation to Crown land held or which has been acquired by HUD for the purposes of a housing development under the Land for Housing programme. If section 2A is not used, the result is that this land is automatically administered by Kāinga Ora.

The Chief Executive is delegated the power under sections 6 and 36 of the Housing Act 1955 to:

- take on leases for land and dwellings for State housing purposes (including public housing).
- determine term, rent and other terms and conditions.
- execute leases or associated documents on behalf of the Crown.

The Chief Executive is delegated the power under section 9 of the Housing Act 1955 to:

- from time to time cause any dwelling or building on State housing land to be demolished or rebuilt.
- from time to time alter, enlarge, repair or otherwise improve any dwelling or building on any State housing land.

The Chief Executive is delegated the power under section 15 of the Housing Act 1955 to allow any buildings or chattels held for State housing purposes to be disposed of by way of lease or tenancy.

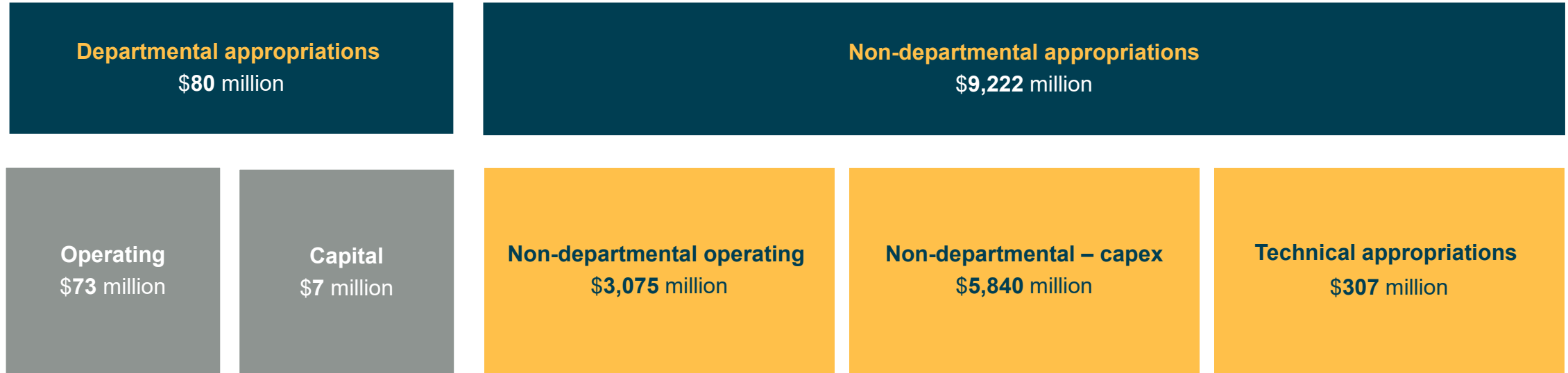
The last two delegations were both made on condition that the delegate can only use the power in relation to Crown land that has been Gazetted under section 2A of the Housing Act 1955 and is therefore administered by the Minister of Housing.

HUD will provide the appropriate authorising documentation for your approval upon confirmation that you wish to continue to delegate these responsibilities to the Chief Executive of the Ministry of Housing and Urban Development.



Vote Housing and Urban Development 2023/24

Your Vote is \$9.22 billion and includes:



The Minister of Housing is also responsible for some appropriations within Vote Building and Construction and Vote Social Development, including accommodation assistance (\$2,449 million). These have not been included above. The numbers above reflect forecasted funding.



Snapshot of Programmes – Non-Departmental

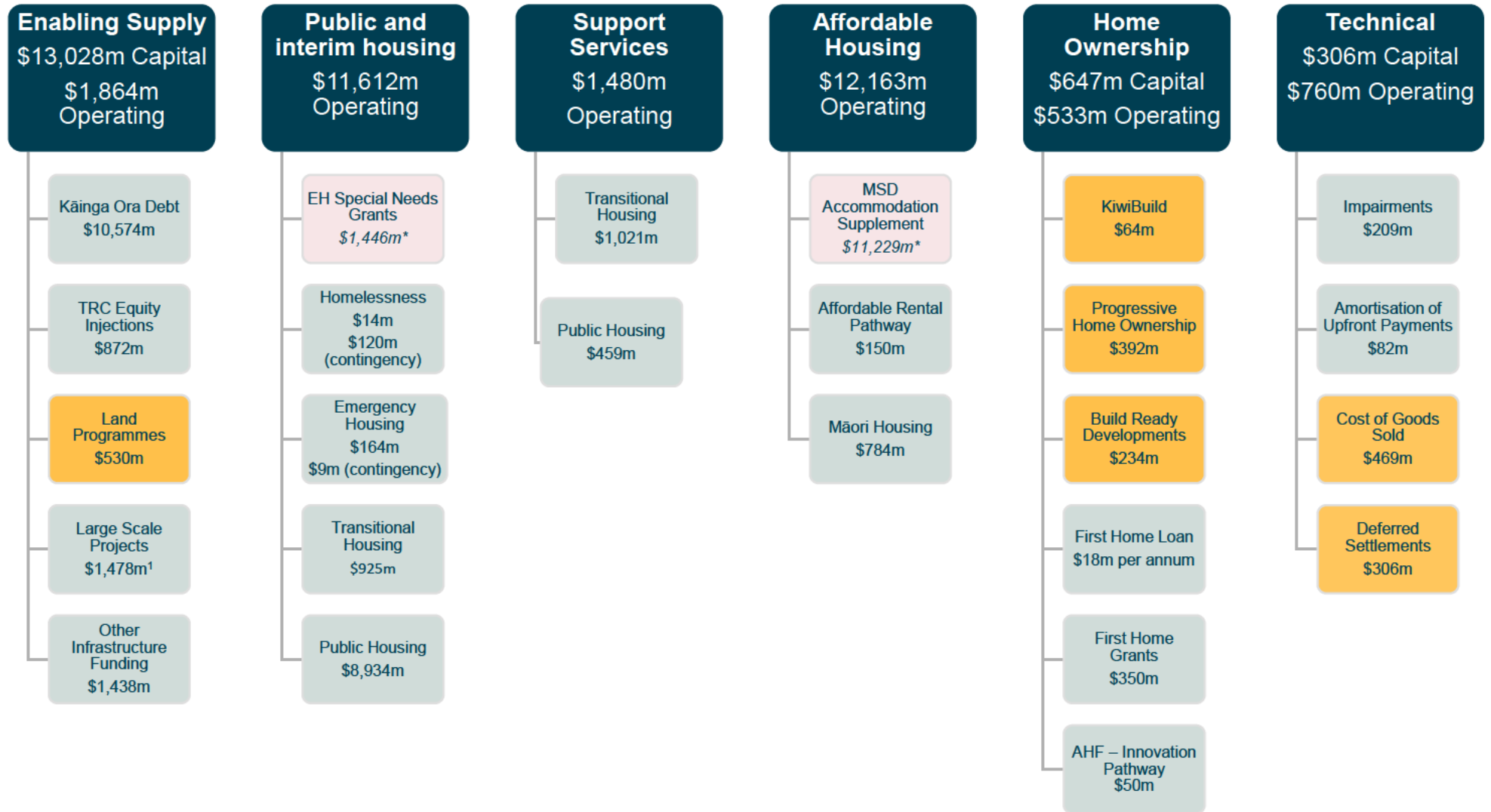
- Funding is shown over five years when not stated on a per annum basis.

- Financial numbers are the forecast dollars.

From MSD Appropriations
*2027/28 assumed at 2026/27 levels

These have equivalent revenue / loan repayments.

¹ Large Scale Projects have been forecasted for four years



Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

Our purpose

HUD's purpose is to deliver **thriving communities where everyone has a place to call home – he kāinga ora, he hāpori ora.**

People and communities are at the heart of what the Ministry does. HUD plays a lead role in helping individuals, family and whānau have healthy, secure and affordable homes that meet their needs, in communities that provide access to jobs, education, amenities and services.

HUD works with iwi and Māori to enable Māori-led housing solutions.

A strong Māori-Crown partnership is critical to successfully strengthen housing solutions for whānau.

HUD's work is guided by Te Maihi o te Whare Māori - Māori and Iwi Housing Innovation (MAIHI) – a way of working that puts Māori at the heart of Aotearoa/New Zealand's housing approach, acknowledges the history of Māori housing and responds to Māori needs through enabling kaupapa Māori approaches.

Our role

HUD is the lead policy advisor to the Government on housing and urban development. It was established in October 2018 to bring together fragmented responsibilities and provide leadership for the system.

HUD works in collaboration with communities, iwi and Māori, central and local government, housing providers, planners, builders, developers and not-for-profits to:

- facilitate action by bringing parties together to unite around a common strategy and direction
- provide tools, levers, investment and information to enable and contribute to the work of others.

HUD is also responsible for:

- strategy, policy, monitoring and regulation of the housing and urban development system
- oversight of the system's progress and performance
- overseeing funding, purchasing outcomes, contracting delivery and partnering with others to deliver results.



HUD's Senior Leadership Team



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