



# Tauākī Whakamaunga Atu Our Statement of Intent

2019 ▶ 2023





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This Statement of Intent is a public accountability document required under sections 139 and 141 of the Crown Entities Act 2004. It outlines our strategic intentions for the period 2019 to 2023. The Statement of Intent may be updated at any time, but no later than July 2022. For detailed financial and non-financial performance information, please refer to our Statement of Performance Expectations, which is published annually and is available on our website.

For further information about our work, visit [www.kaingaora.govt.nz](http://www.kaingaora.govt.nz)





## He Mihimihi

Ka tangi te manu tuia ki runga, tuia ki raro.

Ka pō, ka ao, ka awatea.

Tihei mauri ora!

Ngā mihi whānui ki ngā waka, ki ngā Iwi, ki ngā Hapū, ngā karangatanga maha o te motu e tautoko nei i te kaupapa whare hangaia, te hauora Iwi whānui hoki.

Koia nei te mihi aroha ki te huhua tāngata i whai whakaaro, i tautoko i tēnei rautaki.

Nā reira, tēnā ano tātou katoa.



## Kāinga Ora – Homes and Communities has been set-up to provide high quality housing options for all New Zealanders.

This assistance includes government supported housing and support for first time buyers entering the market or buying new homes.

Kāinga Ora has a number of roles. One of these is to be as a world class public housing provider. We will also work with communities to improve the urban development environment through regenerated land in order to use Crown land wisely and support others to develop land to provide more opportunities to the housing market.

### Great homes

We know that a place to call home is fundamental to a person's and whānau's wellbeing. Housing is a basic human right which provides the stability needed for people to live well and flourish.

As a new entity with new functions, Kāinga Ora will tackle the challenge to deliver the housing New Zealand needs, make homes more affordable, and ensure more people have stable housing. We will also work with other government agencies, community organisations and others to tackle key Government priorities including ending homelessness.

We will place our customers at the centre of our work. This includes improving the accessibility of the homes we already have and will be building in the future that make it easier for people to live in them as their circumstances change; to have family, whānau and friends visit; and to be part of the wider community they live in without barriers.

We will also maintain our portfolio of homes to ensure we provide good quality, warm, dry and healthy homes. By managing our assets proactively, we will act in the best interests of our organisation, our tenants, their whānau and families.

### Great communities

As the Government's lead developer in the planning and delivery of urban development projects of all sizes, we're excited about our role in delivering more public, affordable and market homes.

This includes accelerating the availability of build-ready land, and building a mix of housing including public housing, affordable housing, homes for first home buyers, and market housing of different types, sizes and tenures. A key part of our approach to building homes and communities will be ensuring we support customers in their new homes to settle into, and become a part of their community.

Great communities reflect what is special about a place and its people. We will take a place-based approach to create local solutions that meet the diverse needs and aspirations of each local community where we work.

Great communities are also sustainable communities and we are committed to environmental sustainability in all our activities. We will operate in a manner that recognises environmental values and the need to mitigate and adapt to the effects of climate change.





## Great partners

Kāinga Ora cannot do all this alone. We will partner with others, including Māori and mana whenua, councils, government agencies, local government, infrastructure providers, private developers, and community housing providers. We will enable and complement, rather than compete with, the private market.

## Partnering with Māori

One of our key functions is to understand, support and enable Māori aspirations for urban development. This will mean operating in a way that provides for early and meaningful engagement with Māori when doing urban development and the active pursuit of opportunities for Māori to participate in urban development.

The Kāinga Ora Board is committed to ensuring the organisation has the capability and capacity when undertaking urban development to uphold the Treaty and its principles, understand and apply Te Ture Whenua Maori Act 1993, and engage with Māori and understand Māori perspectives.

## Foundations for success

As a new organisation we are working hard on laying solid foundations for future success. This first Statement of Intent for Kāinga Ora reflects our dedication to lay these foundations and work with other organisations to deliver a step change in housing and urban development.

By working collaboratively and in partnerships we will be able to develop more homes in thriving communities and contribute to sustaining and enhancing the wellbeing of the current generation of New Zealanders and generations to come.

Signed:

**Vui Mark Gosche**  
Chair on behalf  
of the Board  
7 February 2020

Countersigned:

**John Duncan**  
Deputy Chair  
7 February 2020

Signed:

**Andrew McKenzie**  
Chief Executive  
7 February 2020

## Kāinga Ora is a new Crown agency established on 1 October 2019.

As a new agency, we are developing our strategic direction to underpin our work. This Statement of Intent is a four-year document, covering the financial years 2019/20 to 2022/23. It outlines what our role is as a new organisation and how we will respond through our strategic direction.

The establishment of Kāinga Ora represents the biggest institutional and legislative change to housing and urban development for a generation. Kāinga Ora brings together the people, capabilities and resources of the KiwiBuild Unit, Housing New Zealand and its development subsidiary, HLC. It follows on

from the recent establishment of the Ministry of Housing and Urban Development (HUD) to bring together fragmented responsibilities and resourcing and provide a single point of accountability for housing and urban development within central government.

Our first Statement of Intent reflects the roles and responsibilities of the legacy organisations as well as Kāinga Ora's new and wider roles and responsibilities. It reflects our dedication to creating communities that sustain and enhance the wellbeing of people who will make those communities their home – both today and for future generations.









Mō  
Kāinga Ora  
**About  
Kāinga Ora**







## Who we are

In recent years there have been significant changes across the housing sector. Our legacy agencies have managed these changes through a strategy-driven and outcomes-focused approach to delivery.

Kāinga Ora will continue to deliver the services previously provided by our legacy agencies, such as tenancy services, maintenance of existing public housing, provision of new public and affordable homes, land development and support for people to purchase a first home.

We will build on this work and deliver a step change in housing and urban development. Our broad role ensures we are equipped to deliver on the Government's ambitious housing priorities, with the right capabilities to tackle New Zealand's current and future housing challenges.

## Our developing role

Our governing legislation sets out extensive and exciting responsibilities and opportunities for Kāinga Ora. It requires us to maximise alignment and synergies across our multiple functions to support inclusive, integrated housing and urban development.

The Government's housing reforms have empowered Kāinga Ora to accelerate the pace and scale of new home building and large development projects. We will ensure great urban design to create environments that contribute to thriving communities. We will work in a partnership-focused way to help sustain and enhance the overall economic, social, environmental and cultural wellbeing of current and future generations.

Over time, we will develop our role by working in close collaboration with HUD, our Board, executive team and senior leaders, and by partnering with iwi and Māori, local communities, local councils, the private sector and others committed to improving housing

and urban development outcomes for current and future generations of New Zealanders.

There will be opportunities for us to further strengthen our role, through the Urban Development Bill and guided by the strategic directions being developed through the Government Policy Statement on Housing and Urban Development. We will work closely with HUD to identify how we prioritise our future roles, plan our investments, and continuously improve our performance.

### **Our commitment to innovation**

To realise these responsibilities and opportunities, we are committed to innovation across many areas of our business. The scale of Kāinga Ora's land holdings, property portfolio, financial resources, and investment programme also provides a significant opportunity to encourage innovation and improve efficiency in the wider housing and urban development sectors through our longer-term investment horizons.

Off-site manufacturing, an innovative construction method adopted as part of our Innovate, Partner, Build programme, is one area where we can have greater impact. The use of proven manufacturing techniques will allow faster, safer and more predictable procurement, and save time and cost of delivery. Through building our off-site manufacturing capability and capacity, we can in turn positively influence growth in the construction sector and lower construction-based carbon emissions. A more regional approach to our build programme will help contribute to regional economic development.

As a partnership-focused organisation, we will also develop new partnership and commercial models, leveraging our influence and resources to enable a step change in the scale of the Government's housing and urban development programme.

Our focus on building sustainable, inclusive and thriving communities will see us lead by example in the transition to a clean and sustainable economy. Our leadership and practices, underpinned by a commitment to innovation, will improve outcomes for our customers, whānau, and communities, making a positive impact on the wider housing and urban development sector.

### **Working as part of a housing and urban system**

The Government is committed to moving from a fragmented housing and urban development system to a well-connected system that delivers the outcomes it seeks for New Zealanders.

Our close partnership with HUD involves complementary roles in housing and urban development. HUD is responsible for leadership in the housing and urban development system, through policy, monitoring, and advising the Government on strategic direction. We are focused on providing and managing public housing, providing home-related financial assistance, initiating or undertaking urban development on our own or others' behalf, and delivering key parts of the Government's build programme.

As the Government's housing reforms progress, we need to consider our increasingly complex stakeholder environment. Housing and urban development is influenced by HUD, the Ministry of Social Development, the Ministry of Business, Innovation and Employment, Te Puni Kōkiri and the Treasury, through their various roles. We will also work closely with these agencies, as well as with our broad range of other stakeholders – iwi, Māori organisations, local communities, local councils, the private sector, and a wide range of community sector agencies.







Tō mātou  
horopaki mahi  
whakahaere

**Our operating  
context**







## New Zealand housing markets under pressure

Our housing markets and urban centres have been under pressure for some time and are not delivering the outcomes New Zealanders want or need. In high-growth urban centres around New Zealand not enough houses are being built to meet the demand from strong population growth, investment preferences and other factors.

The mismatch between supply and demand has deteriorated over decades, leading to the urban development challenges New Zealand faces today. In addition, much of New Zealand's existing housing is old, cold and damp, particularly in the private rental market. Poor quality housing has ongoing impacts on physical and mental health for whānau and individuals.

The under-supply of housing, alongside constrained land availability and high infrastructure, development and building costs, is contributing to high house prices relative to income.

## Social impacts

High housing costs have significant social impacts, including increased overcrowding and homelessness, and insufficient income to pay for food and other essentials. Housing costs have been a key driver of increased need for hardship assistance from the Government. Over time, inadequate housing can have cumulative impacts on physical and mental health, and on education and labour market outcomes. Addressing housing costs, availability and quality will be an important part of the Government's commitments to end homelessness, reduce child poverty, and improve the wellbeing of children and young people in New Zealand.

Māori and Pacific peoples are disproportionately affected by inadequate housing, with impacts across generations. More than half of those in severe housing deprivation identify as being Māori or Pacific.

New Zealand's economic performance and productivity are also affected by high housing costs and poor urban environments: it becomes harder for people to move to find employment and for employers to attract people with the skills they need. This reduces the scope of potential benefits arising from our urban areas, and also makes it difficult to resource important public services, such as schools and health care, in major cities.

## Increasing pressures on public housing

Significantly more people have been applying for public housing in recent years. The number of people assessed by the Ministry of Social Development as being eligible for public housing and on the public housing register has increased from fewer than 4,000 in mid-2016 to over 12,000 in mid-2019.

## A snapshot of our housing and urban development system's performance

### Land prices are too high

Land values are highest in Auckland and Queenstown.

On average there is a \$206,722 difference in value for a 600m<sup>2</sup> section in Auckland depending on if it is zoned urban or rural.

### There is a nationwide housing shortage

The Ministry of Business, Innovation and Employment estimated a nationwide shortage of around 70,000 homes as of 1 June 2017 (of which around 45,000 are estimated to be in Auckland). This shortage of supply relative to demand has contributed to a large growth in prices, as well as increasing rents.

### There is increasing demand for rental homes

Over 70 percent of the additional 150,000 households formed over the past decade are likely to have become tenants and recent strong population growth has consolidated this strong demand for private rental accommodation.

### Car dependency is high and causing an increase in GHG emissions

All major urban centres have a car mode share of 70 percent or more. Tauranga is 99 percent.

Household greenhouse gas emissions increased 19.3 percent in the last decade, mainly due to rising emissions from road transport.





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### **Housing prices are rising**

Median house prices in Auckland were \$868,000 in October 2019, up 0.8 percent from October 2018.

Median prices across New Zealand were \$607,500 in October 2019, up 8.2 percent from October 2018.

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### **Income is not spatially equal nor growing as it should**

Over the last decade Wellington and Christchurch experienced weekly increases in discretionary income of \$137 and \$124 respectively, compared to Auckland which experienced a weekly decline of \$96.

While some 30 percent of Aucklanders earn over \$100,000 annually, the average income is \$76,500 and pockets are much lower. Māngere-Ōtāhuhu has an average income of \$59,900.

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### **Productivity is flat**

Our cities are not optimising their potential productivity. While faster growing and more productive than the New Zealand average, our major cities are not as productive as cities in other countries.

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### **Home ownership rates are falling**

Home ownership rates have fallen to the lowest levels in 60 years. Median New Zealand house price growth over the past five years was 41 percent, while median incomes have risen by 18 percent.

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### **Mobility around cities is slow and costly to the economy**

Between 2001-2013 the typical Auckland commute has increased in length by 10 percent and the time each commute takes has increased by over 20 percent.

Auckland alone loses \$1.3 billion a year in productivity to congestion.

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### **Māori are facing worse outcomes**

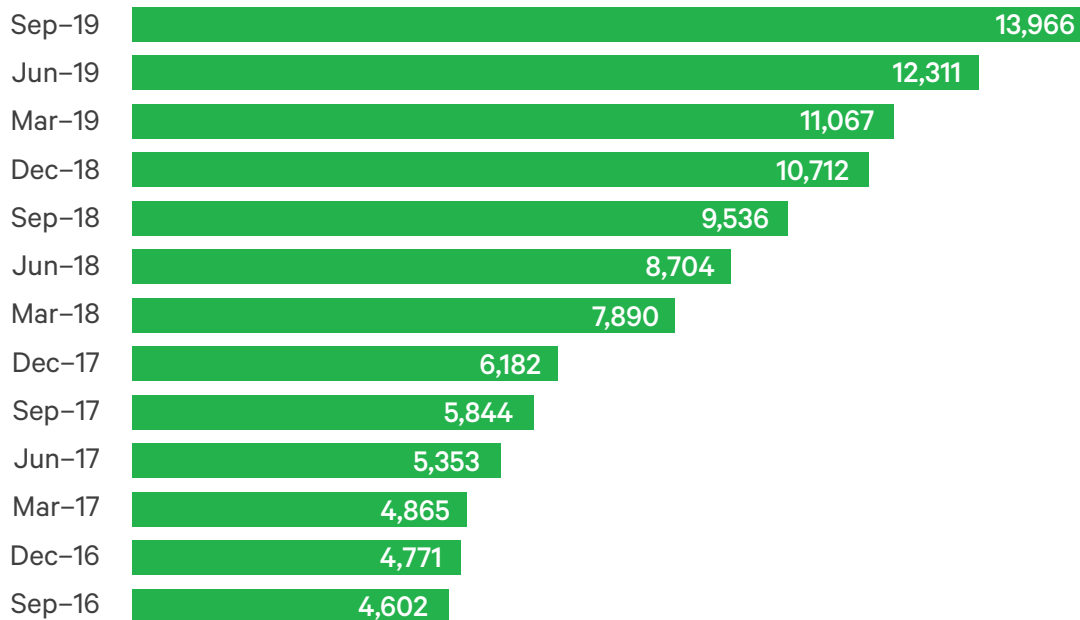
Māori are significantly more likely to be homeless, on the Housing Register, or in public housing than the general population. Of the individuals in severe housing deprivation, 32 percent are Māori.

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### **Homelessness is increasing**

The 46 percent increase in the number of people on the Housing Register over the last year and reliance on emergency special housing needs grants are key indicators of the pressure on our rental markets.

Figure 1: Growth in number of people applying for public housing



## Increasing levels of homelessness

The pressures on our rental markets are contributing to the growth of the public housing register and also to the increasing levels of homelessness.

Over recent decades homelessness has been increasing in the main urban centres around New Zealand. In the past decade this trend has spread to regional towns and cities. Māori and Pacific are disproportionately affected and increasing numbers of women and children are experiencing homelessness.



## Our legislated operating principles and policy settings

Our governing legislation, the Kāinga Ora–Homes and Communities Act 2019, sets out our operating principles (below), objectives (following page) and our functions (Annex A). Our operating principles will guide us as an organisation. They reflect our strong social mandate and the importance of environmental, cultural and heritage values in urban development.

### Our legislated operating principles<sup>1</sup>

<b>Public housing solutions that contribute positively to wellbeing</b>	<p>Provide good quality, warm, dry and healthy rental housing.</p> <p>Support tenants to be well connected to their communities, lead lives with dignity and the greatest degree of independence possible, and sustain their tenancies.</p> <p>Work with community providers to support tenants and ensure those most in need are supported and housed.</p> <p>Be a fair and reasonable landlord and treat tenants and their neighbours with respect, integrity and honesty.</p>
<b>Housing supply meets needs</b>	<p>Manage our housing stock prudently, upgrading and managing the portfolio to ensure it remains fit for purpose.</p> <p>Ensure that housing developed is appropriately mixed (public, affordable and market) and is of good quality.</p>
<b>Well-functioning urban environments</b>	<p>Ensure our urban development contains quality infrastructure and amenities that support community needs.</p> <p>Assist the communities in which we operate housing to develop and thrive as cohesive and safe places to live.</p>
<b>Stewardship and sustainability</b>	<p>Identify and protect Māori interests in land, and recognise the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga.</p> <p>Operate in a manner that recognises environmental, cultural and heritage values and the need to mitigate and adapt to the effects of climate change.</p>
<b>Collaboration and effective relationships</b>	<p>Partner and have early and meaningful engagement with Māori and offer Māori opportunities to participate in urban development.</p> <p>Partner and engage meaningfully and early with other people and organisations, including with communities affected, or to be affected, by housing and urban development, so we can:</p> <ul style="list-style-type: none"><li>• grow capability across the housing and urban development sector</li><li>• help people into home ownership.</li></ul> <p>Optimise alignment and synergies through our multiple functions to support inclusive, integrated housing and urban development.</p>

1. Based on clause 14 of the Kāinga Ora–Homes and Communities Act 2019.

**Our operating context**

Our operating principles and policy settings recognise the increased expectations on Kāinga Ora to be a fair and reasonable landlord, prioritise tenants’ wellbeing and treat tenants with integrity and respect.

These principles and policy settings will also ensure that across all parts of Kāinga Ora we consistently dedicate our effort to where it will have the greatest effect, and where we can, and must, work with others in the sector to provide the best outcomes.

Our policy settings	Origin
<p><b>Kāinga Ora – Homes and Communities legislation</b></p> <p>Legislation sets out our objectives and operating principles. Legislation requires us to contribute to sustainable, inclusive and thriving communities that:</p> <ul style="list-style-type: none"> <li>• provide people with good quality, affordable housing choices that meet diverse needs</li> <li>• support good access to jobs, amenities and services</li> <li>• sustain or enhance the overall economic, social, environmental and cultural wellbeing of current and future generations.</li> </ul>	<p>Kāinga Ora–Homes and Communities Act 2019</p>
<p><b>Government Policy Statement on Housing and Urban Development (GPS-HUD)</b></p> <p>The GPS-HUD will promote a housing and urban development system that contributes to the wellbeing of New Zealanders. The GPS-HUD will allow the Government to set out its overall direction and priorities for the whole housing and urban development sector, and how it expects Kāinga Ora and other agencies to meet them. Kāinga Ora will be expected to ‘give effect’ to the GPS. The GPS-HUD will have a long-term outlook and will be developed by HUD in consultation with stakeholders.</p>	<p>Kāinga Ora–Homes and Communities Act 2019. Part 2 sets out requirements for the GPS-HUD</p>

Our policy settings	Origin
<p><b>Ministers’ Letters of Expectations</b></p> <p>These letters set out the Government’s direction for Kāinga Ora. They embed a focus on wellbeing, taking a whole of government approach, looking at intergenerational outcomes and moving beyond narrow measures. Key expectations are that Kāinga Ora will:</p> <p><b>Support the Government’s key priorities</b></p> <ul style="list-style-type: none"> <li>• Provide world class public housing to ensure good quality, warm, dry and healthy rental housing.</li> <li>• Place tenants, their whānau and families at the centre of what we do, treating them with respect, integrity and honesty, and supporting them to be well connected to their communities.</li> <li>• Prevent and reduce homelessness and reduce reliance on motels as emergency housing.</li> <li>• Deliver quality state houses in line with Budget 2018 decisions and play a key role in implementing the Government’s build programme, to deliver more affordable housing and to make affordable housing more widely available through additional support to households.</li> <li>• Facilitate large urban development projects to deliver homes where they are needed and where they are not being provided by the private market, to ensure a diverse mix of public, affordable and market housing.</li> <li>• Work through partnerships and collaboration and play the role expected of a Treaty partner to protect and enhance Māori interests.</li> <li>• Build partnerships and collaborate with others to deliver on housing and urban development opportunities, including working with iwi, Māori land owners, community housing providers, private developers, and local councils.</li> </ul> <p><b>Build the foundations for future success</b></p> <ul style="list-style-type: none"> <li>• Develop a strong working partnership with HUD and ensure our strategies and operating model are in full alignment with the Government’s housing priorities.</li> <li>• Work with HUD to review our current and long-term funding and financing requirements to ensure we will deliver the Government’s housing priorities.</li> </ul> <p>Further direction will be issued to Kāinga Ora via an updated Letter of Expectations in 2020. This will guide development of our next set of accountability documents, including our Statement of Performance Expectations 2020/21.</p>	<p>Minister of Housing 2019/20 Letter of Expectations</p> <p>Minister of Finance and Minister of State Services, Enduring Letter of Expectations for Statutory Crown Entities, October 2019</p>





He Ara Waiora

A pathway  
towards  
wellbeing





## Our Outcomes Framework

Our Outcomes Framework defines the housing and urban development outcomes we contribute to. Our outcomes are based on our role and our operating context. Collectively these outcomes aim to enhance New Zealanders' wellbeing, housing, and urban environments for current and future generations. The Outcomes Framework guides our strategy development, our decision making, and the services we deliver.

These outcomes are interim and open for feedback, as we develop the understanding of our role under the development of legislation as well as the Government Policy Statement on Housing and Urban Development.

Housing and urban development outcomes contribute to:		Social, economic, environmental and cultural wellbeing
High-level outcomes	Intermediate outcomes – we are on track to achieve our high-level outcomes when we see:	
<b>Sustainable, inclusive and thriving communities support good access to jobs, amenities and services</b>	<p>Access: communities, iwi and hapū in high-quality homes and neighbourhoods that have access to education, employment, social infrastructure, amenity, and services that support their wellbeing.</p> <p>Iwi, hapū and whānau develop strong Māori communities on whenua.</p>	<p>Connection and participation: communities, iwi and hapū connect through social networks that are inclusive and diverse, sharing experiences, spaces, and a sense of belonging, safety and identity.</p> <p>Voice and influence: communities, iwi and hapū are engaged and feel understood, supported and are enabled in shaping their surrounding environments and in relation to urban development.</p>
<b>Good quality, affordable housing choices meet diverse needs</b>	<p>Good quality homes through good asset stewardship: our homes are safe, warm, dry, healthy and designed to support a diverse range of needs and choices.</p> <p>Land is used effectively, efficiently and sustainably to provide homes and more liveable communities for Māori and all people across generations.</p>	<p>Commissioned public housing supply responds to customer needs.</p> <p>People and whānau have access to homes they can afford.</p> <p>People and whānau are supported to transition to greater housing independence.</p>
<b>Partnering with Māori ensures Māori interests are protected and their needs and aspirations are met and allows Kāinga Ora to fulfil its obligations in respect of Te Tiriti o Waitangi</b>	<p>Māori aspirations to develop and deliver opportunities on their whenua and participate in urban development are understood, supported and enabled so as to sustain future generations.</p> <p>Whānau aspirations and wellbeing are enabled by a strengths-based approach.</p>	<p>Māori are engaged with early on and in a meaningful way, and their interests are identified and protected.</p> <p>Kāinga Ora’s obligations in respect of Te Tiriti o Waitangi and related legislation are fulfilled.</p>

**All our outcomes are supported by →**

<b>Strong, accountable leadership and clear strategic direction</b>	<b>Capable and engaged staff</b>
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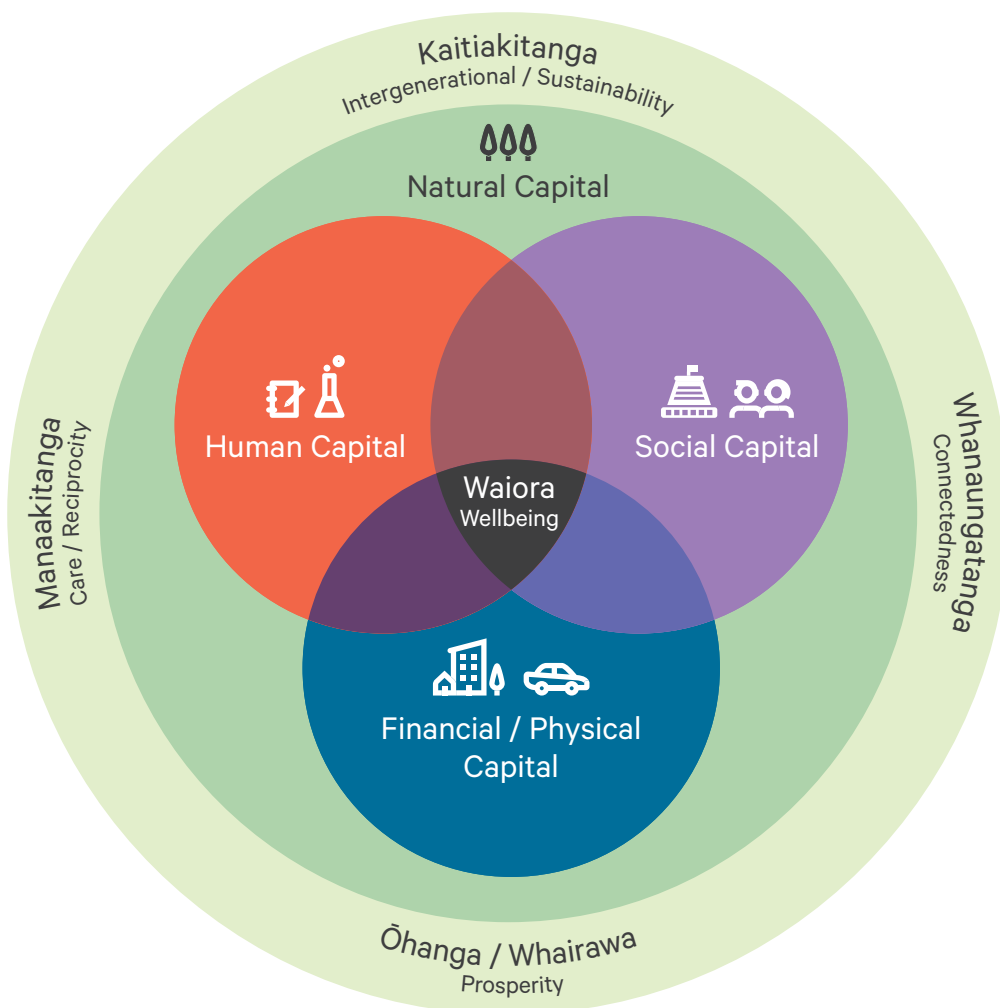


Housing and urban development outcomes contribute to:		Social, economic, environmental and cultural wellbeing	
High-level outcomes	Intermediate outcomes – we are on track to achieve our high-level outcomes when we see:		
<b>Our public housing customers live well in their homes with dignity, stability, and the greatest degree of independence possible</b>	<p>Stability: our public housing customers have stable accommodation that enables them to remain in their homes for as long as they need.</p> <p>Feeling safe and secure: our public housing customers feel safe and secure in their homes and communities.</p>	<p>Culture, connection, participation: our public housing customers are connected to their cultures and communities, and participate in community life.</p> <p>Independence: our public housing customers have the skills, support and confidence to have greater control over their lives and wellbeing.</p>	
<b>Environmental wellbeing is enhanced and preserved for future generations</b>	<p>We own and deliver environmentally sustainable assets.</p> <p>Our assets and communities are resilient to environmental shocks.</p> <p>Our customers and communities are empowered to live in an environmentally sustainable way.</p>	<p>Our operations are environmentally sustainable.</p> <p>Māori are recognised as Kaitiaki of Te Taiao and enabled to exercise their responsibilities in sustaining and protecting the environment.</p>	
<b>System transformation is catalysed and delivered</b>	<p>Authentic and strategic partnerships shape the system, including with iwi and Māori organisations, investors, local government and all stakeholders.</p> <p>Future-focused planning and regulation support the system to respond to market demand .</p> <p>Innovation is adopted in the housing sector.</p>	<p>Capacity and resource in the system are unlocked to enable new housing delivery.</p> <p>The private sector has confidence and certainty about the public sector’s contribution to urban development and how to invest and engage in opportunities.</p> <p>Sustainable master-planned development is delivered at quality, pace and scale, and catalyses ideas, insights and innovation.</p>	

<b>Good information management and systems and processes</b>	<b>Good financial and resource management</b>
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Our outcomes can be linked to the wellbeing frameworks being developed by the Government. These include the wellbeing domains and the four capitals of the Living Standards Framework. The Treasury and Te Puni Kōkiri have been making further progress in considering wellbeing from an indigenous perspective, and with a focus on wellbeing for Māori specifically<sup>2</sup>. An initial framework is shown in Figure 2. The Government’s thinking continues to develop in considering wellbeing of individuals, whānau and communities. We will incorporate the current guidance where relevant into our organisational settings and development.

**Figure 2: He Ara Waiora / A Pathway Towards Wellbeing<sup>3</sup>**



2. NZ Treasury (2019) An Indigenous Approach to the Living Standards Framework <https://treasury.govt.nz/publications/dp/dp-19-01>

3. NZ Treasury (2018) He Ara Waiora/A Pathway Towards Wellbeing <https://treasury.govt.nz/publications/dp/dp-18-11>







Tō tātou kī  
matua waahi  
ki tutuki tātou  
putanga

**Our key areas  
of focus to  
achieve our  
outcomes**





Our key areas of focus show how we are responding to our operating context and desired outcomes through our functions and operations.

## **Wellbeing approach**

The Government expects Kāinga Ora and other public agencies to take a wellbeing approach to their strategic directions, services and activities, and holistic contribution to society. This broad approach enriches our mandate to achieve better housing and overall social outcomes for our tenants, neighbourhoods and communities.

We will build on previous work to strengthen and embed the wellbeing approach to our strategic planning, performance reporting, and service delivery, and to our evaluation and research. Our Outcomes Framework sets out how our work improves wellbeing and supports other agencies to improve the wellbeing of New Zealanders.



## Māori aspirations and interests

Our legislation clearly outlines the expectations for Kāinga Ora to understand, support and enable Māori aspirations in urban development and to protect and support Māori interests. We will deliver these key functions by providing for early and meaningful engagement with Māori on urban development and will actively pursue opportunities for Māori to partner and participate.

Our Board has a specific duty to ensure that in our new urban development role Kāinga Ora upholds Te Tiriti o Waitangi and its principles, understands and applies the Te Ture Whenua Māori Act 1993, engages with Māori and understands Māori perspectives.

Where Kāinga Ora holds or controls land subject to Right of First Refusal (RFR), we will engage with the RFR holder to identify opportunities to work together.

Where Māori wish to develop land, we will take a partnership approach to create communities that contribute to He Ara Waiora/A Pathway Towards Wellbeing – for whānau, hapū and iwi.

A key priority will be to build our capabilities to partner with and for Māori. Through partnerships we will contribute to protecting Māori interests and enabling Māori aspirations in housing and urban development.

We will develop a Māori Capability programme and ensure that an authentic Te Ao Māori lens is developed to guide Kāinga Ora and the work we will deliver.

## Other partnerships

Kāinga Ora will not be able to deliver a step change in housing and urban development outcomes on its own – we will be a partnership-focused organisation, working with and supporting others wherever possible.

We will take a whole of government approach in developing options and strategies to respond to New Zealand's housing and urban development priorities. We will focus on partnering with iwi and Māori, local communities, councils, private developers, community housing providers, infrastructure providers and others to facilitate and deliver urban development and regeneration projects.

We will strengthen our capabilities and develop our strategies and investment plans to ensure we fulfil these responsibilities.

## Homelessness

We will work in close partnership with a range of government agencies, iwi, Māori, and community agencies to address the issue of the increasing number of people who are homeless.

Kāinga Ora will play a critical role in supporting the Government's goal of ending homelessness, collaborating to design prevention initiatives to stop homelessness from occurring, and reducing reliance on emergency housing. We will deliver an increased supply of quality state, transitional and supported houses and will play a key role in implementing the Government's build programme, to increase the supply of affordable housing and to make affordable housing more widely available through additional support to households.

## **Inclusive and strong communities**

Communities around New Zealand need solutions that work for them and address the specific challenges they face. While communities differ in scale between the regions and cities, all New Zealanders need healthy, secure and affordable homes.

We will engage early and fully with local communities to understand what is special about every area where we work. We will take a place-based approach to create local solutions that meet the diverse needs and aspirations of local communities.

## **Environmental sustainability**

New Zealand faces a number of environmental challenges such as climate change and threats to biodiversity. These challenges are particularly relevant in the context of the Treaty partnership and addressing these matters has significance for Crown-Māori relations and Māori aspirations and outcomes. The natural environment is of direct interest to and highly significant for Māori and is intrinsically linked to their identity and wellbeing. Māori are Kaitiaki of Te Taiao, which they have worked for generations to protect, enhance and sustain.

Our governing legislation reflects these commitments. It requires Kāinga Ora to contribute to sustainable, inclusive and thriving communities that enhance the overall economic, social, cultural and environmental wellbeing of current and future generations. Specifically, we are required to operate in a way

that recognises the need to mitigate and adapt to the effects of climate change, and the Urban Development Bill will require us to enable the delivery of low emission urban environments.

Our Environment Strategy recognises that Kāinga Ora is uniquely placed to contribute towards the Government's environmental objectives. The scale of our construction activity and the significant number of New Zealanders we serve mean we must lead by example.

## **Urban development**

New Zealand is becoming increasingly urban, with more people living in cities and towns than ever before. Traditionally our towns and cities have grown by turning neighbouring rural land into suburban homes. Development of existing urban areas is often difficult, risky and hard to coordinate. It can be hampered by poor quality, ageing or at-capacity infrastructure, and fragmented land ownership.

Over the last decade we have gained expertise as a lead developer for large-scale urban development projects, with capabilities in master planning and investing in infrastructure and community amenity. We have worked alongside tangata whenua to deliver outcomes for Māori in urban development and develop strong partnerships across the organisation. We have learned a lot about building a wider range of homes and increasing the urban density of a community while ensuring it is still a great place to live and work, and will use this capability to address urban development challenges and deliver to our broader outcomes.

## Government build programme

A key response to the housing system challenges is the Government's ambitious build programme to increase the supply of affordable housing and secure rentals in areas facing housing pressures, through changes announced in September 2019. Kāinga Ora will play a leading role in implementing these changes.

Home ownership opportunities have been extended through changes to the products that we administer, such as First Home grants and loans, which means more New Zealanders will be able to purchase their own home.

The changes will refocus where we build, what we build and how we build. This will involve a more regional approach informed by underlying demand and need and a tailored development plan matched to specific need, for example tailored mixes of transitional, public and affordable housing, and realising opportunities for iwi and Māori housing projects.

The Urban Development Bill will strengthen Kāinga Ora's ability to enable and deliver the Government build programme. We will coordinate the build programme through a mix of:

- **enabling** – e.g. using non-financial levers such as facilitating consenting for housing and urban developments
- **catalysing** – e.g. underwriting projects
- **delivering** – providing housing, urban infrastructure and community spaces such as the Auckland and Porirua urban regeneration projects.

## Asset renewal and realignment

Our organisation is currently facing a significant asset renewal and realignment requirement. The changes to our settings and our tenant base over the years, combined with the average age of our homes (45 years), have two fundamental implications:

- There is a significant mismatch between supply and demand, with an over-supply of three-bedroom public housing and an under-supply of the types of public housing our current tenants need.
- Many of our houses are nearing the end of their economic and/or functional life (approximately 40 percent of our current housing portfolio was built before 1966). We need to replace or renew 60 percent of our portfolio within the next 20 years.

Our redevelopment and retrofit investment programmes will look at opportunities to right-size our housing portfolio and reduce the number of our assets at the end of their functional life.

## Support for our tenants to live well

As a public housing landlord our overarching goal is to ensure we are doing all we can to help meet the diverse needs and aspirations, and improve the wellbeing, of our tenants, their whānau and families. We have a Customer Strategy and action plan based on our engagement with the people who live in Kāinga Ora homes as we seek to understand their circumstances so we can tailor our services to respond to their needs.



For our tenants who are relatively independent or have low support requirements, we will continue providing fit-for-purpose services and housing responses that enable them to live well in their homes and communities. This means drawing on our knowledge, technology and relationships, and working closely with the people we serve.

For our tenants who need more support to live well, we will provide tailored services and housing solutions. For example, our Accessibility Policy, developed through extensive consultation with people who live with access issues, service providers, and wider stakeholders, will help meet the needs of our tenants with specific mobility and physical access requirements. We will incorporate this into our long-term asset development and renewal programmes.

## Foundations for success

We have prioritised the safety and wellbeing of our people during a period of significant change. We have worked to give our people a sense of connection and belonging to Kāinga Ora, inspired by our purpose and engaged with our new organisation. We have solid organisational foundations and highly capable people. We will build on these strengths to set ourselves up for future success.

Kāinga Ora is committed to a systematic approach to identify opportunities to make regular improvements to all facets of our services and our work. This approach puts our people at the centre of the initiatives and provides them with a range of training, tools and collegial support.

Underpinning our commitment to our deliverables is a strong and sustained focus on our organisational health and capability. This means we need to:

- attract and retain highly capable and engaged people
- be strategy driven
- have good financial and resource management
- ensure effective risk management and assurance, operate with transparency, and manage our reputation
- prioritise health, safety and security.

Each of these areas is fundamental to the way we operate and we will develop a comprehensive plan to address them as part of our Organisational Strategy.



Tō tātou  
kī matua  
kaawaha mo  
2019/20

Our key  
deliverables  
for 2019/20







Our key deliverables for 2019/20 align with the Government’s housing and urban development priorities and the Minister of Housing’s Letter of Expectations and are grouped to mirror our operating principles as set out in the Kāinga Ora–Homes and Communities Act 2019. Our Statement of Performance Expectations for 2019/20 describes our deliverables in greater detail. Our longer-term deliverables will be planned and updated as part of development of our Organisational Strategy.



### Key deliverables for 2019/20

#### Public housing solutions that contribute positively to wellbeing

Implement our Customer Programme and place whānau and families at the centre of our work.

Contribute to the cross-agency programme to reduce reliance on motels as emergency accommodation, by delivering an increased supply of quality public, transitional and supported housing.

Implement Maintenance 2020 programme and new healthy homes standards to provide good quality, warm, dry and healthy rental housing.

Implement our Retrofit programme to modernise our older homes to meet the needs of our tenants.

Implement our Accessibility Policy, providing homes that more effectively meet our customers' current and future needs.

Support skills training and stimulate apprenticeships through our building and maintenance programmes.

Identify and deploy innovative products and technologies to improve the lives of our tenants and to build thriving communities.

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#### Housing supply meets needs

Deliver at least 70 percent of the Government's Public Housing Plan, which seeks to increase public housing by 6,400 places by June 2022.

Deliver large-scale projects with public, affordable and market housing.

Support people into first home ownership, including through the provision of First Home grants and loans.

Use offsite manufacturing to reduce build costs, enable faster, safer and more predictable procurement, and save time and cost of delivery.

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#### Well-functioning urban environments

Plan the next stages of large-scale projects including at Hobsonville, Northcote, Mangere, Mt Roskill, Tamaki and Eastern Porirua.

Plan new approaches to fit our broad urban development role and the opportunities the new urban development legislation will provide.

Develop a strategy to identify and assemble large and/or strategically placed parcels of land, and to provide quality intensification, great urban design and affordable housing.

Work closely with HUD, as lead agency for regional spatial planning, to align our planning for specified urban development areas.

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## Key deliverables for 2019/20

### **Stewardship and sustainability**

Implement our Environment Strategy, to reduce emissions and waste produced by our construction programme and operational areas and build greener communities.

Work with HUD and the Treasury on sustainable funding and financing to enable Kāinga Ora to fulfil its role, and to provide for long-term planning and long-term construction contracts.

### **Collaboration and effective relationships**

Develop and embed Māori capability across our organisation to support Māori aspirations and meet our legislative obligations.

Partner with iwi and Māori to identify, protect and support Māori interests and aspirations in relation to land, sites, wāhi tapu, and other taonga.

Provide input to the development of the Urban Development Bill, the GPS-HUD, and other policy initiatives led by HUD and other agencies.

Work with government and community agencies to assist the communities in which we operate housing to develop and thrive as cohesive and safe places to live.

Partner with community housing providers to support and house those most in need.

Undertake research on key priority areas and evaluations of our services, pilots and trials, and collaborate with HUD and other agencies on joint research projects where appropriate.



Whakāhu  
whakamua  
**Measuring  
our progress**







High-level indicators to track our progress are set out on the following pages.

## Housing supply meets needs

Purpose	Indicator	Indicator type	Target by June 2023	Actual 2017/18	Actual 2018/19
Increase the number of Kāinga Ora homes	Grow Kāinga Ora public housing managed stock	★	4,480 by June 2022 <sup>4</sup>	435	1,223
Renew Kāinga Ora homes	Average proportion of our public housing stock renewed per annum over the four-year period	★	> 2.4% per annum	0.8%	1.0%
Contribute to the affordability and accessibility of the wider housing market	Average age of our homes	★	42.8 years	45.3 years	45 years
	Number of new homes enabled or constructed for sale on land owned or previously owned by Housing New Zealand or Kāinga Ora	★	> 3,600	259	294

4. Target as per the Public Housing Plan 2018-2022.

## Public housing solutions that contribute positively to wellbeing

Purpose	Indicator	Indicator type	Target by June 2023	Actual 2017/18	Actual 2018/19
Ensure our services meet our customers' needs	Percentage of our customers who are satisfied with the services we provide	★ ★	85%	76%	77%
Ensure our homes meet the needs of our public housing customers	Percentage of surveyed lettable public housing properties that meet or exceed the baseline standard <sup>5</sup>	★	95%	93% <sup>6</sup> (90%)	93%
	Percentage of our customers who are satisfied with their Kāinga Ora home	★ ★	85%	79%	79%
	Percentage of homes that meet tenant bedroom requirements	★ ★	>80%	76%	75%
Ensure our public housing customers feel safe and secure in their homes and communities	Percentage of our customers who feel safe in their home	★ ★ ★	75%	65.4%	67.6%
	Percentage of our customers who feel safe in their neighbourhood	★ ★ ★	75%	68.3%	67.6%
Sustain tenancies for customers in need	Percentage of new customers who sustain their tenancy for 12 months or more	★ ★	95%	90.5%	92.5%

### Key to indicator type:

- ★ Direct Kāinga Ora output measure
- ★ ★ Outcome indicator that Kāinga Ora has strong influence over
- ★ ★ ★ Outcome indicator that Kāinga Ora only has an indirect influence over

5. The baseline for this measure has been set at less than 3.5. This means that 93 percent of our properties are rated at less than 3.5, where 1 is the highest rating and 5 is the lowest rating.

6. The 2017/18 desktop results were restated using an improved desktop model, more accurately reflecting actual property condition. This is the restated 2017/18 result.



## Broader measures of success

Measuring and reporting on progress in achieving our strategy will be a key part of its success. An open and transparent approach allows our stakeholders to see what we're doing to create value for New Zealanders and how we've done it.

Over 2019/20 we will develop further measures to assess our long-term progress in delivering outcomes that contribute to wellbeing, alongside specific activities and targets set out each year in our Statement of Performance Expectations. We will work closely with HUD and others to develop appropriate measures.

We expect the Government's housing and urban development policies, and Kāinga Ora's programmes and projects, will continue to evolve and improve as they are delivered. We also expect our Outcomes Framework and measures will evolve and improve over time.

We recognise that embedding a wellbeing approach will take time, but we are committed to making significant progress. Our first Statement of Intent marks the start of this process.





## Annex A: Functions of Kāinga Ora–Homes and Communities<sup>7</sup>

### (1) The functions of Kāinga Ora–Homes and Communities are the following:

#### Housing

- (a) to provide rental housing, principally for those who need it most:
- (b) to provide appropriate accommodation, including housing, for community organisations:
- (c) subject to subsection (2),—
  - (i) to provide people with home-related financial assistance; and
  - (ii) to make loans, or provide other financial assistance, to local authorities and other entities for housing purposes:
- (d) to give people (including people on low or modest incomes who wish to own their own homes) help and advice on matters relating to housing or services related to housing:
- (e) to provide housing or services related to housing as agent for the Crown or Crown entities:

#### Urban development

- (f) to initiate, facilitate, or undertake any urban development, whether on its own account, in partnership, or on behalf of other persons, including—
  - (i) development of housing, including public housing, affordable housing, homes for first-home buyers, and market housing:
  - (ii) development and renewal of urban environments, whether or not this includes housing development:
  - (iii) development of related commercial, industrial, community, or other amenities, infrastructure, facilities, services, or works:

- (g) to provide a leadership or co-ordination role in relation to urban development, including by—
  - (i) supporting innovation, capability, and scale within the wider urban development and construction sectors:
  - (ii) leading and promoting good urban design and efficient, integrated, mixed-use urban development:
- (h) to understand, support, and enable the aspirations of communities in relation to urban development:
- (i) to understand, support, and enable the aspirations of Māori in relation to urban development:

#### Other

- (j) any regulatory functions conferred or imposed on Kāinga Ora–Homes and Communities by or under any other enactment (e.g. if entered on an appropriate register to do so):
- (k) any other functions conferred or imposed on Kāinga Ora–Homes and Communities by or under this Act or any other enactment.

### (2) The function in subsection (1)(c) applies only to the extent that—

- (a) Kāinga Ora–Homes and Communities acts on behalf of the Crown; or
- (b) the assistance is—
  - (i) authorised by regulations made, or an approval given by the Ministers, for the purpose of the restrictions in sections 161 to 164 of the Crown Entities Act 2004; or
  - (ii) not of a type to which those restrictions apply.

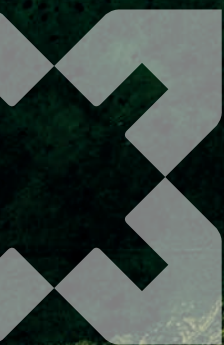
7. As set out in clause 13 of the Kāinga Ora–Homes and Communities Act 2019.





Nāu te rourou, nāku te  
rourou, ka ora ai te iwi

**With your contribution  
and mine, the people  
will prosper**







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