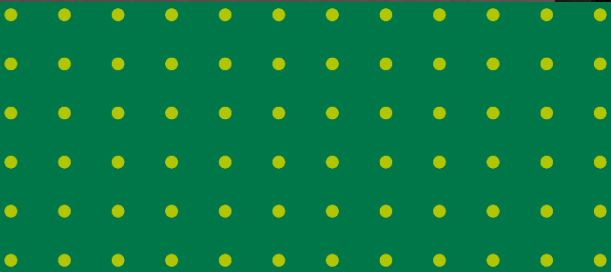




Kāinga Ora Strategy 2030

Shaping our future

Approved October 2022



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Kāinga Ora Strategy 2030

Shaping our future

Our Vision

Building better, brighter homes, communities and lives.

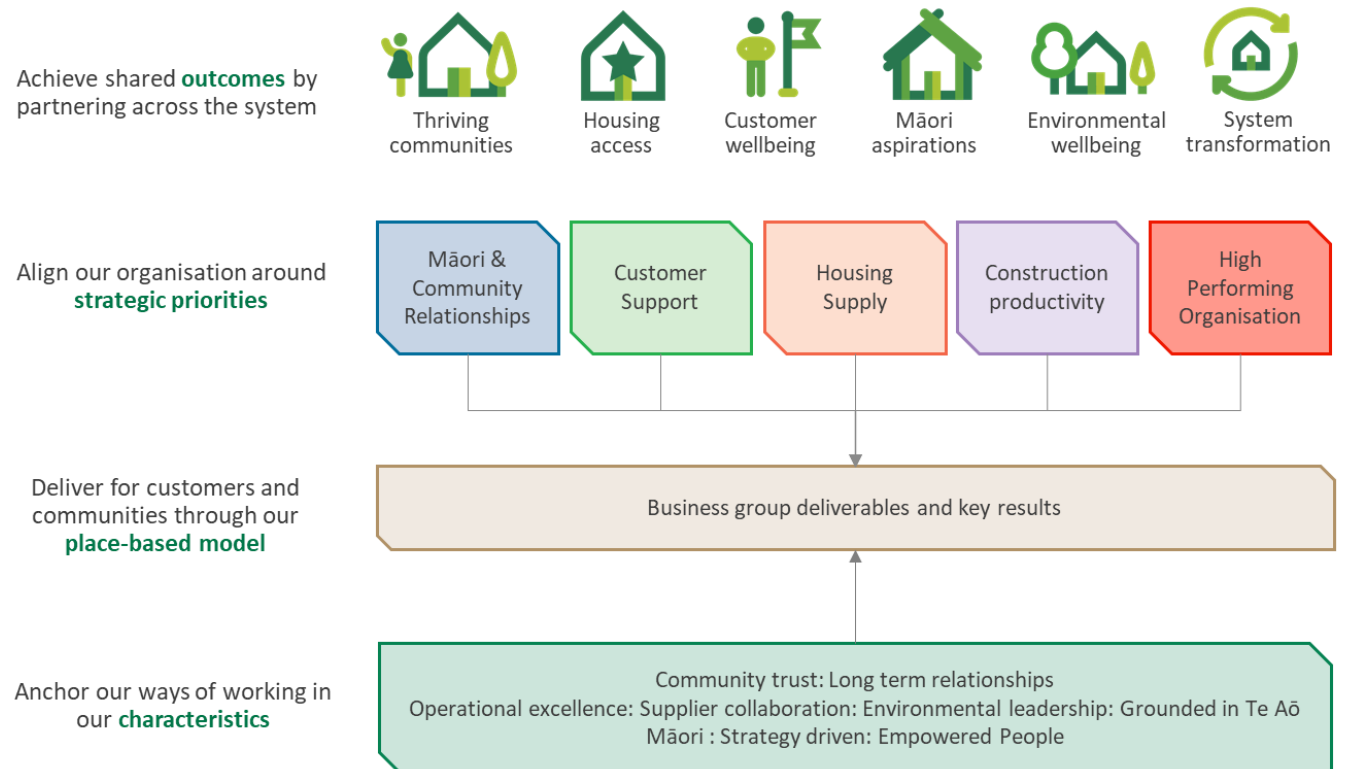
He oranga kāinga
he oranga hapori
he oranga tāngata

Our Values



Our Strategy

Contribute to sustainable, inclusive, and thriving communities by shaping the Housing and Urban development system



Our context

Our context is defined by legislation, government expectations and market conditions



Legislation and government expectations

Kāinga Ora - Homes and Communities is a crown entity established under the Kāinga Ora - Homes and Communities Act 2019. We hold additional powers, rights, and responsibilities under the Urban Development Act 2020.

In addition to our governing legislation, the Government direction and priorities for Kāinga Ora are set out in the Minister of Housing’s annual Letter of Expectations and the Minister of Finance and Minister of State Services’ Enduring Letter of Expectations for Statutory Crown Entities. These directives embed a focus on wellbeing, taking a whole-of-government approach, looking at intergenerational outcomes, and moving beyond narrow measures to define success.

The Government Policy Statement on Housing and Urban Development (GPS-HUD¹) provides both a high-level policy framework and explicit expectations that Kāinga Ora must give effect to in accordance with our governing legislation. MAIHI Ka Ora - National Māori Housing Strategy 2021-2051 was introduced in October 2021 alongside the GPS-HUD. It was co-designed with Māori and focuses on shared priorities and how both Māori and government intend to address them. MAIHI Ka Ora and the GPS-HUD sit alongside each other to shape the housing and urban development system and set the vision for all housing in Aotearoa New Zealand.

Government Policy Statement on Housing and Urban Development 2021	MAIHI Ka Ora—National Māori Housing Strategy 2021-2051
<p>Vision Everyone in Aotearoa New Zealand lives in a home and within a community that meets their needs and aspirations</p>	<p>Vision All whānau have safe, healthy affordable homes with secure tenure, across the Māori housing continuum</p>
<p>Outcomes</p> <ul style="list-style-type: none"> • Thriving and resilient communities • Wellbeing through housing • Māori housing through partnership • An adaptive and responsive system 	<p>Shared priorities</p> <ul style="list-style-type: none"> • Māori crown partnerships • Māori-led local solutions • Māori housing supply • Māori housing support • Māori housing system • Māori housing sustainability

Market context

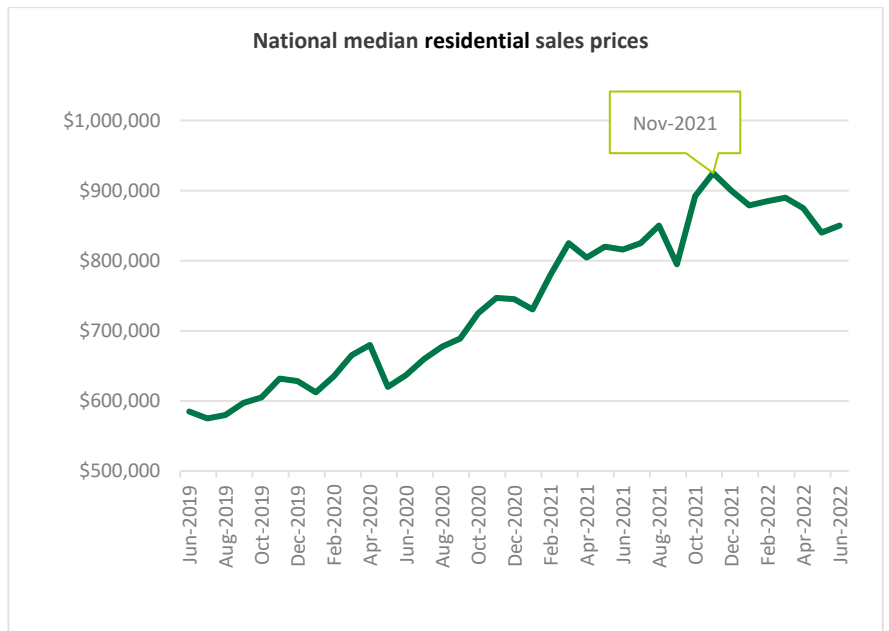
New Zealand’s housing and urban development sector is influenced by global, national and local factors. Globally, access to capital and the cost of building materials have a direct impact on the supply of new houses in New Zealand. National monetary policy and legislation impacts upon the availability of credit, setting of mortgage rates and influences the ability to provide infrastructure in support of housing. At a local level, planning policy has a strong influence on where and when houses can be built.

¹ <https://www.hud.govt.nz/urban-development/government-policy-statement-gps/>

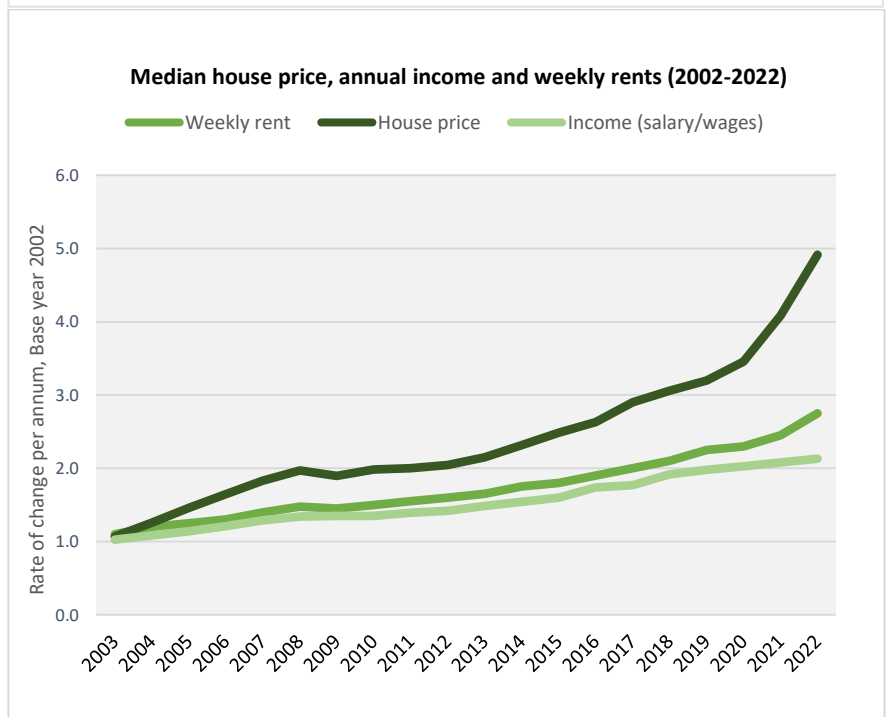
While the supply of newly constructed houses has risen steadily in recent years, the housing system is under pressure to provide the extra homes needed to meet demand. A recent moderate decline in historically high house prices has not alleviated the housing situation for many living in this country. Ongoing challenges in the urban development environment mean that supply has not yet caught up with demand for housing, keeping property prices high and affordable housing out of reach for many New Zealanders.

Recent trends in New Zealand

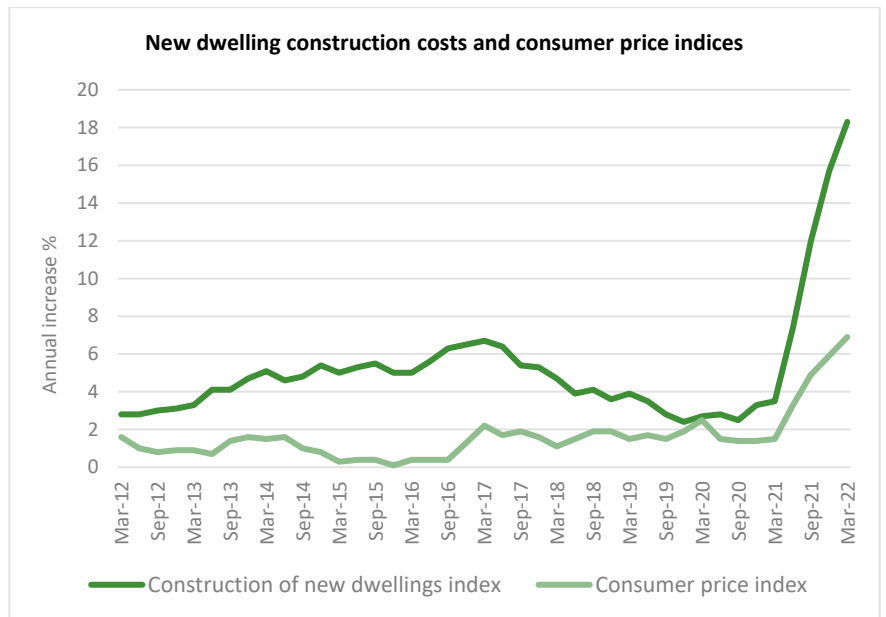
1. National median sales prices peaked in November 2021 at \$925,000. House prices have recently dropped by moderate levels compared with previous increases.



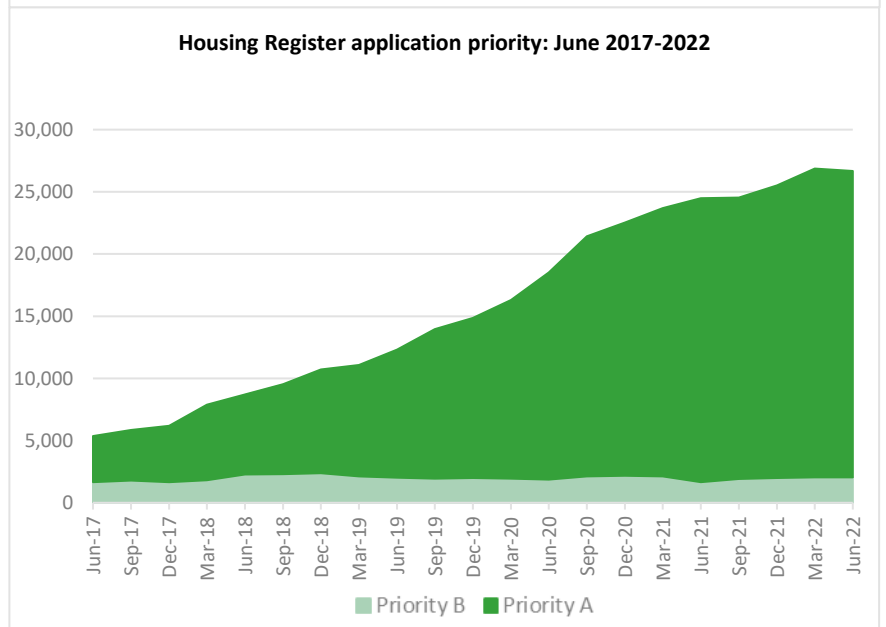
2. House prices have increased faster than incomes, leading to a lack of affordability for both renters and home owners. The latter are currently challenged by rising interest rates on mortgages.



3. Construction costs for new dwellings have increased, alongside the cost of everyday goods and services. Construction costs rose by 18% in the year to March 2022.



4. There is significant and growing demand for public housing with around 27,000 applicants on the current housing register.



Our place-based approach

Pressures on the housing system are not evenly distributed between different places, communities and individuals. For example, home ownership rates for Māori are significantly lower than the national average, while Pasifika are more likely than other ethnic groups to experience severe housing deprivation. Housing located in flood prone areas or near the coast is exposed to a particular set of climate risks.

Our research shows that housing outcomes are interrelated: someone in warm, dry and secure housing is likely to also experience positive health and employment outcomes. Acknowledging the complexities of this context and its impact on different communities and places is the reason Kāinga Ora takes a ‘place-based’ approach to its work.

Our vision for the future

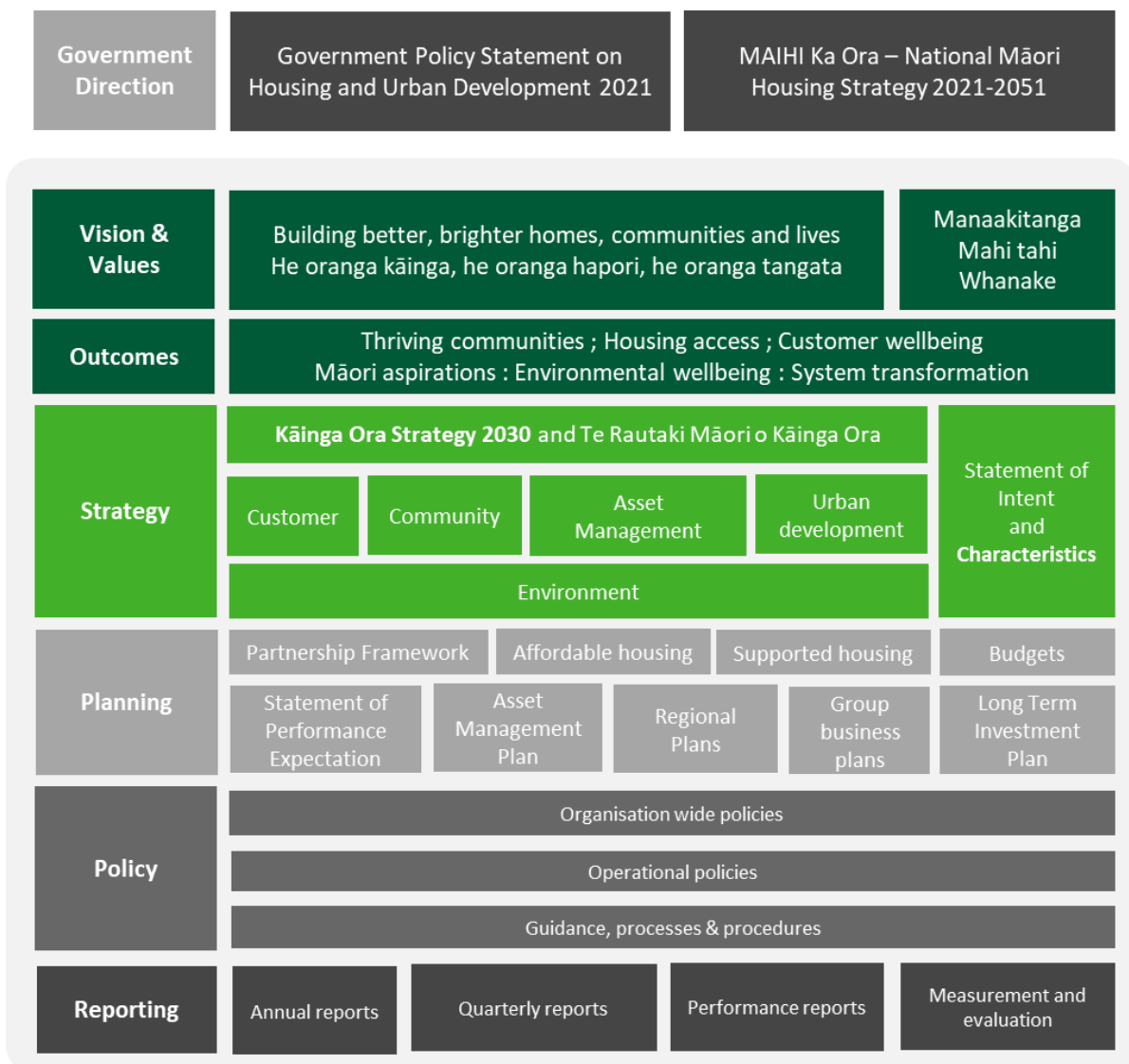
Building better, brighter homes, communities and lives
He oranga kāinga, he oranga hapori, he oranga tāngata



Our strategic planning framework

Kāinga Ora has a large and multi-dimensional mandate. Approximately 200,000 customers and their whānau currently live in our public homes. We are an urban development agency, a builder of public, affordable and market housing and an administrator of numerous funds and programmes on behalf of the Government.

We take strategic direction from Government through the GPS-HUD and MAIHI Ka Ora. These two documents have been designed to work together, ensuring cohesive and consistent approaches with reinforcing actions and goals. At Kāinga Ora, we have a crucial part to play in delivering the intent of both documents. Our vision of “building better, brighter homes, communities and lives” is the link between this government direction, our long-term organisation outcomes and our medium-term strategies.



Our outcomes

Delivering on our vision begins with a deep understanding of communities and the challenges they face right across Aotearoa New Zealand. Every day, in everything we do, we think about who is impacted, what we need to achieve, who we should inform, and how we work with others. Achieving our vision also requires us to take a system wide approach. This means establishing joined-up goals and partnering with like-minded organisations. We want to establish a commonly agreed upon set of indicators between partners that reflect a shared understanding of problems, goals and strategies and ensures greater alignment among all partners about what is important and what matters most to those we serve. At Kāinga Ora we call these joined up goals shared ‘Outcomes’.

Kāinga Ora has six enduring outcomes it is working to achieve. The outcomes are interconnected and reflect what government, communities and users of our services expect of us. Our strategies show in more detail how we deliver against these outcomes. Achieving our outcomes is contingent on working collaboratively with all stakeholders, including our customers and communities.



Thriving communities

Thriving communities are inclusive and sustainable with access to employment, education, social and cultural opportunities

Measures of success

- Safe and reliable access to places for families, young people, people over 65, and people living with a disability
- Public transport and active transport networks are at the heart of community and urban development
- Urban development protects places of significant cultural value and provides a sense of place, belonging and continuity



Customer wellbeing

Customer wellbeing means people in our homes live well, with dignity, stability and the greatest degree of independence possible

Measures of success

- Our customers have accommodation that is stable, enabling them to remain in their homes for as long as they need
- Our customers feel safe and secure in their homes and communities
- Our customers have the skills, support and confidence to have greater control over their lives and wellbeing
- Our customers are connected to their cultures and communities and participate in community life



Māori aspirations

Enabling Māori aspirations means investment in housing solutions that build capability and support whānau wellbeing

Measures of success

- Māori and the Crown are operating in genuine Te Tiriti o Waitangi partnerships that are successfully delivering better local housing solutions for whānau
- Intergenerational wellbeing outcomes and Māori home ownership rates are improved
- Kāinga Ora works to support and grow Māori capacity and capability across the housing system



Housing access

Housing access means enabling homes that meet diverse needs, are safe, affordable and healthy to live in

Measures of success

- Increased housing supply in more places, at lower cost, offering a greater variety of housing typologies and tenures
- Public housing is provided for those that need it
- Homes are built, repaired, renovated or replaced to be warm, dry, accessible and meet the needs of our changing population



Environmental wellbeing

Environmental wellbeing means sustainable and resilient operations, assets and communities

Measures of success

- Urban development supports ecosystem health and improves biodiversity, water quality and air quality.
- Urban design supports reduced emissions (including building material, construction practices and whole of life) and resilience to natural hazards.



System transformation

System transformation means land-use, infrastructure and housing supply is integrated, efficient, effective and responsive to demand

Measures of success

- Innovation and productivity improvement in materials and build.
- Housing supply responds and adapts at pace to evolving demand.
- Partnerships and collaboration deliver place-based approaches to development

Our strategies

Kāinga Ora Strategy 2030 and Te Rautaki Māori o Kāinga Ora are our two primary organisational strategies. They sit in parallel, like the waka hourua – a double-hull canoe. Both hulls sit alongside each other to enable the waka to reach its destination.

Kāinga Ora Strategy 2030 shows how we will contribute to sustainable, inclusive, and thriving communities by shaping the housing and urban development system. Te Rautaki Maori is focused on prioritising and supporting iwi and rōpū Māori aspirations for housing.

Supporting our two organisational strategies are a set of functional strategies that provide a clear decision-making framework to guide us in making evidence-based choices.

Asset Management Strategy

Sets out our asset programme for the next 10 years, ensuring that our public housing portfolio meets the needs and demands of our tenants, establishing quality standards for our housing, and focusing on three key activities:

1. Approach to maintenance
2. Approach to renewals
3. Approach to new supply

Urban Development Strategy

Provides a framework for understanding how our urban development objectives and activities contribute to the vision and outcomes set out in Kāinga Ora Strategy 2030 and Te Rautaki Māori o Kāinga Ora. The Urban Development Strategy describes how we will support Māori urban development and prioritise our activities by place through facilitating, partnering and directly delivering urban development projects.

Customer Strategy

Sets the direction for the services and housing that Kāinga Ora provides for its customers. It outlines how we will achieve our vision for our customers: living well, with dignity and stability, in connected communities.

Community Strategy

Articulates our role within communities and what we do to help them move towards being sustainable, inclusive and thriving.

Environment Strategy

Focuses on four key environmental issues that we can influence over the next 3 years:

1. Climate change mitigation
2. Climate risk
3. Efficient use of resources
4. Enhancing nature and biodiversity

Our strategic response

We aim to shape the system by partnering authentically and effectively, aligning around strategic priorities and anchoring our ways of working in our characteristics



Shaping the system

Kāinga Ora contributes to sustainable, inclusive, and thriving communities by shaping the housing and urban development system. We have an ambitious core delivery role: In addition to providing for current and future customers, we build new houses, maintain our existing public housing portfolio, and undertake urban development.

Achieving improved housing outcomes for our customers and community requires that we influence and pursue delivery excellence across the entire housing and urban development system. We are uniquely placed to understand the dynamics of the housing and urban development system and to address the root causes of the current under-performance within the system. This is why shaping the system is at the heart of our strategy. It requires three critical shifts:

1. **Partnering authentically and effectively across the system**
2. **Aligning our organisation around strategic priorities**
3. **Anchoring our ways of working in our characteristics**






Our core delivery role



Kāinga Ora has two primary functions

<p>Housing</p> <p>We provide tenancy and public housing functions and related services, including:</p> <ul style="list-style-type: none"> • tenancy services • maintaining and developing our public housing stock • providing home ownership products and other services 	<p>Urban Development</p> <p>We work in partnership to deliver urban development projects of all sizes, including:</p> <ul style="list-style-type: none"> • delivering quality urban developments that connect homes with jobs, open spaces and transport links • accelerating developments and the availability of build-ready land • building diverse communities that include a variety of housing (including public, affordable and market housing of different types, sizes and tenure) • Understanding, supporting and enabling the aspirations of Māori in relation to urban development
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Kāinga Ora enablers and endowments

 <p>Our scale</p> <p><i>We are the largest single player in the affordable and social housing market – both from a creation of new supply and management of supply against demand perspective</i></p>	 <p>Our connections</p> <p><i>We have a connection with the largest number of tenants who are in the demographic of requiring support to have sustainable housing options and access home ownership</i></p>	 <p>Our certainty and stability</p> <p><i>We have a significant balance sheet and cost of capital position as well as backing of government as the investor</i></p>	 <p>Our mandate</p> <p><i>We have a commitment to a social return, beyond a financial return, and a formal expectation to shape the system, which allows us to invest differently from the private sector</i></p>	 <p>Our long-term horizon</p> <p><i>We think, operate and hold relationships intergenerationally. That means we know our communities, and are thinking in 25+ year time horizons – not just 3 or 5</i></p>
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Leveraging our enablers

Leveraging our enablers and endowments allows us to have a positive impact on the wider housing and urban development system.



Partner authentically and effectively across the system

To meet our objective, customers and communities need genuine housing choices. We will partner with others to increase supply, provide pathways towards home ownership and secure rental accommodation.

Kāinga Ora role across the housing continuum



He Toa Takitini is the Kāinga Ora Partnership and Engagement Framework. This provides the foundation for new ways of connecting and developing relationships with Māori, Pacific peoples, customers, stakeholders and communities. It sets out core principles and a common language across the many functions of Kāinga Ora that lets everyone know that inclusivity and participation are not just important, but critical in us delivering on the outcomes that New Zealanders need and deserve.

Aligning our organisation around strategic priorities

In order to achieve our shared organisation outcomes we have chosen five strategic priorities. These are not the only things we do, but are so critical to success that we will prioritise our resources and align our internal activities around them.

Priority	What success looks like
Māori and community relationships	<ul style="list-style-type: none"> • We understand the aspirations of communities and work with them to get positive results • Our people are welcomed by communities and are empowered by the organization to be key decision-makers • We fulfil our obligations to Māori and are grounded in Te Ao Māori, recognising our heritage and obligations in how we operate
Customer support	<ul style="list-style-type: none"> • Our new customer facing roles are established and filled and we are able to have meaningful interactions with our customers • Our people are empowered to make decisions within their roles through the establishment of clear policies and processes that reflect our customer strategy • We have meaningful relationships with other support agencies that result in better outcomes for our customers
Housing supply	<ul style="list-style-type: none"> • We understand the level of growth required and have a strategy around how we address housing need • New policy settings are clear and in place (particularly for Kāinga Ora large-scale projects and land sales) • Secure permissions, capital and income streams to enable us to commit to longer term contracts with our partners • Construction programme resourcing and supplier arrangements (including Offsite Manufacturing Solutions) are in place to enable a significantly higher level of construction • We work with Te Tūāpapa Kura Kāinga—Ministry of Housing and Urban Development (HUD) to develop new intervention products that support the use of land for housing faster • We partner with iwi to enable and support them to meet Māori housing outcomes • We have clear and purposeful relationships with other agencies, including Councils and iwi • Clear intervention roles are established and we understand the options we can bring to the table • We have a pipeline of land available well ahead of demand • We have a strong focus on infrastructure planning and delivery

Construction productivity	<ul style="list-style-type: none"> • We are able to reduce the costs of our builds and the time it takes to do them without decreasing quality or harming the environment • We support industry innovation by investing in Offsite Manufacturing and focusing on ways to move us towards carbon-zero emissions • We are able to focus our outputs in areas that make the most meaningful impact and generate the best outcomes for our customers and communities
High performing organisation	<ul style="list-style-type: none"> • We ensure the health and safety of our staff, customers and partner organisations is protected at all times • Our organisation is financially sustainable and our four-year budget is aligned with our Long-term Investment Plan (LTIP) • We have an effective performance management framework in-place that links outcomes, strategic priorities and agreed deliverables • We are effective in our initiation and management of change • Leaders are equipped to positively impact our people's experiences at work

Our characteristics

Our characteristics complement our values. They are the foundations our work is built upon—they help us make the right decisions and anchor the ways we will work every day.

- Our organisation is **strategy driven**, and our decisions and direction are driven by deliberate and thoughtful long-term thinking.
- Our **people feel empowered**. They know that our organisation cares about them, and they take personal responsibility for our work being as good as it can possibly be.
- We're outstanding at building **long-term relationships** with customers, suppliers and stakeholders wherever we operate.
- We are **grounded in te ao Māori**, recognising our heritage and obligations in how we operate.
- **Operational excellence** is our objective in everything we do.
- We are **outstanding in how we work with our suppliers**, enabling them to succeed by delivering public value – and ensuring they want to continue working with us.
- **Communities trust us** and genuinely engage with us.
- We are **leaders in the sectors in which we operate** in terms of reducing our carbon footprint.

Our strategy cycle

Eight year horizon: Kāinga Ora Strategy 2030 sets out our strategic delivery roadmap for this decade. It is designed to cover an eight-year period, encompassing and aligning with two four-year Kāinga Ora budget cycles.

Mid-point refresh: This strategy will be refreshed at a mid-point, to ensure ongoing alignment with Kāinga Ora budget and government direction while remaining responsive to fluctuating pressures in the wider housing and urban development system.

Annual deliverables: Kāinga Ora Strategy 2030 is accompanied by a set of strategic priorities and deliverables for the coming financial year. These are critical for driving performance, enabling the efficient prioritisation of resources while holding fast to our longer-term strategic goals. These deliverables are appended to the strategy on an annual basis (reference Schedule 1, Strategic priorities 2022/23)