



24 September 2024

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Tēnā koe Leeanne

**Following up on performance audit of the Ministry's leadership of housing and urban development system**

Thank you for your letter of 16 August 2024 to follow up the Office of the Auditor-General's (OAG's) performance audit of Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development's (HUD's) leadership of the housing and urban development system.

HUD has used the performance audit to prioritise and inform the work outlined in our self-assessment. Our self-assessment of progress for each recommendation made in OAG's 2023 performance audit of HUD is attached (see Appendix 1).

We are happy to provide you with further information on any of the actions referenced in the appendix.

Nāku noa, nā

Andrew Crisp  
Chief Executive



## Appendix 1 – Self-assessment tables

Recommendation 1	We recommend that the Ministry of Housing and Urban Development continues to improve its understanding of the housing and urban development system's current and projected performance, and regularly report on it to the public and those responsible for influencing housing and urban development outcomes.
Action	<p>Te Tūāpapa Kura Kāinga – The Ministry of Housing and Urban Development (HUD) continues to mature its understanding of the housing and urban development system's current and projected performance. Specific actions include:</p> <ul style="list-style-type: none"><li>• Continuing with quarterly updates on the housing market to understand the performance and likely trajectory of the rental market, property market, residential construction activity, and macroeconomic factors that affect housing and urban development.</li><li>• Development of our Data Strategy and Roadmap (July 2024)</li><li>• Publication of our Stats and Insights release schedule (January 2024)</li><li>• Updating our Data and Insights Products (April/May 2024)</li><li>• Publishing our first Long-Term Insights Briefing (LTIB) (March 2023)</li><li>• Work to understand how people flow through different forms of government assisted housing e.g. emergency, transitional and social housing (commenced November 2023)</li><li>• Work to reset investment in housing and urban development. A key focus of the reset is to clarify the role of government investment in housing and urban development to inform future investment and reprioritisation (throughout 2024).</li></ul> <p>Our regular reporting on the housing market informs our decision-making and advice to Ministers on both strategic direction and specific policies, programmes and investments.</p> <p>The HUD Data Strategy and associated three-year Roadmap give us a framework to prioritise work that ensures data on the performance of the housing and urban development system is accessible and can be applied to decision-making, system learning and to implement MAIHI Ka Ora, the Government Policy Statement on Housing and Urban Development, and Government priorities.</p> <p>The update of our Data and Insights Products and publication of the release schedule for these products are helping ensure that the public and other stakeholders have access to the information they find most useful for understanding the performance of the system, and making their own decisions.</p> <p>Our first LTIB considered the implications of our ageing population for our housing and urban futures, and identified four shifts that the system needs to make to support the needs of an ageing population across their life stages and into older age.</p>



	Finally, HUD is working with MSD to better understand who is accessing government housing support, and how they move through the system. This work on housing flows is informing Ministerial and agency decision-making.
Status	Ongoing
Comments on status given above	<p>Given the dynamic nature of housing and urban systems, we expect that our understanding of the housing and urban development system's current and projected performance will be an ongoing process rather than one with a finite end date.</p> <p>We consider that the work outlined above has been a significant step in maturing our understanding, and approach to ensuring we have the right information, capability and tools to meet the expectations of us as system leader.</p>
Date commenced	Ongoing
Date completed or due to be completed	Ongoing



Recommendation 2	<p>We recommend that the Ministry of Housing and Urban Development strengthen system governance by:</p> <ul style="list-style-type: none"><li>ensuring that the Chief Executives' Housing Group members agree on how they will provide collective oversight for achieving the Government Policy Statement on Housing and Urban Development; and</li><li>providing better reporting to support decision-making, including on current and expected housing and urban development outcomes, delivery milestones, and delivery and strategic risks.</li></ul>
Action	<p>The membership of the Chief Executives' Housing Group was refreshed at the beginning of 2024 to include those agencies that have responsibility for the key levers that influence housing and urban systems e.g. building and construction, land use and planning, social development, and central and local government investment in infrastructure. This enables more focus on the outcomes set out in the Government Policy Statement on Housing and Urban Development.</p> <p>In September 2024, new Terms of Reference and a standard set of collateral for the Chief Executives' Housing Group were agreed by the Group. These documents will support the Group to better manage strategic risks to the system.</p> <p>We are also continuing to enhance our internal governance. For example, new portfolio reporting has been introduced and is regularly considered by HUD's Senior Leadership Team. This is providing timely and high-quality information on delivery milestones and risks.</p> <p>In 2024, we have been undertaking an organisational change process underpinned by three drivers:</p> <ol style="list-style-type: none"><li>Continuing to shift the housing system</li><li>Adapting to Government priorities</li><li>Budgets and fiscal sustainability.</li></ol> <p>Phase 1 of this change process established a new Strategy, Insight and Governance group in April 2024. This group was set up to help strengthen the connection between strategy and implementation, and further improve HUD's ability to take a view on what matters for the system over the medium-term. It is enabling us to make clear connections between our strategy and how we plan, implement and manage our work programmes. This includes building greater flexibility in how we identify and resource priority work, and being transparent about what we are working on and achieving.</p>
Status	Completed
Comments on status given above	Refresh of Housing CEs completed. Some improvements to reporting made, with more likely to come from planned work.
Date commenced	October 2023
Date completed or due to be completed	September 2024



Recommendation 3	We recommend that the Ministry of Housing and Urban Development continue to regularly assess whether its systems, processes, and capabilities enable it to lead the housing and urban development system and, in particular, to monitor, understand, predict, and influence performance.
Action	<p>Much of the work outlined in our response to Recommendation 1 also applies to Recommendation 3.</p> <p>The organisational change noted in our response to Recommendation 2, will also enable HUD to build on the progress we have made over the past five years in facilitating action across the housing and urban system, bringing parties together, and providing tools, investment and information to support the work of others.</p> <p>In particular, proposed changes to the System Delivery and Performance group are designed to embed a place-based approach where HUD plays a more active role in purchasing housing outcomes as the ‘default’ way we work and organise ourselves.</p> <p>In addition, we have matured our Business Planning to ensure a focus on the full spectrum of HUD’s priorities across:</p> <ul style="list-style-type: none"><li>• Government priorities</li><li>• Stewardship goals</li><li>• Delivery</li><li>• Capability goals</li><li>• Financial goals.</li></ul> <p>This is helping ensure that we maintain and enhance our tools, processes and capabilities to fulfil our system leadership role.</p>
Status	Partially completed
Comments on status given above	We have completed two of three stages of our organisational change. In 2025, we expect to build on this change by continuing to refine our operating model, and embedding the tools and processes required to address the systemic issues identified in our 2023 Briefing for the Incoming Minister. This will be done in parallel to the implementation of broader system changes to address these issues.
Date commenced	December 2023
Date completed or due to be completed	December 2024