

# Transformative Housing Policy for Aotearoa New Zealand

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## Introduction

Housing is essential to the health and well-being of everyone in Aotearoa New Zealand. We need a paradigm shift which reimagines what our housing system can look like. We advocate moving from our current system where housing is commodified – a source of private wealth for some and insecurity for others – to a system where housing is available for the wellbeing of all.

A coordinated housing system – integrated with the public policy shifts recommended in the full policy briefing – will be embedded on kāinga, whanau, and focused on decolonising existing housing policies. The approach advocated in the briefing demonstrates how decentring home-ownership, decolonising housing policy, democratising housing policy-making, and decommodifying housing are required to produce a socially just housing system. In addition to calling for a new housing paradigm, the paper suggests ten policy options that would aid a paradigm shift in Aotearoa

## Key Policy Recommendations

This briefing suggests ten policy options:

- A Ministry of Public Works
- A Green Investment Bank
- A State Lending Agency
- Transferring regulation of mortgage lending to Parliament
- Enabling greater public sector leadership
- Stronger support for Tino Rangatiratanga over housing policy
- Fair taxation
- An expansion of state and community housing
- Enhancing the rights of renters
- Tackling homelessness



### 1. A Ministry of Public Works

It is a good time now for the reintroduction of a 21<sup>st</sup> century Ministry of Works to boost the capacity of the construction sector to coordinate housing construction. We see potential for government to assume greater coordination, planning, financing, and direct delivery responsibilities in the housing construction sector. It can play a role as an anchor body and public sector construction agency. In particular, relevant to housing, it should undertake a mission-orientated goal to build green state housing.

### 2. A Green Investment Bank

National investment banks, or national development banks, are common around the world. The Green Investment Bank would lend to small and medium enterprises, and lend for infrastructure, and could have a particular focus on lending for state and affordable housing. As with the Ministry of Works, the Green Investment Bank could have a parallel Māori arm (a Māori Green Investment Bank, led by Māori), and would help to build back state capacity in the kawanatanga sphere. It would significantly democratise housing policy, allowing a more strategic approach to house-building, and could decommodify housing by supporting community housing providers.

### 3. A State Lending Agency

A state-backed Housing Finance Corporation, with a parallel Māori arm administered by Māori, could provide an alternative to mortgage finance from retail banks, rebalancing the housing finance system. This alternative source of finance would eliminate the restrictions currently imposed by retail banks. State-backed housing finance will widen access to secure housing and contribute to the decolonisation of housing policy by equipping Māori with the capability to originate housing loans.

### 4. Transferring Responsibility for Regulating Mortgage Lending to Parliament

There is increasing debate about the role of central banks, and that their decisions are not simply technical. It seems increasingly incongruous that unelected officials at the Reserve Bank, who are meant to be entirely independent from government, should have the power to regulate the house-lending market.

### 5. Enabling Greater Public Sector Leadership

Both greater imagination on the part of public servants and a greater democratisation of housing policy development is required to produce and embed a new housing policy paradigm. Political scientists have pointed out that significant changes in policy direction require key officials to start seeing the world from a changed perspective and to then take action to change the status quo. Increasing diversity within the upper ranks of agencies like Treasury would be one key step.

### 6. Housing Policy in the Tino Rangatiratanga Sphere

The making of public policy for Māori without Māori input or direction, now and in the past, is a breach of Te Tiriti of Waitangi. If governments placed a high priority on Māori housing - and both the Labour and National Parties claim to do so - then one might reasonably expect that the housing programme for Māori would be adequately supported and financed. There is a significant need for state interventions to enable and support Māori to aspire and exercise Tino Rangatiratanga over their lands and kāinga.

### 7. Fair Taxation of Housing

Three tax policy options can be identified: firstly, the bright-line test could be modified so that it applies to all second or third homes bought and sold, with no set time frame. Secondly, assets on which capital gains are made could be brought progressively under the income tax system, and income from these gains could be taxed under that system. Thirdly, a broad-based wealth tax could apply, which would not directly tax housing, but would count the value of housing within assessments of wealth.

### 8. Expanding State and Community Housing

The major recommendation for state housing is that we need to have greater ambition and move state housing from a residual 'add on' within the housing system to a central project designed to provide high quality housing for all. Iwi and hapū should be resourced to provide housing for Māori.

### 9. Enhancing the Rights of Renters

More could be done to change the underlying balance of power between renters and landlords, such as creating a new longer default term for tenancies to encourage long-term renting, with rent increases restricted to that new term length, and diversifying the voices in the property sector to moderate the disproportionate power of the property lobby in New Zealand.

### 10. Tackling Homelessness

Māori are overrepresented in areas of unmet housing needs and homelessness, and young people remain a high proportion of our overall homelessness. Approaches reflecting the principle of kāinga, based in Te Tiriti o Waitangi, and including targeted recognition of youth are required to address these.

#### Key Paradigm Shifts:

- Decentring home-ownership
- Decolonising housing policy: recognising rangatiratanga to housing
- Democratising housing policy
- Decommodifying housing

To find out more about this research, please visit: [DOI.10.17608/k6.auckland.13055441](https://doi.org/10.17608/k6.auckland.13055441)

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