

# Hon Chris Bishop

Minister of Housing  
Minister for Infrastructure  
Minister Responsible for RMA Reform  
Minister for Sport and Recreation  
Leader of the House  
Associate Minister of Finance



OIA24-CB156

Danielle Bradshaw  
fyi-request-26945-094956b9@requests.fyi.org.nz

Dear Danielle

Thank you for your email of 23 May 2024 requesting the following information under the Official Information Act 1982 (the Act):

*Explain to me the processes and your thinking behind scrapping the first home buyers grant, including any advice, emails that contributed toward this decision. Why have you not allowed a grace period for buyers to put their request into Kainga Ora, similar to when you scrapped the clean car discount and you provided a date it'd be scrapped. Explain the lengths of scrutiny you received prior to scrapping the first home buyers grant. The point of democracy is to allow other parties and public scrutiny so how is this quick turnaround allowed your decision to be scrutinised. I request all documents detailing this*

*How are you going to support first home buyers in the future?*

As you are aware, this Government made the decision to discontinue the First Home Grant (the Grant) as part of Budget 2024. The Grant is an expensive and inefficient way to support first home buyers into homes. While I acknowledge that this decision is disappointing for many, the Government has had to make deliberate choices to reprioritise low value expenditure to more important priorities, such as funding for social housing to support New Zealanders who need it the most.

The decision to shut down applications immediately was made so that the savings from the scheme met the savings package that Cabinet agreed to as part of Budget 2024, which allowed for \$35 million of Grant expenditure in the 2024/25 financial year. While we did look at keeping the Grant applications open for one week following the announcement of its discontinuation, officials estimated that this would decrease the level of savings which could be achieved.

Advice on the effectiveness of the Grant was provided to me by officials at the Ministry of Housing and Urban Development – Te Tūāpapa Kura Kāinga (the Ministry) as I worked with my Ministerial colleagues to develop the Budget 2024 package. Standard process was followed in seeking advice from officials, followed by Cabinet making a decision. In line with the Budget sensitive nature of decision, other organisations such as Kāinga Ora – Homes and Communities were not involved in the process.

I recently announced that exemptions from the discontinuation of the Grant will be considered for certain individuals who meet key criteria. You can find these criteria, as well as more information about the exemption, at: <https://tinyurl.com/atynu8zd>.

First home buyers will still be able to access the First Home Loan, which lowers the minimum deposit requirement to five percent, instead of the standard 20 percent deposit required by most banks. The First Home Loan is offered by Westpac, Kiwibank, Co-operative Bank, SBS Bank, Unity Money, Nelson Building Society, and New Zealand Home Loans. More information on the First Home Loan, including eligibility criteria, can be found on the Kāinga Ora – Homes and Communities website at: <https://tinyurl.com/2jzmp3b6>. First home buyers will also still be able to access their KiwiSaver to put towards a deposit.

The answer to New Zealand's housing crisis is not demand-side measures like the Grant, but supply-side solutions. That is why the Government is undertaking the comprehensive Going for Housing Growth programme to address the housing crisis by removing the barriers to new housing supply.

The programme will unlock land for housing inside and around our cities as well as introduce incentives to encourage cities and regions to deliver more new housing. The planned changes to the building and construction sector will also lower building costs, improve competition, and make it easier for developers to build new infrastructure.

Twelve documents have been identified as in scope of your request. Of these, 11 documents are refused under section 18(d) of the Act, that they are, or soon will be, publicly available. The other document is released to you with some information withheld under the following sections:

Section of Act	Reason to withhold
9(2)(a)	To protect the privacy of natural persons.
9(2)(f)(iv)	To maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

The documents are detailed in the attached document schedule.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the decision to withhold information under section 9 of the Act is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review of my response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website at: <http://tinyurl.com/yckxn6bz>.

Yours sincerely



Hon Chris Bishop  
**Minister of Housing**

## Annex 1: Document schedule

<b>Document released – OIA24-CB156</b>			
	<b>Date</b>	<b>Document</b>	<b>Section of the Act applied</b>
1.	14 May 2024	HUD2024-004411: Further advice on the First Home Grant	9(2)(a) 9(2)(f)(iv)

<b>Documents publicly available – OIA24-CB156</b>			
	<b>Date</b>	<b>Document</b>	<b>Section of the Act applied</b>
2	1 February 2024	HUD2024-003644: First home buyer support (available at <a href="http://www.hud.govt.nz/assets/Uploads/Documents/Proactive-Releases/01-HUD2024-003644-AM-First-Home-Buyer-Support-v2-REDACTED.pdf">www.hud.govt.nz/assets/Uploads/Documents/Proactive-Releases/01-HUD2024-003644-AM-First-Home-Buyer-Support-v2-REDACTED.pdf</a> )	18(d)
3	9 February 2024	HUD2024-003693: Information request: Effectiveness of the First Home Grant (available at <a href="http://www.hud.govt.nz/assets/Uploads/Documents/Proactive-Releases/02-HUD2024-003693-IREQ-Effectiveness-of-FHGs-9-Feb-2024.pdf">www.hud.govt.nz/assets/Uploads/Documents/Proactive-Releases/02-HUD2024-003693-IREQ-Effectiveness-of-FHGs-9-Feb-2024.pdf</a> )	18(d)

<b>Documents soon to be publicly available – OIA24-CB156</b>			
	<b>Date</b>	<b>Document</b>	<b>Section of the Act applied</b>
4.	30 November 2023	HUD2023-003322: Information on Vote Housing and Urban Development	18(d)
5.	18 January 2024	HUD2024-003521: Initial advice on letter from Minister of Finance	18(d)
6.	9 February 2024	HUD2024-003075: Confirmation of Budget Submission	18(d)
7.	23 February 2024	HUD2024-003804: Housing and Urban Development funds and programmes: value for money overview	18(d)
8.	23 February 2024	T2024/436: Aide Memoire: Assessment of Vote Housing and Urban Development funds and programmes	18(d)
9.	29 February 2024	HUD2024-003896: Budget 2024 baseline reduction target - Further changes	18(d)
10.	19 March 2024	HUD2024-004049: Aide Memoire: Budget bilateral	18(d)
11.	26 March 2024	HUD2024-004143: Budget 2024 options for social housing investment	18(d)

12.7	June 2024	HUD2024-004051: Draft Cabinet Paper: resetting investment in housing	18(d)
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