

ANNUAL REPORT 2022/23



A treasured home will endure

Toitū he kura kāinga



Presented to the House of Representatives pursuant to section 44 of the Public Finance Act 1989

ISSN 2703-237X (PRINT)

ISSN 2703-2388 (ONLINE)

October 2023

Te Tūāpapa Kura Kāinga –
Ministry of Housing and Urban Development

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Te Kāwanatanga o Aotearoa
New Zealand Government



Photo: Kāinga Ora

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Chief Executive's foreword

Ngā kupu whakataki a te Toihau

Tēnā koutou

As Te Tūāpapa Kura Kāinga approaches its fifth birthday, the past year has shown us once again how vital it is to have a well-functioning housing and urban development system.

In last year's Annual Report, I noted the release of the Government Policy Statement on Housing and Urban Development and MAIHI Ka Ora. These two anchor points give us a framework and shared vision across the housing sector. The vision we are working towards is that everyone in Aotearoa lives in a home, and within a community, that meets their needs and aspirations.

This vision has guided our work over the last year, including our response to the extreme weather events of 2023. As the country's steward of the housing and urban development system, we facilitate action, bring parties together, and provide tools, investment and information to support the work of others. We collaborate with local communities and organisations to understand their housing and urban development issues, and respond to communities' immediate needs.

During 2022/23, we continued to deliver a range of funds and programmes to increase housing supply and encourage investment



Tēnā koutou

Ka whakatata mai te tau tuarima a Te Tūāpapa Kura Kāinga, kua tohu anō te tau kua pahure i te hiranga o tētahi pūnaha angitu mō te whanake whare, tāone anō hoki.

I tērā tau, i roto i te Pūrongo ā-tau, i mea atu ahau mō te hua mai o te Tauākī Kaupapa here Kāwanatanga mō te Whanake Whare, Tāone hoki me MAIHI Ka Ora. Mā ēnei pou e rua whai wāhi ai mātou ki tētahi anga, ki tētahi whakakitenga kotahi hoki puta i te rāngai whare. Ko te whakakitenga hei ahu mā mātou, kia noho te katoa o Aotearoa ki tētahi whare, ā, ki tētahi hapori tutuki ai i ōna matea me ōna wawata.

Kō tā te whakakitenga nei he ārahi i ā mātou mahi i te tau kua hori me tā mātou urupare ki ngā raru huarere o te tau 2023. Ko tā mātou hei tuari o te pūnaha whanake whare, tāone hoki, he hāpai kokenga, he whakakotahi rōpū, he whakarato rawa, haumitanga me ngā taipitopito hei tautoko i ngā mahi o ētahi atu. Ka mahitahi mātou ko ngā hapori, ko ngā tōpūtanga kia mārama ake ki ā rātou raru whanake whare, tāone hoki, ā, kia urupare ki ngā matea ohotata a ngā hapori.

I te tau 2022/23, he rite tonu tā mātou whakarato i ngā momo pūtea, kaupapa hoki hei whakapiki i te putunga whare, ā, hei

in infrastructure. This included initiatives from establishing the new Affordable Rental Pathway and Build-Ready Development Pathway, to signing Whai Kāinga Whai Oranga agreements with four iwi collectives to support Māori-led local solutions. We supported the delivery of more public and transitional housing places, and continued to address the needs of those experiencing homelessness by delivering on commitments in the Homelessness Action Plan.

We are also continuing to work with key stakeholders to support communities and provide temporary housing for those who were displaced from their homes due to Cyclone Gabrielle and the North Island weather events in early 2023.

The progress that is being made reinforces the importance of central and local government, iwi and providers working together to drive change. We need to continue to use and refine the tools and products we have in place to respond to changes in economic conditions, new technologies and the impacts of climate change.

Me mahi tahi tātou, mō te oranga o te katoa – *We should work together for the benefit of everyone.*

whakamanawa i ngā haumitanga tuāhanga. Pēnei i te whakatūnga o te Affordable Rental Pathway me te Build-Ready Development Pathway, te hainatia hoki o ngā whakaaetanga Whai Kāinga Whai Oranga ki ngā kōtuitui iwi e whā hei tautoko i ngā rongoā nā te Māori. I tautoko mātou i te whakatūnga o ētahi anō nōhanga tūmatanui, whakawhiti hoki, ka mutu, i ū tonu tā mātou whakatau i ngā matea o rātou e pāngia ana e te kāinga koretanga mā te whakatutuki i ō mātou takohanga ki te Mahere Mahi Kāinga Koretanga.

E mahitahi tonu ana mātou ki ngā tōpūtanga matua hei tautoko i ngā hapori, hei whakarato whare taupua ki a rātou e noho māwehe ana i ō rātou ake kāinga nā te Huripari o Kaperiera me ngā raru huarere i te tīmatanga o te tau 2023.

Ko tā ngā whanaketanga he whakamaumahara i te hiranga o te mahitahi a te kāwanatanga ā-motu, ngā kāwanatanga ā-rohe, ngā iwi me ngā kaiwhakarato e kōkiri ai ngā huringa. Me whakamahi tonu, me whakapai ake i ngā taputapu, i ngā rawa kei a mātou hei urupare i ngā huringa ōhanga, i ngā hangarau hou me te pānga a te āhuarangi hurihuri.

Me mahi tahi tātou, mō te oranga o te katoa

Nāku noa, nā

Andrew Crisp

Chief Executive – Toihau
Te Tūāpapa Kura Kāinga

Highlights from delivery of our funds and programmes

Ngā whakamuramuratanga o ā mātou ratonga pūtea, hōtaka anō hoki

Delivered in

**2022/
2023**

3,192

Additional public housing

415

Additional transitional housing places

1,828

KiwiBuild homes built

175

Land for Housing homes delivered

352

Homes settled through Progressive Home Ownership

10,782

First Home Grants paid

2,773

Homes bought with a First Home Loan

Contracted in 2022/2023 to be delivered in the future:

601

Homes contracted under Progressive Home Ownership

92

Homes contracted under Round One of the Affordable Rental Pathway

144

Homes contracted under Round One of the Build-Ready Development Pathway

1,003

Homes contracted under Whai Kāinga, Whai Oranga

Our operating context

Ngā āhuatanga e tū nei mātou

Who we are and what we do

Ngā taipitopito mō mātou me ā mātou mahi

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) was established in 2018 to lead the housing and urban development system and provide a joined-up response to complex, long-term challenges. Our purpose is he kāinga ora, he hāpori ora – thriving communities where everyone has a place to call home.

The housing and urban development challenges facing Aotearoa New Zealand are complex and systemic, developed over decades and resulting in poor housing and urban outcomes for many. We lead the housing and urban development work programme in response to these challenges, with responsibility for strategy, policy, funding, monitoring and regulation of the housing and urban development system in Aotearoa.

We're working to make significant, long-term change, while helping people and communities now to meet their immediate needs. We continue to grow understanding of the system, identify current and future housing and urban needs, help focus system-wide initiatives, ensure the right settings, tools and funding are in place, enable and ensure delivery, and drive action through collaboration and partnership.

We're looking at what's needed across the board to help agencies and communities work together. We play a lead role in helping individuals, family and whānau have healthy, secure and affordable homes that meet their needs in communities that provide access to jobs, education, amenities and services.

Strengthening the Māori-Crown relationship

Te whakarenarena i ngāhononga Māori ki te Karauna

HUD is committed to improving services and outcomes for, with and by Māori, through strengthened Māori-Crown relationships. As part of the Crown, we have responsibility for operating as a Treaty partner and ensuring Māori housing aspirations are achieved. Section 14 of the Public Service Act 2020 explicitly recognises the role of the public service in supporting the Crown in its relationships with Māori under Te Tiriti o Waitangi (the Treaty of Waitangi).

To strengthen the Māori-Crown relationship, HUD has engaged with several post-settlement governance entities through high-level arrangements. Discussions have focused

on the health and wellbeing of the Māori-Crown relationship, and strategic priorities that support Māori housing ambitions. Also, as part of the historical Treaty of Waitangi settlement process led by Te Arawhiti – the Office for Māori Crown Relations, we have engaged with iwi mandated groups on relationship redress.

In 2022/23, we updated the status of historical Treaty of Waitangi settlement commitments in Te Haeata – the Settlement Portal. This process has provided greater visibility of our settlement commitments and assurance to our Treaty partners that we are working to uphold our Treaty settlement commitments.

Our organisational structure

Te hanganga o Te Tūāpapa Kura Kāinga

Our people, leadership and ways of working are critical to our success. Our leadership team, led by Chief Executive Andrew Crisp, has collective responsibility for the leadership of Te Tūāpapa Kura Kāinga. This includes shaping our strategic direction and ensuring we are focusing our efforts where they will have the most effect. The team works together to provide leadership across the housing and urban development system and holds key relationships with our partners and stakeholders.

Te Kāhui Māori Housing

Deputy Chief Executive Tumuaki – Kararaina Calcott-Cribb

Te Kāhui Māori Housing ensures that we have the dedicated capability and capacity to accelerate housing and urban development outcomes for Māori to address the long-standing impacts, so that whānau can live in ways that connect them to their identity, language and culture, whenua, whare and whakapapa.

Te Maihi o te Whare Māori – Māori and Iwi Housing Innovation (MAIHI) puts Māori at the heart of the housing narrative in Aotearoa, acknowledges the history of Māori housing, and responds to these needs through kaupapa Māori approaches. It provides an overarching framework for communities, iwi, providers and government agencies to continue to work together and make the housing and urban system-wide changes that will provide for Māori housing aspirations.

Part of this work has been the development of the MAIHI – Framework for Action, the MAIHI Partnerships Programme, Whai Kāinga Whai Oranga, and MAIHI Ka Ora –

the National Māori Housing Strategy and Implementation Plan. We also undertake policy work identified in the MAIHI Ka Ora Implementation Plan, such as the review of kāinga whenua loans.

Teams include Te Hononga, Māori Housing Supply and Delivery, and Māori Housing Policy.

System Delivery and Performance

Deputy Chief Executive – Jo Hogg

System Delivery and Performance manages and monitors housing delivery in conjunction with Te Kāhui, sourcing and supplying housing stock, acquiring and developing land, and managing provider contracts. It also leads our procurement functions.

Teams include Housing and Service Delivery, Land Acquisition and Development, Partnerships and Performance, and Procurement.

Solutions Design and Implementation

Deputy Chief Executive – Anne Shaw

Solutions Design and Implementation areas of work are to design, maintain and review policy, monitor the legislation and funding settings and tools needed to achieve our system priorities, and help to establish new functions where we take an implementation role.

Teams include Policy and Legislation Design, Service Design and Operational Policy, Programme Implementation, and the Community Housing Regulatory Authority.

Organisational Performance

Deputy Chief Executive – Brad Ward

Organisational Performance supports the whole organisation to drive efficiency and effectiveness and contributes to our overall performance. The functions in this group interact directly with all other functions, enabling and supporting their work.

Teams includes Finance, Legal, People and Community (Human Resources and Recruitment, Health and Safety, Workplace and Digital Functions), Communications, Government Services, and Crown Entity Monitoring (Kāinga Ora and Tāmaki Regeneration Company).

Intelligence and System Direction

Deputy Chief Executive – Pip Fox

Intelligence and System Direction actively sets our priorities for the housing and urban development system and drives work with others across the organisation and the system to achieve outcomes. The group has a focus on the policy settings and key work programmes that are needed to achieve our priorities for the system, and embedding our system response in places.

Teams include System Insights and Strategy, System Policy, and Place-based Strategy.



Left to right:

Pip Fox | Anne Shaw | Andrew Crisp | Kararaina Calcott-Cribb | Jo Hogg | Brad Ward

Our role leading the housing and urban development system

Tā mātou mahi ārahi i te pūnaha whanake whare, tāone anō hoki

A shared vision for housing and urban development in Aotearoa

He whakakitenga kotahi hei whakawhanake kāinga, whare tāone anō hoki i Aotearoa

The strategic direction for the housing and urban development system is set out in the Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora – the National Māori Housing Strategy. Together, they present a **multi-decade vision for the housing and urban development system**, where everyone in New Zealand can live in a home and community that meets their needs and aspirations. The focus is on thriving and resilient communities, wellbeing through housing, Māori housing through partnership with the Crown and an adaptive and responsive system.

HUD leads the implementation of this vision on behalf of government. We work and collaborate across the housing and urban development system, facilitate input from partners and stakeholders, and monitor progress.

We know that a one-size-fits-all approach to housing and urban development doesn't work; we need tailored solutions. We enable housing through **place-based and local approaches**, while taking a long view on the placement and resilience of new stock.

Māori are disproportionately affected by the housing crisis, so we're **partnering with iwi and Māori** to support 'by Māori, for Māori, with Māori' approaches. Whai Kāinga Whai Oranga investment is supporting Māori to lead and deliver housing aspirations to whānau, hapū and iwi in their own communities and rohe.

We are **collaborating with local communities and organisations** to understand their housing and urban development issues, respond to their communities' immediate needs, and plan for cities that are accessible, resilient and provide more and better options for housing in the future.

Together with other government agencies, we're undertaking a series of **legislative reforms** to improve planning, protect our natural environment, and remove barriers to building more affordable homes in the right places.

We've **funded the development of infrastructure** for build-ready land and the construction of thousands more public, transitional and affordable homes.

We also developed our first **Long-term Insights Briefing**, which is a new requirement under the *Public Service Act 2020*. It provides the public with information about medium- and long-term trends, risks and the opportunities affecting Aotearoa New Zealand at least 10 years in the future, and options for how we might respond. The final Briefing considers the specific implications of our ageing population for our housing and urban futures.

MAIHI and place-based partnerships

MAIHI me ngā mahitahitanga ā-wāhi

Every community has their own housing and urban development challenges and opportunities. We're taking a deliberate, **place-based approach** to tackling Aotearoa New Zealand's housing and urban development challenges. This approach uses an understanding of places to inform how we work with communities.

The key aspect of our place-based approach is identifying how housing issues interact and affect the community, and then to change the system to deliver better housing outcomes for the community. This means that we work together to assess housing and urban development challenges, understand the causes behind them, and what the response from local government, central government or other partners could be.

Partnerships provide a way for central government and local partners to decide how working together can address the housing and urban challenges in their community. We currently have 10 active partnerships in communities across Aotearoa New Zealand, covering around 80 percent of the country's population. Our role will vary between places and over time, as partnerships continue to evolve. Wherever possible, we endeavour to support and strengthen local leadership.

Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework for Action places whānau at the centre of our housing response, applying kaupapa Māori principles and driving our delivery in partnership with iwi and Māori. MAIHI supports a cohesive Crown approach and draws on the collective strengths of government agencies, with everyone in the system working together. This gives us the

Kei ia hapori ō rātou ake wero whanake whare, tāone anō hoki me ōna āheinga e kore e taea te ara hanga noa te ea. He mahi hakune, he mahi ā-wahi tā mātou ara hei kōkiri i ngā wero whanake whare, tāone anō hoki o Aotearoa. He ara tēnei e whakamahi ana i ngā māramatanga ā-wahi hei ārahi i ā mātou mahi ki ngā hapori.

Ko te āhuratanga matua a tā mātou ara ā-wāhi, ka tautohu ka pēhea ngā take whare e hono, e whakaaweawe i te hapori, ā, kia panoni te pūnaha kia tuku i ngā putanga whare pai ake mō ngā hapori. Hoi anō, ka mahi ngātahi ki te arotake i ngā wero whanake whare, tāone anō hoki, te mārama ki te pū o ngā wero, me te whakaaro mō ētahi urupare mā te kāwanatanga-ā-rohe, te Kāwanatanga me ētahi atu hoa kōtui rānei.

Mā ngā mahitahitanga e whakarato i te ara mā te Kāwanatanga me ngā hoa kōtui ā-rohe te wānanga me pēhea te mahitahi kia kōkiri i ngā wero whanake whare, tāone anō hoki ki ō rātou hapori. Ināianei 10 ā mātou mahitahitanga ora i roto i ngā hapori puta noa i a Aotearoa, e kapi ana i te 80 ōrau o te taupori o te whenua. Ka whānui ā mātou mahi ki ia wāhi, ā, haere te wā, ka huri, ka tipu tonu ngā mahitahitanga. Ina ka taea, ka nanaiore ki te hāpai, ki te whakapakari i te hautūtanga ā-rohe.

Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework ka whakatau i ngā whānau ki te pūtahi o ā mātou urupare whare, ka whakaurua ko ngā mātāpono kaupapa Māori me te koke i ā mātou ratonga mā te mahitahi ki ngā iwi me ngā Māori. Ka tautoko a MAIHI i tētahi huarahi Karauna tūhonohono, ā, ka tō i ngā pūkenga ngātahi o ngā tari kāwanatanga me ngā tāngata katoa kei roto i

best opportunity to deliver positive housing outcomes and support 'by Māori, for Māori, with Māori' solutions.

The MAIHI Partnerships Programme makes it easier for hapū, iwi, and Māori housing providers to find and access the funding and support available from different government agencies for Māori-led housing projects. The MAIHI Partnerships Programme focuses on increasing both Māori housing supply and housing capability across the Māori housing continuum and developing a pipeline of 'by Māori, for Māori, with Māori' housing delivery.

The experience we have gained from the MAIHI and place-based partnerships has informed the development of additional tools over the last two years, including the Infrastructure Acceleration Fund, Progressive Home Ownership, Whai Kāinga Whai Oranga, the Affordable Housing Fund, and proposed improvements to other tools such as Land for Housing and First Home Support products.

Our experience has also informed the development and implementation of other regulatory tools such as Medium Density Residential Standards (MDRS) and *Resource Management Act 1991* reform. These tools allow us to work with partners and developers across Aotearoa to accelerate housing supply, particularly affordable housing for rent and ownership.

te pūnaha e mahitahi ana. Mā tēnei e nui ake ai te tūpono ka hua he putanga whare pai, ka tautoko hoki i ngā rongoā 'nā te Māori, mō te Māori, me te Māori'.

Ko te Kaupapa Mahitahi o MAIHI ka whakamāmā i te āhua ki ngā hapū, ngā iwi me ngā kaituku whare Māori ki te kimi me te toro ki te pūtea me ngā tautoko e wātea ana mai i ngā tari kāwanatanga maha mō ngā kaupapa whare e arahina ana e te Māori. Ko te Kaupapa Mahitahi o MAIHI ka aro ki te whakapiki i te nui o ngā whare Māori me ngā āheinga whare puta noa i te hātepe whare Māori me te waihanga ara putanga whare 'nā te Māori, mō te Māori, me te Māori'.

Ko ngā wheako kua pahawa i ngā mahitahitanga MAIHI, ā-wāhi hoki kua whakamōhio i te whanaketanga o ētahi atu hangarau i ngā tau e rua kua pahure, hei tauira, te Tahua Whakatere Hanganga, Whai Kāinga Whakaahu Whakamua, Whai Kāinga Whai Oranga me te Tahua Whare Utu Pai me ngā tono whakapai ake ki ētahi atu hangarau, pēnei me ngā Whenua mō ngā Whare me ngā rawa Tautoko Kāinga Tuatahi.

Nā ō mātau wheako i whakamōhio te whanaketanga me te whakatinanatanga o ētahi atu hangarau whakariterite pēnei i te Medium Density Residential Standards (MDRS) me te whakahoutanga o te *Resource Management Act 1991*. Mā ngā hangarau nei e āhei ai mātou te mahi me ngā hoa kōtui, ngā kaiwhakawhanake hoki puta noa i a Aotearoa hei whakatere i ngā putunga whare, ka mātua ko ngā whare utu pai hei rēti, hei hoko anō hoki.

Recovery from extreme weather events

The extreme weather events in early 2023, including the flooding in Auckland in January and Cyclone Gabrielle in February, inflicted damage and destruction to over 9,000 homes. Many residents were displaced, with some homes irreparable, and some residents feeling unsafe returning to damaged homes or continuing to reside in natural hazard-prone areas. New accommodation is being provided to meet immediate needs, and new houses are in development to support the long-term housing needs of those affected.

These events compounded an already strong housing need in these regions, with many whānau Māori living in overcrowded or substandard housing before the recent events hit. Before the extreme weather events, and since then, HUD has been working closely with Councils, Kāinga Ora, other agencies and iwi to deliver on immediate and medium-term housing actions, including emergency housing solutions and iwi and Māori housing initiatives.

The North Island Weather Events Phase 1 budget round provided \$70 million to support the quick delivery of stable (but temporary) housing for displaced whānau Māori affected by these extreme weather events. We are delivering 400 relocatable cabins to Tairāwhiti (through Toitu Tairāwhiti), Wairoa, Napier-Hastings, and Taitokerau and Port Waikato-Hauraki. Whānau will live in the temporary homes while their own homes are being repaired.

The project is being progressed by utilising the Toitū Tairāwhiti Whai Kāinga Whai Oranga housing prototype initiated in 2022. About 13 of the cabins will provide permanent housing, while the rest will be relocated to address housing needs elsewhere in the regions once they are no longer required for temporary accommodation.

As at 30 June 2023, we had delivered 117 cabins to site, with 104 delivered in Tairāwhiti and 13 in Wairoa.



Our progress

Ā mātou whanaketanga

More houses

Kia maha ake ngā whare

We want everyone to live in a home, whether rented or owned, that is stable and affordable. Building more houses that are the right size, the right type, and in the right place to meet the diverse needs of individuals and whānau will improve housing affordability in Aotearoa.

There is a growing demand, and expectation for, **public housing** in Aotearoa. Public housing is a vital part of the social support system, which provides a stable and affordable place to live. The Public Housing Plan 2021-2024 was the key response to increasing demand for public housing and focused on building new homes, with Kāinga Ora – Homes and Communities (Kāinga Ora) leading the delivery. We are also partnering with Community Housing Providers (CHPs), iwi and Māori, and local government to address housing shortages.

The 8,000 places in the Public Housing Plan 2021-2024 were in addition to the 6,400 public homes in the Public Housing Plan 2018-2022, and the 1,000 transitional housing places in the Aotearoa Homelessness Action Plan (HAP).

In Budget 2023, investment was allocated to fund 3,000 additional public housing places to be delivered by June 2025. These are included in the latest Public Housing Plan. The updated plan concentrates on regional needs, focusing on where public housing is most urgently required.

During 2022/23, an additional 2,555 of 6,000 public housing places were delivered against the two-year target in the Public Housing Plan 2021-2024. The remaining places will be delivered by 30 June 2024.

What is public and transitional housing?

Public housing gives families, whānau, and individuals an affordable home with security of tenure, targeted at households most in need of housing who cannot access or sustain a tenancy in the private rental market for a range of reasons. Public housing is housing primarily owned by the Crown (Kāinga Ora) or CHPs. People can access public housing when they are assessed by Te Manatū Whakahiato Ora – Ministry of Social Development (MSD) as being in severe need of housing support and are placed on the Housing Register.

Transitional housing reduces the use of emergency accommodation, such as motels, to house people in immediate and severe need. This type of housing gives families, whānau and individuals a warm, dry and safe place to live while they are supported to find longer-term accommodation. It pairs accommodation with wrap-around support services that help the household with barriers they face to finding a permanent home.

At the end of June 2023, there were 79,463 public homes, which consisted of 67,099 Kāinga Ora and 12,364 registered CHP properties.

Our role is to plan the supply of more public housing according to the areas of greatest need, and within the funding available. During 2022/23, we worked on the latest update of the Public Housing Plan, for delivery out to the end of June 2025.

The Public Housing Plan 2021-2024 also committed to the delivery of 2,000 additional transitional housing places, which were delivered by August 2022. At the end of June 2023, there were 5,935 **transitional housing places** secured for tenancing, which reflects an increase of 415 transitional housing places over the last financial year. There has been significant delivery of transitional housing across the country, especially at a regional level in the Waikato, Central, Southern and East Coast regions. There has also been strong delivery in Auckland and Wellington regions. Transitional housing places will continue to increase, with a further 500 places to be delivered by June 2024.

Transitional housing is designed to provide households with temporary accommodation for 12 weeks, with a further 12 weeks, support available if required once they have found a more permanent place to live. People in transitional housing should be well cared for by providers for the duration of their stay. A **code of practice for transitional housing** came into effect from 1 July 2023 and sets out the expectations and standards for providers and households operating or residing in transitional housing (this includes all types of transitional housing). It includes setting expectations around healthy and safe housing, pleasant living environments, fair and transparent exit processes, and issues management.

The National Policy Statement on Urban Development (NPS-UD) aims to ensure that New Zealand's towns and cities are well-functioning urban environments that meet the changing needs of our diverse communities. The *Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021* (EHS Act) brings forward implementation of the NPS-UD's intensification policies and directs councils to adopt the MDRS. These standards permit construction of up to three dwellings on most residential sites in New Zealand's largest cities without the need for a resource consent.

All Tier 1 councils have notified their plan changes, as they were required to, by 20 August 2022. These plan changes are now under the purview of the Independent Hearing Panels (IHPs). Tier 2 councils were also required to notify plan changes to give effect to Policy 5 by 20 August 2022, but a number of councils experienced delays and are expecting to notify their plan changes in 2023. The plan changes will all be completed at various dates.

The \$3.8 billion **Housing Acceleration Fund (HAF)** was established to increase the pace, scale, diversity and affordability of new housing supply for buyers and renters. The key components of the HAF are:

- The **Infrastructure Acceleration Fund**, which unlocks a mix of private sector and government-led developments in locations facing the biggest housing supply and affordability challenges.
- Kāinga Ora **Large-Scale Projects (LSPs)**, which are large urban redevelopment projects that develop build-ready land and infrastructure upgrades in locations where large numbers of public homes are reaching the end of their useful lives. HUD advises on significant investment decisions and has an ongoing role in monitoring LSP delivery.

- The **Land for Housing Programme**, which acquires vacant or under-utilised Crown and private land throughout Aotearoa that is suitable for residential development, in collaboration with iwi and private developers.
- The **Māori Infrastructure Fund**, which has had \$350 million from the HAF ring-fenced to unlock a wider range of Māori-led housing projects, such as developments on whenua Māori (Māori freehold land), papakāinga developments (multiply-owned affordable rental housing, typically on whenua Māori) or rural developments with on-site infrastructure needs.

The **Land for Housing Programme** purchases vacant or under-utilised Crown and private land throughout New Zealand that is suitable for housing developments. The land purchased through this programme is later on-sold to a development partner on a deferred payment basis to deliver new housing, with targets for affordable homes and public houses. Most of these development opportunities involve commercial partnerships with iwi. In fact, 80 percent of contracts involve iwi development partners.

Since 2015, a total of 319.82 hectares of land has been purchased or is administered under the programme. These sites are estimated to provide over 10,000 new houses, around 2,400 KiwiBuild or affordable homes, 1,400 public homes and 6,200 market-priced homes. To date, 1,530 homes have been built and 11 full developments have been completed.

In the 2022/23 year, four land acquisitions were settled, totalling almost 36 hectares of land (including Crown and private land). This land is estimated to deliver 725 homes once fully developed. It is also estimated that 173 will be KiwiBuild homes, 81 public housing and 471 market-priced homes.



One Development Agreement, which enables the delivery of homes on the land, was negotiated and agreed in 2022/23. This Agreement will result in 96 homes being constructed on 2.5 hectares of land, 29 of which will be delivered as KiwiBuild homes and 67 as market-priced homes.

A particular area of focus over the last year has been the implementation of the **Affordable Housing Fund**. This Fund provides financial support for the development of new affordable homes for low-to-moderate income families and whānau in areas facing the biggest housing supply and affordability challenges. There are two pathways in the Affordable Housing Fund: the Build-Ready Development Pathway and the Affordable Rental Pathway.

The **Build-Ready Development Pathway** opened in August 2022 to help deliver affordable housing through build-ready developments that, due to changing market conditions affecting residential housing, might not proceed without government support. For eligible build-ready developments in areas with high unmet housing needs and where construction hasn't started, we work with developers. This approach involves either purchasing their land under a government land acquisition programme, or pre-purchasing or underwriting homes 'off the plans' to reduce risk for developers and their financiers.

The first round of the Pathway provided targeted support for developments in regional areas with high unmet housing needs. As at 30 June 2023, \$82.7 million of pre-purchase and underwrite commitments had unlocked 144 homes across eight proposals in Manurewa in South Auckland, Ngāruawāhia, Tauranga, Napier, Hastings, Waikanae, Levin and Waiwhetū in Lower Hutt. Target completion of the homes begins from November 2023. Additional funding for this Pathway was provided in May 2023, enabling more developments to be supported given the ongoing challenging market conditions.

The recent extreme weather events in areas with already high unmet housing needs, such as Hawke's Bay, Tairāwhiti and Te Tai Tokerau, have further increased housing pressures in these places. Suitable developments from these areas will therefore be prioritised in the second funding round. Round two applications are under assessment.

The following indicators demonstrate HUD's impact on the system in relation to the intended outcome of building more houses.

Indicators	Results	Trend												
Number of new residential building consents ^[1]	<p>Number of New Residential Building Consents</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of New Residential Building Consents</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>34,804</td> </tr> <tr> <td>2020</td> <td>37,614</td> </tr> <tr> <td>2021</td> <td>44,331</td> </tr> <tr> <td>2022</td> <td>50,736</td> </tr> <tr> <td>2023</td> <td>44,529</td> </tr> </tbody> </table>	Year	Number of New Residential Building Consents	2019	34,804	2020	37,614	2021	44,331	2022	50,736	2023	44,529	
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^[1] Statistics New Zealand (2023). Building consents issued: June 2023. www.stats.govt.nz/information-releases/building-consents-issued-june-2023#:~:text=In%20June%202023%2C%20the%20seasonally,the%20year%20ended%20June%202022

^[2] Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (2023). The Government Housing Dashboard. www.hud.govt.nz/stats-and-insights/the-government-housing-dashboard/change-in-public-homes/#tabset

Public housing development in Northland

Habitat for Humanity opened Te Arapū, Northland’s biggest public housing development to date, in March 2023. With supply, development and operational funding from HUD, the \$6 million central Kerikeri development provided 10 duplex townhouses, including nine two-bedroom and one three-bedroom homes, for families and whānau eligible for public housing.

Habitat’s Northern strategy to deliver new high-quality, nurturing, and well-appointed public housing supply places a clear focus on Tai Tokerau, acknowledging the need in the region and enabling government funding in places where Kāinga Ora is seeking CHP sector involvement to meet overall delivery intentions.

Habitat will own and manage the 10 duplex townhouses under a 25-year contract from HUD, providing families and whānau with a healthy and stable living environment that is connected to the wider community.

Community Housing Regulatory Authority (CHRA)

The CHRA registers and regulates CHPs offering public housing. The registered CHP sector is comprised of dedicated social landlords. Registered CHPs have the same responsibilities under the *Residential Tenancies Act 1986* and other key legislation as private landlords. They also offer stable tenure for the duration of housing need, maintain a focus on positive tenant outcomes by providing links to support services where appropriate, encourage and act on feedback, and ensure that tenancy management is transparent and responsive while the properties they provide meet minimum standards.

Registration confers eligibility for CHPs to house tenants from MSD’s Social Housing Register and receive the Income Related Rent Subsidy (IRRS). Many registered CHPs also offer affordable rental housing to low-income households at a discount to market rent.

There are 74 registered CHPs, with 28 (38 percent) of these CHPs self-identifying as Māori organisations. Registered CHPs provide around 17,555 social and affordable housing properties, with 12,275 properties receiving the IRRS for eligible public housing tenants.

The CHRA received 20 applications for registration over the 2022/23 financial year. As at 30 June 2023, the Authority was assessing 15 new applications for registration.

Each registered CHP is required to report annually to the Authority on their operations. This ensures that registered CHPs continue to remain in compliance with the Property and Asset Management Performance Standards. Sixty-seven registered providers were required to provide an annual monitoring return in the 2022/23 period.

The focus for the 2022/23 monitoring round is the Property and Asset Management Performance Standards. Alongside the standard monitoring return requirements, each CHP will complete a questionnaire reporting on their preparations to ensure all properties reach compliance with the healthy homes standards, which come into effect for CHPs on 1 July 2024. This information will be aggregated, anonymised and shared with the Tenancy, Compliance and Investigations Team (TCIT) at the Ministry of Business, Innovation and Employment (MBIE), who are leading the work on the healthy homes standards.

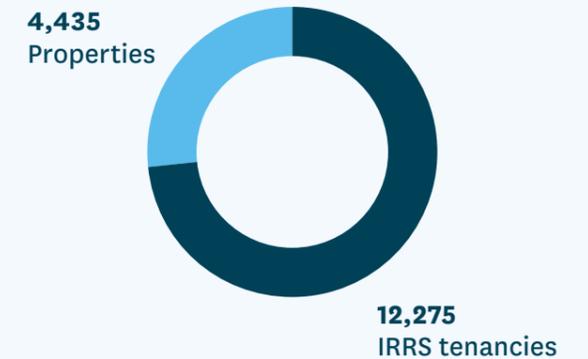
Growth of the registered CHP sector

This graph is to demonstrate the growth in the CHP sector and highlight the growth in Māori CHPs proportionally.

Year	All CHPs ^(a)	Māori CHPs
2013/2014	20	2
2014/2015	28 (+8)	5 (+3)
2015/2016	32 (+4)	5 (+0)
2016/2017	38 (+6)	6 (+1)
2017/2018	40 (+2)	8 (+2)
2018/2019	44 (+4)	9 (+1)
2019/2020	54 (+10)	16 (+7)
2020/2021	59 (+5)	18 (+2)
2021/2022	69 (+10)	24 (+6)
2022/2023	74 (+5)	28 (+4)

Total CHP Properties

This includes affordable rentals, transitional housing, emergency housing and Progressive Home Ownership properties.



^(a) Including those who self-identify as Māori CHPs.

New infrastructure to support the development of housing

He whanaketanga hanganga hou hei tautoko i te whanaketanga o ngā whare

The **Urban Growth Agenda** is a government-wide programme to improve housing affordability by removing barriers to the supply of land and infrastructure and making room for cities to grow up as well as out. Its main objectives are the timely supply of affordable housing, emissions reduction, and liveable and resilient cities.

Urban Growth Partnerships are in place for Auckland, Hamilton-Auckland Corridor (FutureProof), Tauranga-Western Bay of Plenty (Smartgrowth), Wellington-Horowhenua, Greater Christchurch and Queenstown Lakes. The partnerships have formal governance in place that includes Ministerial representation on behalf of the Crown.

The development of joint spatial plans, including Future Development Strategies required under the NPS-UD, is an important output of these partnerships as they provide a long-term place-based framework for the coordination of the most critical infrastructure and land use availability to deliver the objectives of the Urban Growth Agenda.

Over the last year, a joint spatial plan was prepared by the Greater Christchurch Urban Growth Partnership, with input from central government agencies and a comprehensive public engagement process. An investigation into the potential for Mass Rapid Transit in the region was developed in parallel with the joint spatial plan; the integration of these two projects is a crucial aspect of the partnerships work programme. The joint spatial plan was unanimously approved by the Whakawhanake Kāinga Komiti in May

2023 and endorsed by Cabinet in July 2023. Following a formal consultation process, it is expected to be finalised in early 2024.

We are in the final stages of adopting the Queenstown Lakes District Joint Housing Action Plan, which has been prepared collectively with Grow Well Whairoa partners to help address housing challenges in the Queenstown Lakes District. The plan focuses on ways to increase the supply of affordable housing, and provide for more housing choice, and will leverage urban development tools to enable density and coordinated infrastructure provision (for example, the *Urban Development Act 2020*). The plan will also focus on rental solutions for the district's workforce in collaboration with the community. The plan was endorsed by the Queenstown Lakes District Council in August 2023 and will be formally endorsed by the Grow Well Whairoa partnership later in 2023.

We are also supporting and shaping **Resource Management Act 1991 reform**. This is to ensure that it removes unnecessary regulatory barriers to residential construction, and will enable urban areas to grow and change, helping reduce the cost of development and improve housing affordability.

We are supporting cross-government work programmes to reduce emissions and adapt to the **impacts of climate change**. We can reduce emissions via the housing and urban development system, for example, by supporting energy efficient buildings and adding medium- and high-density development that is well connected by active

and public transport. We need to increase the resilience of our homes and places to the risks associated with climate change, such as the increased risks of homes becoming less liveable, damaged or destroyed.

In August 2022, the Government published New Zealand's first **National Adaptation Plan (NAP)**. The NAP sets out a strategic pathway to building New Zealand's resilience to climate change. We are responsible for the implementation of seven actions: two focused on research to inform future guidance and policies; three focused on working with housing and urban stakeholders and Māori partners to increase their resilience; and two to help embed climate resilience at the system level. Delivery of these actions is due by 2028.

The **Infrastructure Funding and Financing Act 2020** (IFF Act) provides an innovative way to fund and finance major infrastructure projects and is already proving useful as an alternative financing tool. Difficulty in accessing finance or funding for infrastructure ultimately restricts housing supply in areas with fast-growing populations. In turn, this drives up the cost of development, making housing more expensive.

In 2022, the first levy was established under the IFF Act. This levy applies for 30 years across Tauranga City Council's rating base, and has enabled \$175 million toward the construction costs of 13 projects selected from within the Western Bay of Plenty Transport System Plan (TSP).

This funding has been raised by a Crown Infrastructure Partners owned Special Purpose Vehicle (SPV) on the strength of the levy and the revenue stream it provides. The TSP will provide Tauranga City and the wider Western Bay of Plenty with several benefits, including reduced greenhouse gas emissions through increased use of public transport, cycling and walking, and better support for urban development.

HUD is seeing increased interest in the use of the Act model from other councils, and in 2023 we received a levy proposal from Wellington City Council for its proposed Sludge Minimisation Facility.

The following indicators demonstrate HUD’s impact on the system in relation to the intended outcome of enabling new infrastructure to support the development of housing.

Indicators	Results	Trend
<p>Amount of funding available with the purpose of supporting new infrastructure</p>	<p>In the year ending June 2023, \$3.8 billion has been made available to the Housing Acceleration Fund. Within this Fund, \$50 million has been allocated to the Land for Housing Programme and the remainder to the Infrastructure Fund. Within the Infrastructure Fund there are three components that have been allocated funding:</p> <ul style="list-style-type: none"> • Kāinga Ora Large-Scale Projects <ul style="list-style-type: none"> • \$1.996 billion has been allocated to Auckland’s Large-Scale Projects • \$340 million has been allocated to Eastern Porirua’s Large-Scale Project • A competitive fund <ul style="list-style-type: none"> • To date, 30 funding agreements have been signed, with \$926.7 million allocated from the Infrastructure Acceleration Fund to support critical infrastructure projects in 28 New Zealand cities and towns. • Infrastructure for Māori housing <ul style="list-style-type: none"> • \$350 million has been allocated to a Māori Infrastructure Fund. This fund is being administered by the Whai Kāinga Whai Oranga interagency team. 	
<p>Number of projects focused on new infrastructure to support the development of housing</p>	<p>In the year ending June 2023:</p> <ul style="list-style-type: none"> • The Land for Housing Programme, which received additional funding through the Housing Acceleration Fund, settled four land acquisitions estimated to deliver a combination of 725 KiwiBuild, public and market-priced homes in the future. One Development Agreement was also signed that will support the development of 96 homes in a mixed community of KiwiBuild and market-priced homes. • \$2.3 billion from the Housing Acceleration Fund announced in May 2022 in support of Large-Scale Projects over five years. This funding will enable around 18,400 homes to be built on Kāinga Ora land, and 13,000 on privately-owned land over the first 10 years of the programme across suburbs in Auckland and Eastern Porirua. • Projects being supported through the Infrastructure Acceleration Fund are expected to enable around 30,000 to 35,000 new homes over the next 10 to 15 years. • The Māori Infrastructure Fund administered by the Whai Kāinga Whai Oranga interagency team has been allocated \$350 million funding to enable 2,700 infrastructure sites to be delivered by June 2025. Of the 2,700 target to date, the Whai Kāinga Whai Oranga interagency team has approved 1,618 infrastructure sites made up of 77 projects ‘by Māori, for Māori, with Māori’ in total. 	

Future-proofing Greater Christchurch | Partnership plans for growth

Greater Christchurch has grown rapidly over the past 15 years and continues to do so, with its population expected to double within the next 60 years or sooner. Planning for how to accommodate this significant growth is important, alongside looking after the environment and responding to climate change.

In 2022, the Greater Christchurch Partnership and the Crown established an Urban Growth Partnership for Greater Christchurch – the Whakawhanake Kāinga Komiti. This partnership of central government, local government and mana whenua is focused on shared objectives on affordable housing, emissions reduction, and creating liveable and resilient urban areas.

The partnership’s first priority is to develop the Greater Christchurch Spatial Plan. One of the six opportunities in the spatial plan is to enable diverse and affordable housing in locations that support thriving neighbourhoods and provide for people’s day-to-day needs. This is proposed to be achieved by ensuring sufficient development capacity, focusing on intensification of housing, providing housing choice and affordability, and supporting community infrastructure. It also includes the development of kāinga nohoanga on Māori Reserve Land and within urban areas.

With HUD leading the Government’s involvement in Urban Growth Partnerships, our Place-Based Strategy Team provided technical expertise and direction and coordinated wider government involvement. Informed by the comprehensive Huihui Mai public engagement process, the main survey reflects an 86 percent agreement toward concentrating growth around key urban and town centres and along public transport routes, while ensuring well-designed high-density housing and access to green space.

Public consultation on the Draft Greater Christchurch Spatial Plan closed in July 2023, and the plan is expected to be finalised in early 2024.



Increased home ownership

Kia nui atu ngā hokonga whare

The Government's \$400 million **Progressive Home Ownership (PHO) Fund** is expected to help between 1,500 and 4,000 New Zealand families buy their own homes. The fund is committed in a multi-year appropriation with the expectation that it will be drawn down by June 2024.

Between the launch of the Fund in December 2020 and June 2023, 472 households have been helped into home ownership. As at 30 June 2023, the total number of houses contracted through the Fund, which includes those already delivered, is 861. A total of \$181.4 million had been contracted, with a further \$7.4 million approved for funding. \$88 million had also been drawn down, with further drawdowns totalling \$0.699 million underway.

Additional providers have also been approved through the Te Au Taketake Pathway this year, including Te Runanga o Kirikiriroa Charitable Trust, Ngāti Whātua Orākei Whai Rawa, Te Tahua o Rangitane Ltd, Te Tumu Kāinga and the Whaakatu Whānaunga Trust. This has brought the total number of approved providers, across both Te Au Taketake and the Provider Pathways, to 17. Two further participating banks have also joined the First Home Partner list of participating lenders.

The delivery of PHO homes has expanded into locations such as Palmerston North, Tauranga and Christchurch. This is the result of some providers completing their first developments.

In late 2022, a review of PHO policy settings started and mainly focused on the nature of eligible homes, which had previously been limited to new builds. A range of other policy settings were considered, including the relationship between PHO and Whai Kāinga

Whai Oranga funding. A final Cabinet paper recommending a package of changes was submitted in June 2023.

First Home Products help eligible first-time buyers with a First Home Grant to top up their deposit, or with a low-deposit First Home Loan. The First Home Products sit alongside other initiatives to support first home buyers, including the Progressive Home Ownership Scheme and KiwiBuild programme.

Changes were made to the First Home Grant in May 2023. House price caps increased for many places throughout the country, to align with the market and increasing cost of construction. The minimum new build house price cap increased from \$500,000 to \$650,000. In 2022/23, there were 10,782 First Home Grants paid.

Changes were also made to reduce the First Home Loan insurance premium and both the Crown and borrower contributions. The total premium amount reduced from 2.2 percent of the borrower's total loan balance to 1.2 percent. For first home buyers, the premium reduced from a 1.0 percent contribution to 0.5 percent. For the Crown, it reduced from 1.2 percent to 0.7 percent. Changes to the First Home Loan took effect from 1 June 2023. In 2022/23, there were 2,773 homes bought with a First Home Loan.

KiwiBuild was set up in 2017 to increase the supply of modest and affordable homes for first home buyers and second chancers. KiwiBuild aims to complement, rather than compete, with the private residential housing sector. The Government partners with private developers, local councils, infrastructure providers, and Māori and mana whenua to deliver KiwiBuild homes.

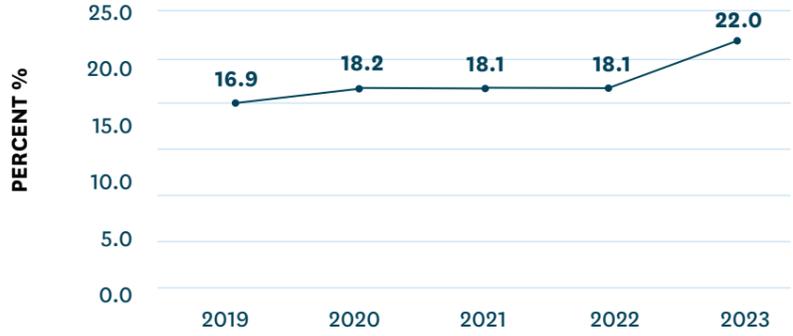
All KiwiBuild homes are new builds, so they are modern, warm and dry.

KiwiBuild policy is set by HUD and implemented by Kāinga Ora. In July 2022, the following key changes to KiwiBuild settings were announced:

- Increased KiwiBuild price caps to reflect the current market and encourage the delivery of more KiwiBuild homes for purchase
- A new income cap category was introduced for individual applicants with dependents, with an income cap of \$150,000. This is consistent with recent changes to First Home Products and recognises that individual applicants with dependents may need to purchase a larger KiwiBuild home, which requires a higher income to afford
- The income cap for multiple buyers was increased from \$180,000 to \$200,000 to reflect the higher cost of KiwiBuild homes
- Allowing exemptions to the price caps for homes with four or more bedrooms or those that meet universal design standards, to encourage the delivery of more of these homes to better cater to larger, potentially intergenerational families that are common in Māori and Pacific communities, and to those with accessibility needs.

By the end of June 2023, HUD had received 240 new enquiries from developers about the KiwiBuild underwrite since the policy settings were changed in July 2022. Of these, 55 proceeded through due diligence, with 12 receiving approval. A further two are awaiting approval and the remaining 41 continue to be assessed. Eight underwrites were contracted in the 2022/23 financial year, compared to only four in 2012/22. At the end of June 2023, 1,832 KiwiBuild homes were completed and 184 homes had been sold through KiwiBuild over the year.

The following indicators demonstrate HUD’s impact on the system in relation to the intended outcome of increasing home ownership.

Indicators	Results	Trend
Percentage of people living in owner-occupied homes	<p>In 2022, 64.2 percent of people were living in owner-occupied dwellings. For Māori this was 47.9 percent and for Pacific peoples 32.1 percent ⁽⁴⁾.</p> <p>In 2021, 63.5 percent of people were living in owner-occupied dwellings. For Māori this was 47.5 percent and for Pacific peoples 32.7 percent ⁽⁵⁾.</p> <p>In 2020, 62.7 percent of people were living in owner-occupied dwellings. For Māori, this was 44.5 percent and for Pacific peoples 30.3 percent.</p> <p>In 2019, 62.8 percent of people were living in owner-occupied dwellings. For Māori, this was 45.7 percent and for Pacific peoples 31.6 percent.</p>	
Proportion of lending to first home buyers (out of all buyer types) ⁽⁶⁾		
Proportion of mortgage commitments to first home buyers ⁽⁷⁾		

⁽⁴⁾ Statistics New Zealand (2023). HES Tenure by Ethnicity 2018-2022. <https://catalogue.data.govt.nz/dataset/hes-2022-houshold-counts-and-proportions-of-tenure-and-damp-or-mould-by-ethnicity>

⁽⁵⁾ Statistics New Zealand (2022). HES Tenure by Ethnicity 201- 2021. <https://catalogue.data.govt.nz/dataset/hes-tenure-ethnicity-2018-2021>

⁽⁶⁾ Reserve Bank of New Zealand Te Pūtea Matua (2023). www.rbnz.govt.nz/statistics/series/lending-and-monetary/new-residential-mortgage-lending-by-borrower-type

⁽⁷⁾ Reserve Bank of New Zealand (2023). www.rbnz.govt.nz/statistics/series/lending-and-monetary/new-residential-mortgage-lending-by-borrower-type & www.rbnz.govt.nz/statistics/series/lending-and-monetary/new-residential-mortgage-lending-by-purpose

Indicators	Results	Trend
Deposit Affordability Index ⁽⁸⁾	<p>In the year ended June 2023, the following regions had an improvement in their deposit affordability:</p> <ul style="list-style-type: none"> • Northland region (+15.7 percent) • Auckland region (+18.7 percent) • Waikato region (+15.4 percent) • Bay of Plenty region (+15.1 percent) • Gisborne region (+19.4 percent) • Hawke's Bay region (+15.1 percent) • Taranaki region (+8.0 percent) • Manawatu-Whanganui region (+19.3 percent) • Wellington region (+22.6 percent) • Tasman region (+16.5 percent) • Nelson region (+15.1 percent) • Marlborough region (+16.0 percent) • West Coast region (+7.8 percent) • Canterbury region (+11.2 percent). • Otago region (+11.5 percent) • Southland region (+9.3 percent). 	<p>No trend</p>

⁽⁸⁾ Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (2023). www.hud.govt.nz/stats-and-insights/change-in-housing-affordability-indicators/affordability-indicators/#tabset



Enabling families to own their own homes

Eleven Tauranga families have been given the opportunity to become homeowners through loan funding of \$3,760,000 from HUD’s Progressive Home Ownership programme, in collaboration with the Doing Good Foundation.

Tauranga’s housing prices are among the highest in the world relative to income. Home unaffordability has risen rapidly, with many negative social consequences.

The Doing Good Foundation is a not-for-profit and New Zealand registered charity that works to provide for families in genuine need of affordable homes. It has built over 100 homes for families over the last 53 years, and 88 over the last 28 years, helping to house families in genuine need through the Progressive Home Ownership model.

Following a house dedication ceremony in April 2023, long-term renters Destiny and Doug and their children, Jotham, Audrey and Olivia, moved in to their new three-bedroom home at Tauranga’s Gate Pa.

Improving the experience of renting Te whanake i te wheako rēti whare

The **Affordable Rental Pathway** of the Affordable Housing Fund launched in August 2022, and is focused on supporting affordable rentals for households that struggle to meet the cost of a market rental but can’t access public housing. The Pathway has been designed to leverage partnerships with a diverse range of investors, philanthropic organisations, developers and housing providers.

The first round was limited to six locations with \$50 million in funding available for grants. Applications were received from a wide range of organisations, with six projects approved for funding that plans to deliver 92 homes.

The second round of the Pathway was launched in February 2023. It has the same funding parameters as the first, but with eligibility extended to the entire country and \$100 million available. Interest in this round was high, and following the evaluation of applications 37 were invited to move forward to the proposal stage, with proposals due to be submitted in August 2023.

Build-to-rent is a type of medium- to high-density residential development, specifically built to provide long-term rental housing. Its benefits include enabling significant dedicated rental supply and providing better tenant experiences and wellbeing outcomes. In March 2023, legislation was enacted to exclude build-to-rent developments on registered build-to-rent land in perpetuity from interest limitation rules. This change is one of several measures being implemented that are likely to go some way to facilitating the growth of the build-to-rent sector.

We have a role in assessing and registering build-to-rent land for the exclusion from interest limitation rules. Since the legislation was enacted, 19 build-to-rent developments representing 733 homes have applied for registration.

In November 2022, we published a new online tool providing timely, relevant housing affordability information. The **Change in Housing Affordability Indicators** provide insights into the affordability of renting a home, purchasing a home, saving for a deposit and repaying a mortgage.

Nearly 600,000 households rent in New Zealand and research shows our rental stock is poorer quality than owner-occupied homes. Ensuring everyone has a warm dry rental home is a priority for improving the wellbeing of New Zealanders and their families.

The **Healthy Homes Initiative (HHI)** was introduced in 2013 to mitigate preventable sickness like rheumatic fever, skin infections and respiratory issues that result from cold, damp housing. It provides education, beds and bedding, curtains, heating and housing relocation to those who need it most. It also works to improve equity, with Māori and Pacific families over-represented in low-income households and in areas of poorer quality and crowded housing.

As of 1 July 2022, the HHI expanded nationwide, with HUD providing policy, evaluation and funding support. Led by the Ministry of Health, the HHI is one part of the Government’s wider housing programme, which includes the healthy homes standards, introduced in 2019.



The **healthy homes standards** aim to close the quality gap between rental properties and owner-occupied homes. The regulations include minimum standards for heating, insulation, ventilation, moisture ingress (dampness) and drainage, and draught stopping.

The Government extended the healthy homes standards compliance timeframes through the **Residential Tenancies (Healthy Homes Standards) Amendment Bill 2022**. The extension to the healthy homes standards applies to private landlords, Kāinga Ora and CHPs. For private landlords, the timeframe for compliance for a new or renewed tenancy changed from 90 days to 120 days, and the final date by which all private landlords must comply changed from 1 July 2024 to 1 July 2025. For Kāinga Ora and CHPs, the timeframe for compliance changed from 1 July 2023 to 1 July 2024. The new timeframes provide additional time for both the private and public housing providers to achieve compliance with the healthy homes standards, recognising the impact that COVID-19 has had on implementation in recent years.

More than 40 percent of New Zealand rentals are looked after by property managers.

We have progressed the **regulation of residential property managers**, including a public consultation which closed in April 2023. The regulation would introduce national standards around training, licensing and practice for all professional property managers, and give tenants and landlords confidence in the quality and consistency of the property management services they receive.

Regulations are needed to provide certainty around what to do when residential rental premises are contaminated with methamphetamine. The **consultation on methamphetamine regulation** seeks to clarify the level at which residue in residential rental premises presents a probability of harm. While New Zealand uses two different ‘acceptable’ levels for methamphetamine contamination, neither is mentioned in legislation and neither is therefore legally binding. Public consultation on the proposed regulations closed in March 2023, with submissions under analysis to October 2023.

The following indicators demonstrate HUD’s impact on the system in relation to the intended outcome of improving the lives of renters.

Indicators	Results	Trend
Regional Rental Affordability Index ^[6]	<p>In the year ended June 2023, the following regions had an improvement in rental affordability:</p> <ul style="list-style-type: none"> • Northland region (+1.8 percent) • Waikato region (+1.2 percent) • Bay of Plenty region (+1.2 percent) • Hawke’s Bay region (+2.4 percent) • Wellington region (+5.4 percent) • Tasman region (+3.5 percent) • Nelson region (+0.6 percent) • Canterbury region (+0.1 percent). <p>In the year ended June 2023, the following regions had a decrease in rental affordability:</p> <ul style="list-style-type: none"> • Auckland region (-0.4 percent) • Gisborne region (-0.1 percent) • Taranaki region (-3.5 percent) • Manawatu-Whanganui region (-0.1 percent) • Marlborough region (-1.6 percent) • West Coast region (-0.1 percent) • Otago region (-5.5 percent) • Southland region (-3.3 percent). 	No trend

^[6] The use of the Regional Rental Affordability Index allows us to demonstrate change over time. In the year ended June 2022, the national Rental Affordability Index had an improvement of 1.0 percent. Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (2023). www.hud.govt.nz/stats-and-insights/change-in-housing-affordability-indicators/affordability-indicators/#tabset

Indicators	Results	Trend
<p>Percentage of households reporting living in homes with dampness or mould</p>	<p>In 2021/22, 4.4 percent of people lived in households reporting a major problem with dampness or mould. This figure was 9.1 percent for Māori and 9.3 percent for Pacific peoples.</p> <p>In 2021/22, 22.2 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 26.8 percent for Māori and 30.9 percent for Pacific peoples. ^[9]</p> <p>In 2020/21, 4.3 percent of people lived in households reporting a major problem with dampness or mould. This figure was 8.3 percent for Māori and 10.4 percent for Pacific peoples.</p> <p>In 2020/21, 18.3 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 26 percent for Māori and 21.5 percent for Pacific peoples. ^[10]</p> <p>In 2019/20, 5 percent of people lived in households reporting a major problem with dampness or mould. This figure was 10.3 percent for Māori and 14.3 percent for Pacific peoples.</p> <p>In 2019/20, 20.1 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 25.9 percent for Māori and 30.5 percent for Pacific peoples. ^[11]</p> <p>In 2018/19, 5.7 percent of people lived in households reporting a major problem with dampness or mould. This figure was 12.2 percent for Māori and 17.7 percent for Pacific peoples.</p> <p>In 2018/19, 21 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 28.4 percent for Māori and 30.4 percent for Pacific peoples. ^[12]</p>	
<p>Level of compliance with the healthy homes standards</p>	<p>As of December 2022, 92 percent of landlords say they have done things to prepare their rental property/properties to meet the healthy homes standards or that their rental is already compliant. ^[13]</p> <p>As of August 2021, 85 percent of landlords say they have done things to prepare their rental property/properties to meet the healthy homes standards or that their rental is already compliant. ^[14]</p> <p>As of August 2020, 77 percent of landlords had done things to prepare their rental property/properties to meet the healthy homes standards or that their rental is already compliant. ^[15]</p>	

^[9] Statistics New Zealand (2023). HES Warm and Dry / Damp or Mould 2022 by Ethnicity. <https://catalogue.data.govt.nz/dataset/hes-2022-houshold-counts-and-proportions-of-tenure-and-damp-or-mould-by-ethnicity>

^[10] Statistics New Zealand (2022). HES Warm and Dry / Damp or Mould 2021 by Ethnicity. <https://catalogue.data.govt.nz/dataset/hes-warm-dry-damp-mould-2021-ethnicity>

^[11] Statistics New Zealand (2021). HES Warm and Dry / Damp or Mould 2021 by Ethnicity. <https://catalogue.data.govt.nz/dataset/hes-2019-20-dampormould-keephousewarm-warmdry>

^[12] Statistics New Zealand (2020). HES 2018-19 Warm and Dry, including Maori Households. <https://catalogue.data.govt.nz/dataset/household-economic-survey-2018-19-warm-and-dry-including-maori-households/resource/ocaabo6b-8cb7-465c-ba77-78391fa5codd>

^[13] Kantar Public (2022). Healthy Homes Guarantee Act Monitoring: Wave 3 Research 2022. www.hud.govt.nz/assets/Uploads/Documents/Pulse-survey-reports-published-March-2023/Healthy-Homes-Guarantee-Act-monitoring-Topline-Report-Wave-3-Dec-2022.pdf

^[14] Kantar Public (formerly Colmar Brunton) (2021). Healthy Homes Guarantee Act Monitoring: Wave 2 Research 2021. www.hud.govt.nz/documents/?q=&sort=&_topics%5B%5D=148

^[15] Colmar Brunton (2020). Healthy Homes Guarantee Act Monitoring: Baseline Research 2020. www.hud.govt.nz/documents/?q=&sort=&_topics%5B%5D=148

Supporting other types of living arrangements

The **Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Act 2022** became law on 9 May 2022. The Amendment Act comes into force in stages, with many of the provisions having come into force on 9 May 2023. The new provisions which came into force in May 2023 include:

- lower application fees for resolving unit titles disputes in mediation or the Tenancy Tribunal
- more information to be provided to prospective buyers of unit titles
- a code of conduct for body corporate committee members
- offsetting out the responsibilities of body corporate managers.

The final remaining provisions will come into force on 9 May 2024.

The Amendment Act requires three sets of regulations to be made, including regulations for requesting documents from a body corporate, rules for electronic voting, and rules to determine legal costs that can be awarded in the Tenancy Tribunal. Public consultation will test a preferred approach

for each set of regulations and seek feedback on any refinements that could strengthen the proposals.

We are leading a **review of the Retirement Villages Act 2003** and its associated regulations and codes to ensure they remain fit for purpose and strike a balance between the rights and responsibilities of residents and retirement village operators. It also seeks to ensure the ongoing viability of the retirement village sector and its ability to provide a range of retirement housing options and consumer choice. The retirement villages sector plays a significant role in meeting the needs of older New Zealanders and in adding to our overall housing supply. Currently around 48,000 people live in retirement villages, and this is expected to increase to over 81,000 by 2033.

HUD has released a discussion paper, the Retirement Villages Act 2003: Options for Change. The discussion paper outlines proposals relating to three phases of retirement village living – moving in, living in and moving out. Public consultation on the discussion paper closes in November 2023.



People thrive in healthy, warm and dry homes

The healthy homes standards are designed to improve the quality of rental properties and help ensure that all New Zealanders have a warm, dry and healthy home, regardless of whether they rent or own. They set a minimum standard for heating, insulation, ventilation, draught stopping, moisture ingress and drainage, which together provide the greatest health and wellbeing benefits to tenants.

A three-year outcomes evaluation report, released in October 2022, shows that healthy homes are making a tangible contribution to better health and social outcomes for individuals, families and whānau.

The evaluation showed a 20 percent reduction in hospital visits and shorter hospital stays, increased attendance at school and work, and a decrease in social benefit drawings. More than 31,000 children, pregnant people and 111,000 of their family members are warmer and healthier, with positive immediate and long-term personal and social impacts.

Low-income whānau with 0- to 5-year-old children and pregnant people in the programme saw: a reduction in hospitalisation of 20 percent alongside shorter and less severe hospitalisations; a 3 percent reduction in days off school for medical reasons; a 4 percent increase in employment in adults aged 24 to 64, with a concurrent 9 percent reduction in the cost and number of government social benefit drawings.

With nearly half the cohort either Māori (48.7 percent) or Pacific (46.1 percent), healthy homes are helping to improve equity in health and social outcomes. Moreover, the value of the social benefits alone exceeds the programme cost, resulting in a return on investment within one year.

More Māori-led housing

Kia maha ake ngā whare nā te Māori

Whai Kāinga Whai Oranga is a \$730 million Māori housing fund for iwi, hapū and Māori entities to deliver new homes and infrastructure, repair Māori-owned and occupied homes, and provide capability building to Māori housing organisations. It also offers grants or loans for new builds and is jointly administered with Te Puni Kōkiri.

Since the establishment of the Whai Kāinga Whai Oranga programme in 2021, we have formalised our partnership agreements with four iwi prototype partners – Toitū Tairāwhiti, Ngāti Kahungunu Iwi Incorporated, Ka Uruora and Te Pouahi o Te Taitokerau to deliver up to 553 affordable homes for whānau Māori in priority regions, such as Te Taitokerau and Tairāwhiti. Through our partnerships with iwi and Māori we have exceeded the milestone by contracting 1,003 homes against the target of 1,000 homes. At the end of June 2023, we had delivered 63 homes with certified code of compliance.

Budget 2023 provided further investment of \$150 million to continue the momentum achieved so far by programmes such as MAIHI Partnerships and Whai Kāinga Whai Oranga. \$70 million was also provided to deliver 400 relocatable cabins, to assist whānau displaced from their homes by Cyclone Gabrielle and the North Island extreme weather events.

In June 2023, **Takai Here Tāngata**, an innovative housing project that received funding support by Whai Kāinga Whai Oranga and the MAIHI Partnerships Programme, won the Collaborative Government Action and the overall Supreme Award at the Taituarā Local Government Excellence Awards. Takai Here Tāngata is

a housing partnership between Kahungunu Whānau Services, Te Rūnanganui o Te Āti Awa, Hutt City Council and the council subsidiary, Urban Plus. Ltd, which has housed 19 whānau into brand new, fully furnished homes at Te Ara o Takapū, Taitā, Lower Hutt.

On 2 December 2022, the fourth MAIHI Whare Wānanga, **Te MAIHI Whare Wānanga ki te Tairāwhiti**, was delivered in partnership with Toitū Tairāwhiti. Representatives from hapū, iwi, and Māori housing providers from across the motū were present. The Hon Peeni Henare and Hon Marama Davidson, Associate Minister of Housing (Homelessness) were in attendance alongside HUD officials.

This was the largest MAIHI Whare Wānanga held to date. More than 130 people attended in person at Te Poho-o-Rawiri Marae in Kaiti, Gisborne, as well as over 100 online participants.

Mana motuhake was a main theme reiterated throughout the recent MAIHI Whare Wānanga. Iwi made it clear their desired approach to housing is to have local solutions that are Māori-led, while being supported and enabled by government through programmes like Whai Kāinga Whai Oranga.

The Kāinga Whenua Loan Scheme is a product currently offered by Kiwibank to financially support whānau Māori to build housing and live on whenua Māori. Since 2010, the Kāinga Whenua Loan Scheme, administered by Kāinga Ora in partnership with Kiwibank, has provided support to help Māori achieve home ownership on their land. Kiwibank approve and provide



the loans, and applicants must meet their standard lending criteria and the Kāinga Whenua criteria. Kāinga Ora underwrites the loan for Kiwibank.

The Kāinga Whenua Loan aims to assist whānau who cannot use their collectively-owned land as security, as it is usually not accepted as security by the banking system. Te Tūāpapa Kura Kāinga and Kāinga Ora are currently reviewing the Kāinga Whenua Loan Scheme, with a focus on increasing its uptake. There is a clear need for the Kāinga Whenua Loan Scheme, and the review has so far found that modification to the loan conditions will improve opportunities to support first homeowners to build on their whenua. HUD continues to work with Kāinga Ora in enacting changes to the Kāinga Whenua Loan to improve uptake.

To continue improving the Māori housing system, we identified that iwi, hapū and Māori organisations, the government and local authorities need better access to Māori housing data. More accessible Māori housing data can inform decision-making, and support locally led Māori housing solutions. It also promotes government transparency and accountability for Māori housing.

MAIHI Ka Ora, Ka Mārama – the Māori Housing Dashboard is an interactive dashboard on HUD’s website, which was launched in December 2022. It includes data describing the level of need experienced by whānau Māori, such as Emergency Housing Special Needs Grants and the Housing

Register and Accommodation Supplement. It also has data that describe what is being done to address Māori housing needs – including Whai Kāinga Whai Oranga, Progressive Home Ownership, Land for Housing, First Home products, Sustaining Tenancies and Housing First. Currently data is sourced from Te Manatū Whakahiato Ora, Te Puni Kōkiri, Kāinga Ora, the CHRA and Te Tūāpapa Kura Kāinga.

MAIHI Ka Ora, Ka Mārama provides access to consistent, reliable data to support whānau, hapū, iwi and Māori organisations when they make decisions about housing. It also shows the progress that is being made in achieving safe, healthy, affordable homes with secure tenure for whānau across the Māori housing continuum.

We would like to mihi to all those who contributed to the development of this product, including the Ngāti Hine Health Trust, the ANT Trust, Te Matapihi and Te Puni Kōkiri who provided user-testing, and those from Te Rūnanga-Ā-Iwi-Ō-Ngāpuhi, the Waipareira Trust and Te Kahu o Taonui who shared their thoughts and feedback. We will continue to update and improve MAIHI Ka Ora, Ka Mārama and we invite continued feedback through our website.

The following indicators demonstrate HUD’s impact on the system in relation to the intended outcome of enabling more Māori-led housing.

Indicators	Results	Trend																														
Amount of funding available with the purpose of supporting more Māori-led housing	There are a variety of funds that have become available to make it easier for hapū, iwi and Māori housing providers to find and access funding and support from different government agencies for Māori-led housing projects.																															
	<table border="1"> <thead> <tr> <th>Financial year</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> </tr> </thead> <tbody> <tr> <td>He Kūkū ki te Kāinga</td> <td>\$672,500</td> <td>\$13,941,762</td> <td>\$31,971,819</td> <td>\$56,685,117</td> </tr> <tr> <td>He Taupua</td> <td>\$489,500</td> <td>\$2,989,484</td> <td>\$1,448,538</td> <td>\$5,473,571</td> </tr> <tr> <td>He Taupae</td> <td>-</td> <td>\$971,000</td> <td>\$633,681</td> <td>\$6,290,442</td> </tr> <tr> <td>Māori Infrastructure Fund</td> <td>-</td> <td>-</td> <td>\$13,917,211</td> <td>\$70,244,390</td> </tr> <tr> <td>Total</td> <td>\$1,162,000</td> <td>\$17,902,246</td> <td>\$47,971,249</td> <td>\$138,693,520</td> </tr> </tbody> </table>		Financial year	2019/20	2020/21	2021/22	2022/23	He Kūkū ki te Kāinga	\$672,500	\$13,941,762	\$31,971,819	\$56,685,117	He Taupua	\$489,500	\$2,989,484	\$1,448,538	\$5,473,571	He Taupae	-	\$971,000	\$633,681	\$6,290,442	Māori Infrastructure Fund	-	-	\$13,917,211	\$70,244,390	Total	\$1,162,000	\$17,902,246	\$47,971,249	\$138,693,520
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New homes for whānau in Te Muriwai

Ngāi Tāmanuhiri and the wider Toitu Tairāwhiti collective opened 10 new homes in December 2022, for individuals and whānau in Te Muriwai. This is part of a \$55 million investment to deliver up to 150 new homes funded by Whai Kāinga Whai Oranga. Toitu Tairāwhiti (a collective that consists of Ngāi Tāmanuhiri, Rongowhakaata, Te Aitanga-a-Māhaki and Ngāti Porou plus iwi partners Te Whānau-ā-Apanui and Te Whakatōhea) are working to deliver these new homes on whenua Māori.

The 10 newly opened homes include four one-bedroom unit pakeke duplex, four three-bedroom and two four-bedroom homes for iwi whānau members, providing affordable places to live for those currently in social housing, those paying unaffordable rents, living in crowded or uninhabitable dwellings, or those in unsafe and unhealthy rental properties.

These homes also stand as testament to HUD working together in the hard mahi of Toitu Tairāwhiti, and the power of working collectively to provide warm, secure, affordable homes on whenua Māori.

Wai 2750 Stage 1 report Wai 2750 Wāhanga 1

HUD is leading the Crown response to the Wai 2750 Kaupapa Inquiry into Māori Housing Policy and Services. Participating in the Inquiry is an opportunity to reset the housing system in partnership with Māori and strengthen the Māori-Crown relationship. Understanding where and how historical and current Crown housing policies and services have failed to reach Treaty standards and meet the needs of Māori is critical to addressing the housing inequity experienced by Māori.

In May 2023, the Waitangi Tribunal released Kāinga Kore: The Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness. The Tribunal determined that the Crown had breached Te Tiriti o Waitangi principles of active protection, equity and good government. The Crown is taking a phased approach in responding to the Stage One findings and it is anticipated that a response will be confirmed in 2023/24.

Hearings for Stage Two will begin in 2024. The Tribunal has confirmed Stage Two of the Inquiry will consider claims grouped into four pakitara (themes):

Whenua Māori – Use and development of Māori land for housing.

Te Ao Kāinga – Housing policy, practice and regulation of the housing market.

Whānau Kāinga – Social housing and the provision of ‘public housing’ by central and/or local government.

Hauora – Relationship between poor physical and mental health (and other socio-economic factors) and housing.

E kōkiritia ana e Te Tūāpapa Kura Kāinga te urupare a te Karauna ki te Wai 2750 Inquiry into Māori Housing Policy and Services. Mā te whai wāhi atu ki te Pakirehua e wātea ai te whakahoungia o te pūnaha whare ki tō ngāi Māori taha e kaha ai tā rāua hononga. He mea nui te marama i te pūtake i hē ai ngā kaupapa here whare me ngā ratonga whare o nehe, o nāiane hoki ki te eke ki ngā paerewa o te Tiriti kia tutuki rānei i ngā matea a ngāi Māori. Mā ēnei akoranga e whakatika te tautika-kore e rangona ana e ngāi Māori.

I te marama o Mei 2023, i puta i Te Rōpū Whakamana i te Tiriti o Waitangi te Kāinga Kore: The Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness. Nā te Taraipiunara te whakatau, i takahia e te Karauna Te Tiriti o Waitangi me ōna mātāpono, arā, te tiaki, te tautika me te kāwanatanga tika. Kua wāwāhitia te urupare a te Karauna ki ngā hua o te Wāhanga Tuatahi me te tūpono hei te tau 2023/24 whakatau ai tētahi urupare.

Hei te tau 2024 ka tīmata ai ngā nohoanga o te Wāhanga Tuarua. E ai ki ngā whakatau a te Taraipiunara, ko tā te Wāhanga Tuarua o te Pakirehua he riro i ngā kerēme ki raro i ngā pakitara (kaupapa) e whā:

Whenua Māori – Te whakamahinga me te whanaketanga hoki o ngā whenua Māori mō ngā take whare.

Te Ao Kāinga – Ngā kaupapa here whare, ngā tukanga me ngā waeture o te mākete whare.

Whānau Kāinga – Te nōhanga ahupori me te rato ‘whare tūmatanui’ a te Kāwanatanga me ngā kāwanatanga ā-rohe.

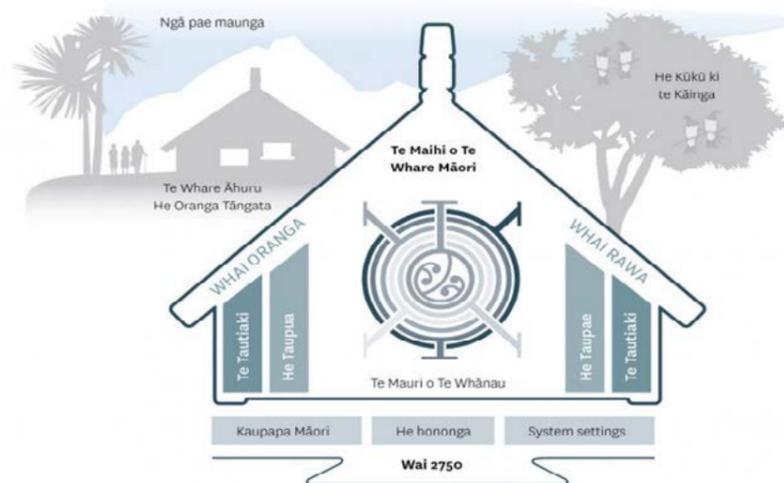
Hauora – Te hononga o te rawakore o te hauora ā-tinana, ā-hinengaro (me ngā āhuatanga oha-pori) ki ngā take whare.

To ensure the Crown’s participation in the Wai 2750 Inquiry continues to be coordinated, informed, efficient and focused on opportunities, we have completed several key projects this year:

- We developed a comprehensive claims and claimant evidence database and carried out an organisation-wide stocktake of policies, practices, services and programmes. A comprehensive understanding about what we do, as well as how we do it, coupled with knowledge of the issues facing Māori enables ongoing improvements to how we deliver for Māori as part of our commitments in GPS-HUD and MAIHI.
- We supported the involvement of Te Tūāpapa Kura Kāinga in the Wai 3060 Te Rau o te Tika mini-inquiry into claimant funding, which resulted in Cabinet’s agreement to Treaty-anchored improvements to how lead agencies fund claimant participation in kaupapa and contemporary inquiries.
- We established an **inter-agency working group** to ensure the response to Kāinga Kore: *The Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness* and planning for Stage Two is co-ordinated across the Crown.

Hei whakaū i te whai wāhitanga a te Karauna ki te Pakirehua Wai 2750 kia rite pai, kia whaimōhio, kia whāomo, kia aro ai ki ngā āheinga, he maha ngā hinonga kua tutuki i a mātou i tēnei tau:

- I waihangatia e mātou tētahi raraunga taunaki kerēme, kaikerēme hoki, ā, i whakaraupapa i ngā kaupapa here, ngā tukanga, ngā ratonga me ngā hōtaka puta noa i te tari. Mā te mārama ki ā mātou mahi me te āhua o aua mahi, me te mōhio hoki ki ngā raru e rangona ana e ngāi Māori, e piki tonu ai ā mātou tutukitanga ki a ngāi Māori hāngai ki ā mātou takohanga ki GPS-HUD me MAIHI.
- I tautokohia e mātou te whai wāhi a Te Tūāpapa Kura Kāinga ki Wai 3060 Te Rau o te Tika, te pakirehua mō ngā tahua a ngā kaikerēme, nāna i puta ai i te kāhui minita te whakaaetanga whakapikinga pūmau ki te Tiriti mō te āhua o te tuku pūtea a ngā umanga matua e whai wāhi ai ngā kaikerēme ki ngā pakirehua kaupapa, moroki anō hoki.
- I whakatūria e mātou tētahi **ohumahi i ngā umanga** kia reretahi ai te urupare puta noa i te Karauna mō te Kāinga Kore: *The Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness* me te whakamahere o te Wāhanga Tuarua.



More support provided to people in housing need

Kia nui ake te tautoko ki ngā tāngata e hiahia whare ana

A new strategy for **Pacific housing** was launched in November 2022. Fale mo Aiga – Pacific Housing Strategy and Action Plan 2030 (Fale mo Aiga) is the Government’s targeted response to the needs and aspirations of Pacific communities and a commitment to supporting better outcomes for Pacific peoples. Fale mo Aiga means ‘houses for families’, reflecting the strategy’s strong focus on home ownership as a means of generating intergenerational wealth and achieving security of tenure. This is an aspiration for many Pacific peoples that was clearly expressed in the Pacific Aotearoa Lalanga Fou report.

Aotearoa New Zealand Homelessness Action Plan (HAP) 2020-2023 builds on and supports work already underway around New Zealand and puts in place essential changes to address responses to homelessness. This is to ensure that homelessness is prevented where possible, and is rare, brief and non-recurring when it does happen.

While ‘prevention’ is one of four pillars under the HAP, the impact of COVID-19 shifted the focus to crisis response. More recently, damage from Cyclone Gabrielle and the Auckland Anniversary floods, as well as the cost-of-living crisis, have exacerbated pressure on the housing system.

Significant progress has been made in implementing the HAP. There is a good pipeline of **rangatahi/youth transitional housing** projects, and providers are regularly approaching HUD with new

opportunities. Over the last year, through Budget 22 funding, 95 transitional housing places were made available for rangatahi/youth, with an expected 200 places to be made available overall.

Supported accommodation service for rangatahi was allocated by July 2023. We have developed initial service parameters and will collaborate with experienced providers to complete design and delivery. HUD is collaborating with providers on service parameters and plan for delivery, with the contracts beginning from July 2023.

Outreach services will address barriers for people disconnected from the housing support system who are currently experiencing, or are at risk of, homelessness and who have been missed or overlooked by other existing provision. Outreach involves building relationships with people experiencing homelessness and connecting them with services that can provide a pathway out of it. Services will be contracted from July 2023.

Work is underway to deliver **kaupapa Māori responses to homelessness** through the He Ara Hiki Mauri prototype in partnership with Te Matapihi and Arohanui ki te Tangata. This agreement will enable funding to be accessed from 2023 for He Ara Hiki Mauri to empower whānau who need it most.

Through the HAP, \$16.6 million is available for the **Local Innovation and Partnership Fund (LIPF)** over three years to support local initiatives that respond to and prevent homelessness. The third round of LIPF is

underway, with applications being assessed. Close to \$6 million was allocated to 10 providers in September 2022 in the second round of LIPF. Alongside the six initiatives continuing from the first round, all 10 round two initiatives were operational by the end of 2022. Round three will allocate the remainder of the funding of just over \$7 million in July 2023.

In 2022/23, we also began an **evaluation of the HAP**, which will develop an overarching picture of the impact HAP has had. It will also inform separate work to consider what, whether and how specific initiatives under HAP are continued, as well as HUD's overall response to homelessness.

In June 2023, we published the **Homelessness Outlook** to help improve understanding of homelessness in Aotearoa. The data and insights within the Outlook tell us about some of the most vulnerable people in the country – and, more importantly, will help inform better ways of supporting them to thrive. This first release of the Outlook includes indicators of homelessness and information about events influencing it.

There are several additional services available to help those who are homeless or are at risk of becoming homeless.

Housing First helps people who have been experiencing homelessness for at least a year into permanent housing. Once a person is housed, the programme provides ongoing and tailored support to help them remain housed and address the underlying issues which led to their homelessness. HUD's role in Housing First is to bring together local health and social service providers, housing providers, local government, iwi and other agencies to develop localised community responses to homelessness. As at 30 June

2023, 2,755 contracted places were available for chronically homeless households to be placed and supported into secure and stable accommodation.

Rapid Rehousing aims to support people who have recently become homeless or are at risk of becoming homeless, and who have low-to-medium complexity social service needs. Rapid Rehousing helps individuals, families and whānau quickly exit homelessness and return to permanent housing. Once in stable housing, it provides support to help people maintain their tenancies and avoid a return to homelessness. As at 30 June 2023, there were 681 contracted places available for homeless households to be supported under the Rapid Rehousing programme.

Sustaining Tenancies is a service for tenants in private rentals or public housing who are at risk of losing their place to live. Service providers work with tenants on issues such as struggling to pay the rent, dealing with mental or physical health concerns, or risk factors such as addiction or family violence that are placing their tenancy at risk. As at 30 June 2023, there were 2,357 contracted places available for households to be supported under the Sustaining Tenancies programme.

A review of supported housing was begun in response to the HAP. Definitions of supported housing vary across government and more broadly at an international level. The inconsistent terminology has contributed to the complexity in this sector and compounded issues such as unclear roles and responsibilities, including for funding and commissioning. A key outcome of the review will be to achieve a shared understanding of what is and what isn't

supported housing, and reduce complexity and uncertainty for agencies and providers – enabling both to better meet the needs of the people who require it.

The Government's long-term vision is that emergency accommodation should be rarely needed, and when it is used, stays should be brief and non-recurring, with people supported to quickly move into suitable long-term housing. In December 2022, Cabinet agreed to improvements to the **emergency housing system**, with 10 actions to be delivered over the next 12 to 18 months. We are leading on three of these actions:

- partnering with iwi and Māori housing providers to enable Māori-led emergency housing delivery and Māori-led alternatives to emergency housing, to begin addressing the disparities in emergency housing use for Māori
- developing regional delivery plans that support alternatives to accommodation funded through an Emergency Housing Special Needs Grant in Hamilton City and the Wellington metropolitan areas. This work is being progressed with local partners and leaders, including mana whenua. The plans are being finalised and local partners are being engaged on next steps. Following confirmation of the plans, contracting and delivery of alternative accommodation and services will begin
- exploring further cross-government prevention and support actions for the emergency housing system so that clients with an urgent housing need are well supported when they transition from the health, justice or child protection systems. HUD and MSD

are working with Corrections, Oranga Tamariki, Te Aka Whai Ora, Te Whatu Ora and Police on the identification and design of actions.

The remaining seven actions are led by MSD and include, for example, improving assessment and referral pathways through emergency accommodation, and the support available for people in accommodation funded through an Emergency Housing Special Needs Grant.

The **Rotorua Housing Taskforce** was established in 2021 to identify bespoke solutions for Rotorua. In December 2022, the Rotorua Housing Accord (the Accord) was endorsed, as a commitment between the government, Rotorua Lakes Council and Te Arawa Iwi to work together to build a better housing and urban future for Rotorua. The Accord is focused on increasing housing supply, and the care, wellbeing, and management of emergency housing.

One intervention piloted in Rotorua was **Contracted Emergency Housing (CEH)**. Motels in Rotorua were contracted by HUD to cater for whānau with children who needed emergency accommodation. A formative evaluation of the whānau experience of the CEH model in Rotorua, published in March 2023, found that CEH is creating a safe, secure and empowering environment for whānau. Most whānau agreed that contracted motels were safer and more secure, had reasonable amenities, and provided them with a sense of community.

The following indicators demonstrate HUD's impact on the system in relation to the intended outcome of enabling more support to be provided to people in housing need.

Indicators	Results	Trend												
Support provided to people in housing need	<p>In 2022/23, 1,654 households achieved housing stability through engaging in Housing First^[17] (684 households) and Sustaining Tenancies (970 households).</p> <p>In 2021/22, 1,350 households achieved housing stability through engaging in Housing First (604 households) and Sustaining Tenancies^[18] (746 households).^[19]</p> <p>In 2020/21, 1,064 households achieved housing stability through engaging in Housing First (810 households) and Sustaining Tenancies (254 households).</p> <p>In 2019/20, 505 households achieved housing stability through engaging in Housing First.^[20]</p>	↑												
Number of distinct clients^[21] who were granted Emergency Housing Special Needs Grants^[22] each year	<table border="1"> <caption>Number of distinct clients granted Emergency Housing Special Needs Grants</caption> <thead> <tr> <th>Financial Year Ending June</th> <th>Number of Distinct Clients</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>12,363</td> </tr> <tr> <td>2020</td> <td>19,113</td> </tr> <tr> <td>2021</td> <td>21,141</td> </tr> <tr> <td>2022</td> <td>19,305</td> </tr> <tr> <td>2023</td> <td>14,781</td> </tr> </tbody> </table>	Financial Year Ending June	Number of Distinct Clients	2019	12,363	2020	19,113	2021	21,141	2022	19,305	2023	14,781	↓
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Total number of transitional housing places available^[23]	<table border="1"> <caption>Total number of transitional housing places available</caption> <thead> <tr> <th>Year Ended June</th> <th>Number of Places Available</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>2,789</td> </tr> <tr> <td>2020</td> <td>3,234</td> </tr> <tr> <td>2021</td> <td>4,432</td> </tr> <tr> <td>2022</td> <td>5,520</td> </tr> <tr> <td>2023</td> <td>5,935</td> </tr> </tbody> </table>	Year Ended June	Number of Places Available	2019	2,789	2020	3,234	2021	4,432	2022	5,520	2023	5,935	↑
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[17] Housed over the year.

[18] Households successfully exiting the service over the year.

[19] The figure reported in the Annual Report 2021/22 has been revised to 746 with the most recent reporting.

[20] Sustaining Tenancies data is only available from October 2020. Data prior to October 2020 is incomplete since a small portion of Sustaining Tenancies providers were reporting at the time.

[21] Distinct clients will only count clients once in a period.

[22] Annual figures provided by MSD.

[23] Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (2022). The Government Housing Dashboard. www.hud.govt.nz/stats-and-insights/the-government-housing-dashboard/transitional-housing/#tabset

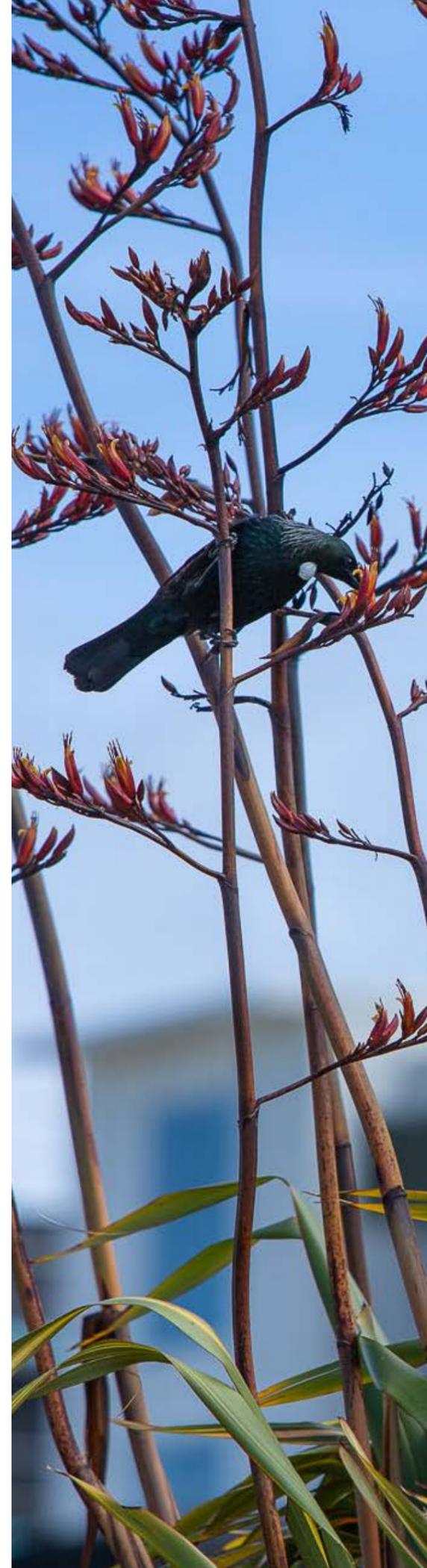
A home for all people

Auckland City Mission’s HomeGround officially opened in September 2022, providing permanent housing and 24-hour wrap-around care, including health and social services for homeless and vulnerable people in Auckland. It is based on the tikanga of the Anglican Church, which takes a Treaty-based approach to service design and provision.

HomeGround is designed as a landmark in the city that advances this kaupapa symbolising that having a home is a right for every member of society. A culmination of more than a decade of planning and construction, the 11-storey complex has 80 studio and one-bedroom apartments for people who need them. Facilities include a commercial kitchen, community dining room, public showers and toilets, medical centre and pharmacy, addiction withdrawal services, activity and conference spaces, commercial spaces for social enterprises, rooftop garden and a sacred space.

HUD supplied \$18 million in funding to help with the development along with funding for the 80 one-bedroom accommodation units for a period of 25 years. The whole-of-life cost for HUD is estimated at \$74.4 million and includes the capital contribution. The Government provided an additional \$22 million from the COVID Response and Recovery Fund, and alongside Auckland Council, the Auckland District Health Board, Foundation North, companies, and members of the public, contributed to the \$110 million HomeGround build cost.

The building has won several awards since its development. Consultation with Ngāti Whātua Ōrākei allowed the co-development of design principles specific to the project and supported by client creative groups. The gabled roof forms of HomeGround evoke the image of a large house – a ‘home’ for Auckland’s homeless. The crowning gable suggests a Māori whareniui/meeting house and its diagonal bracing patterns are found in Māori weaving, tukutuku (latticework) and Pacific tapa (barkcloth).



Our capability

Tā mātou āheinga

Our people Ā mātou tāngata

As our work programme evolves, we continue to sharpen our focus on ensuring we have the right capability to deliver on our priorities. Over the past 18 months this has included a specific focus on embedding key strategic and operational shifts to meet Ministry priorities, and through this work, we have been implementing a more **sustainable workforce model**. This includes where possible, reducing our use of contractors and increasing our employee – full-time equivalent (FTE) – workforce.

We have increased **capability** in priority areas such as Māori housing, affordable rental and build-to-rent, infrastructure funding and financing, and data modelling to help us better understand the impact we are having in the housing system. Alongside this, we are progressing work to further develop our capability and ways of working including leadership, business planning and work programme management, and some priority enabling areas to ensure our people are supported to deliver. We have experienced a reduction in turnover over this year, which has offered us a more stable workforce.

We have been working with the Public Service Association (PSA) to establish a regular rhythm of **union engagement**, including introducing a Relationship Agreement and working with a larger group of in-house delegates to improve our people's experiences at work.

Our people are involved in complex and challenging work, and by learning through these experiences we grow stronger as an organisation. This year we started working to improve how we do this by confirming our

learning and development approach and principles, and by sharing updated learning and development information, guidance and tools with our people.

We know that to respond effectively to the housing challenges for all people in Aotearoa we need to be a Ministry that **embraces diversity** and the new and better ways of doing things that it brings. We create a workplace environment where our people feel a sense of manaakitanga (support) and whanaungatanga (connection) in their everyday experiences.

In 2022, we implemented our **Diversity and Inclusion Approach**. This approach outlines our focus on enabling a thriving workplace community where our workforce reflects Our Kaupapa, where all our people feel a sense of belonging, and where they are valued for their different ideas and contributions. This approach guides the work we do against the Papa Pounamu priority areas for the public service.

To help us understand how our people feel about their connection to Our Kaupapa and culture, and what we can do to improve their experiences, we run **'pulse' surveys** three times a year. The results from our surveys through 2022/23 showed the significant majority (69 percent) of our people agree or strongly agree with the statement: 'How I feel – Taku āhua i te mahi: I have a sense of belonging here; I am valued and accepted; my contribution is recognised and makes a difference; I have opportunities to grow'. This positive response reflects our mahi to support an inclusive workplace.

We have been building **awareness and understanding of bias** and its impact on decision-making in everyone who joins Te Tūāpapa Kura Kāinga through our induction journey, and through learning available for all of our people. This year we extended the learning opportunities available to support our people to reduce bias in their everyday lives. Through 2022/23, we offered learning on awareness and understanding of rainbow communities, and we are proud that during that period 133 people (almost one-third of our workforce) completed our rainbow awareness learning.

We support our leaders to be mindful of bias during recruitment and when making decisions on remuneration. Over the coming year we will continue to promote and extend our learning offerings, to monitor our progress, and to complete a review of our recruitment practices to help us further mitigate bias through sourcing and selection.

We are committed to building the **cultural capability** of our people as we strive to be a Tiriti-led organisation. Our section around Whāinga Amorangi describes the progress we have made over the year in building our people's understanding of te reo and tikanga Māori, and Te Tiriti o Waitangi. As at 30 June 2023, over 45 percent of our current workforce have participated in workshops that help people understand Te Tiriti in a housing context.

We continue to grow our **Te Ao Māori capability** (understanding of a Māori worldview) and confidence through on-the-job learning, workshops, online modules, and marae-based experiences. We are strongly focused on building organisational ways of working that reflect and support a Te Ao Māori culture.

Key to enabling and embedding MAIHI is supporting our internal capability and growing our people's understanding of Aotearoa New Zealand history, specifically

to understand the indigenous Māori history, culture and tikanga. We provide specific learning that supports those joining us to understand the history of housing in Aotearoa and its influence on the current state of housing.

We are also lifting our people's cultural capability to understand and respond to the needs and aspirations of Māori in a genuine way. We want to enable our people to engage appropriately and safely with Māori, to be confident to express themselves as Māori, and to be comfortable as non-Māori engaging with Māori. Our organisational tikanga includes, for example, karakia, mihi whakatau and waiata. We also have Taukaea, our Māori Language Plan, as well as learning programmes to support our people to build their te reo and tikanga Māori capability.

We know that better understanding different cultures will help us deliver better housing outcomes for Aotearoa, so alongside building our Te Ao Māori capability, we continue to build cultural competence more broadly. We are weaving this focus through our learning, and we celebrate a range of cultural events through the year, including Pasifika language weeks.

This year we participated again in the **Tupu Tai internship programme** for Pacific tertiary students (led by MBIE), and over the summer of 2022/23 we hosted two interns. This is a mutual learning opportunity, and we learn a lot from our Pasifika interns through their contribution to our work.

We are proud to have recently established a **Pacific Peoples Network**, and we are looking forward to working with this new group on how we can continue to grow our cultural competency over the coming year.

We believe that developing the capability and capacity of our leaders is a key enabler for creating a safe, positive and inclusive workplace for our people, and achieving

our organisational shifts. We don't have a singular focus on **inclusive leadership**, rather we weave inclusive leadership practices into our everyday ways of working, and we work with our managers to help us shape these as they evolve.

The important role our leaders play in creating a sense of belonging for others through an active commitment to inclusive leadership is described in all leader role descriptions, and inclusive leadership features in our selection process for all managers. Building on our recruitment practices, we offer inclusive leadership learning, tools and resources for our leaders, and we are actively developing our leaders to ensure our people from all walks of life are supported to succeed.

We monitor the leadership that our people experience through our regular pulse surveys, and over the coming year we will continue to grow the capability of our leaders around inclusion and cultural understanding.

We know that **relationships** are key for us to deliver our housing and urban development system priorities. The operating model and structure we have been implementing since early 2022 has a strong focus on building relationships and partnerships with others within our organisation, across the wider housing system, and with the communities we serve.

As a HUD whānau, and an office-based organisation, we understand the importance of face-to-face connection, and we come together regularly to meet, connect, learn from each other, and celebrate key events.

In 2022, we identified eight key shifts to support us to fulfil our role in the housing system. **Shift Six – Build Internal Collaboration** ensures we continue to focus on strengthening our connections. This year we commenced a programme of work with



our leaders on further strengthening internal connections and this will continue to be an area of focus for us over the coming year.

We regularly monitor how our people feel about the strength of our relationships through responses to our pulse survey statement: 'Te tūhono i te mahi - Joining up'. In our most recent survey, 75 percent of our people either agree or strongly agree that they and their team connect early with colleagues, partners and stakeholders.

Our **People's Networks** celebrate diversity, provide safe spaces, and encourage thought leadership across Te Tūāpapa Kura Kāinga. Each group has a focus on diversity, support, connection and development, and they lead different initiatives throughout the year, supporting our people to come together to celebrate the diversity of our workforce. Our People and Community Group work in partnership with the leads of our people's networks, supporting them to collaborate and positively contribute to our inclusive workplace environment.

During 2022/23, our networks have led a range of events for the organisation, and as our network groups have become more mature we have seen increased collaboration between the groups on events and initiatives for our workplace. These events ranged from guest speakers through to all staff gatherings in support of a positive workplace culture, such as Pink Shirt Day celebrations.

We are proud to have committed to the safety, visibility and inclusion of the rainbow members within our community by signing up for **Pride Pledge**. Many of our people have participated in rainbow awareness training, which complements the in-house learning completed by over one-third of our people through 2022/23. We look for

opportunities to raise awareness of our rainbow community by participating in events like Pink Shirt Day.

With the addition of our new Pacific Peoples Network we now have seven People-led Networks in place:

- Rainbow Network
- Wāhine toa, Wāhine āhuru (Women's Network)
- Whakatipu Mauriora (Mental Health Network)
- Green Group
- Waiata Group
- Social Club
- Pacific Peoples.

We have committed to continue to strengthen and grow our networks, and we will support them to collaborate on further events and contribute to our mahi throughout the year.

Our focus remains on **reducing our gender and ethnic pay gaps** over time through improvements to our people systems and how we work. Our gender pay gap has reduced from 13.1 percent in 2022 to 7.2 percent as at 30 June 2023. This continues the improvement that we have seen from 2019 when our pay gap was 16.9 percent. The main driver of our gender pay gap remains vertical segregation, which sees more females in lower and mid-level roles. Overall, 63 percent of our workforce identify as female and 58 percent of our senior leaders identify as female.

As at 30 June 2023, our Māori pay gap favours Māori, and at -6.17 percent this reflects our continued focus on

strengthening our Māori capability, particularly at our senior levels. Our Asian pay gap is 15.69 percent, similar to last year. Our pools of Pasifika and MELAA and other ethnicities are too small to report this year. As with previous years, the main drivers of our ethnic pay gaps continue to be vertical and occupational segregation.

Our **remuneration approach** has been in place now for two years and continues to support our efforts to reduce our pay gaps. It is aligned to Te Kawa Mataaho guidance and provides larger increases for lower earners and modest adjustments for higher earners.

Through our **Diversity and Inclusion Approach** we have continued to progress actions that will have a positive impact on our pay gaps. This has included recognising whānau and outside-of-work commitments through flexible working approaches, developing targeted recruitment and development approaches to increase the diversity of our workforce at all levels, and continuing to make informed remuneration decisions that consider equity outcomes.

We have been focusing on maturing our internal **Health, Safety & Wellbeing approaches**, with regular governance oversight of our internal and external risks and key indicators and our health and safety improvement work programme.

Internally, for our employees, our **worker participation programme** is running smoothly and we are maintaining the right numbers of representatives for our workforce. Our health and safety risk is relatively low, with our most notable risks arising when our people are visiting external service provider sites. We continue to focus on maintaining a safe, positive and inclusive workplace for our people. Leaders are

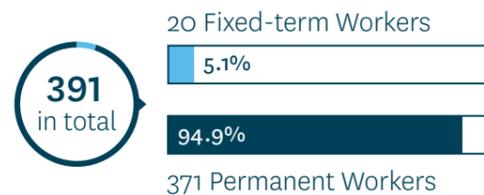
mindful of wellbeing when making decisions about work programmes and workload, and our people are encouraged to build their resilience through wellbeing workshops or to access personalised support from our employee assistance programme.

In 2022/23, there were five **workplace incidents** involving employees compared to 18 in 2021/22. These were low-level incidents and none required notification to WorkSafe NZ. In 2022/23, we received 20 reports of discomfort and pain from employees compared to 12 reports in 2021/22, which reflects our growing workforce and that many of our people are taking a proactive approach to reporting and managing new and historical discomfort issues. When our health and safety indicators are considered alongside our broader workforce data, we are comfortable that our workforce is largely stable and well.

Externally, our focus has been on better understanding our **Persons Conducting a Business or Undertaking (PCBU) roles and responsibilities** relating to external housing providers, particularly in our Motels/ Transitional Housing and Land Acquisition and Development areas. We have developed an organisational approach for our overlapping PCBU roles and responsibilities, and have a programme of work underway to improve and mature our externally-facing health and systems, frameworks and processes. To support this, we have invested in additional specialist health and safety capability to build knowledge and awareness of health and safety legislative obligations, and to make these a core focus when establishing and managing provider contracts.

Our people Ā mātou tāngata

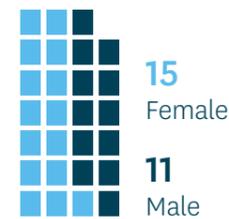
Fixed/Permanent



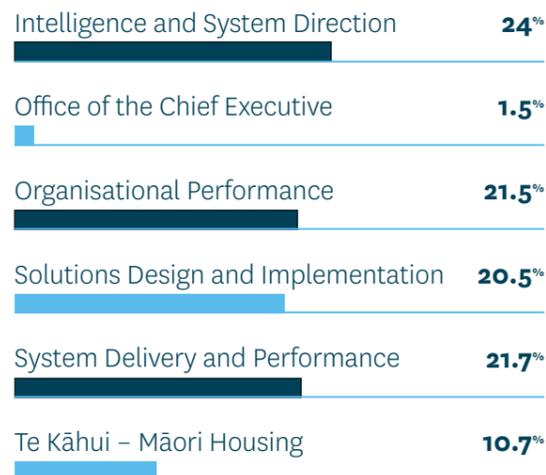
Gender



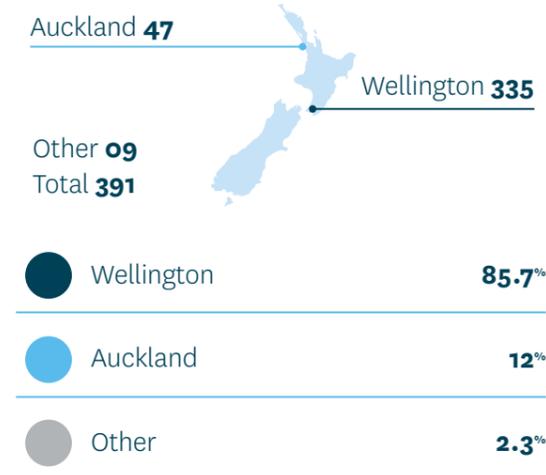
Senior Leadership



Groups



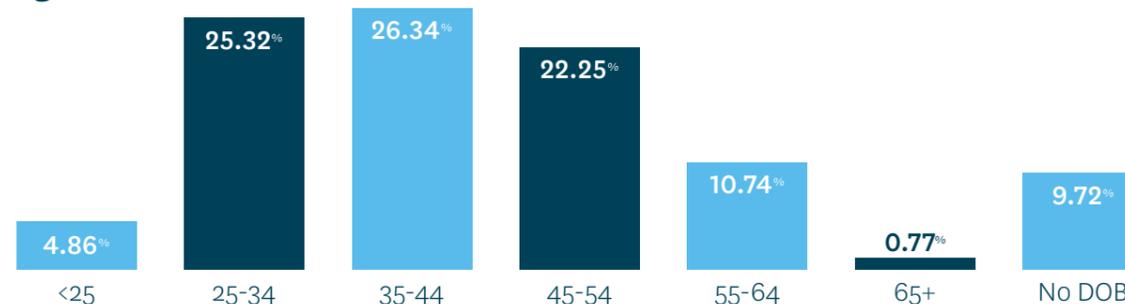
Geography



Ethnicity



Age



Improving Māori-Crown relationship capability

Whāinga Amorangi - a multi-year cross-agency work programme designed to lift the Māori Crown relations capability of the public service.

Te Tūāpapa Kura Kāinga – The foundation for a treasured home

Our name derives from the Māori proverb ‘he kura kāinga e hokia, he kura tangata e kore e hokia – a treasured home will endure, not so, a treasured person’. It captures both our kaupapa and vision of ‘he kāinga ora, he hāpori ora – thriving communities where everyone has a place to call home’.

This vision has guided our approach to building the cultural capability of our people. It is people-centred, Treaty-anchored, and long-term. Te Tūāpapa Kura Kāinga has built a strong foundation and culture that supports staff to grow their cultural capability through efforts to normalise te reo and tikanga Māori across our work. Te Tūāpapa Kura Kāinga has continued to develop a clear, accessible and sustainable learning and development pathway, to build the cultural capability of our people to understand and respond to the needs and aspirations of Māori in a genuine way.

Kia māhorahora te reo – everywhere, everyway, for everyone, every day.

(Maihi Karauna, 2019 - 2023)

In 2021, Te Tūāpapa Kura Kāinga developed two key strategic plans, Whāinga Amorangi Organisational Plan and Taukaea – Our Māori Language Plan, to build cultural capability across Te Tūāpapa Kura Kāinga. These two strategic plans reinforce our commitment to Maihi Karauna – the Crown’s Strategy for Māori Language Revitalisation 2019-2023 and reflect complementary commitments.

Whakapiki i te āheinga kia renarena ngā hononga Māori ki te Karauna

Whāinga Amorangi – he hōtaka mahi umanga-maha, tau-tini i waihangahia ki te whakapiki i te mātau o te ratonga tūmatanui i te wāhi ki te hononga o ngāi Māori me te Karauna.

Te Tūāpapa Kura Kāinga – The foundation for a treasured home

I takea mai tō mātou ingoa i te whakataukī e mea ana ‘he kura kāinga e hokia, he kura tangata e kore e hokia’. Ka kapi i tēnei tā mātou kaupapa me tō mātou moemoeā, arā, ‘he kāinga ora, he hāpori ora’.

He mea ārahi e tēnei moemoeā tā mātou tukanga ki te whakapiki i te mātau ahurea o tō mātou tāngata. Ko te tangata te poutokomanawa, ko te Tiriti te tūāpapa, ā, he mauroa. Kua hanga a Te Tūāpapa Kura Kāinga i tētahi tūāpapa me tētahi ahurea mārohirohi e tautoko ana i ngā kaimahi ki te whakapiki i tō rātou mātau ahurea mā te whakataunoa i te reo me ngā tikanga Māori puta noa i ā mātou mahi. He rite tonu tā Te Tūāpapa Kura Kāinga whakawhanake i tētahi ara ako, ara whakawhanake e mārama ana, e toropai ana, e toitū ana anō hoki, hei whakapiki i te mātau ahurea o tō mātou tāngata kia mārama ai, kia urupare motuhenga ai anō hoki ki ngā matea me ngā wawata o ngāi Māori.

Kia māhorahora te reo.

(Maihi Karauna, 2019-2023)

I te tau 2021, i whakawhanake a Te Tūāpapa Kura Kāinga i ngā mahere rautaki matua e rua, ko te Mahere Whakahaere mō Whāinga Amorangi me Taukaea – Tā Mātou Mahere Reo Māori, hei whakapiki i te mātau ahurea puta noa i Te Tūāpapa Kura Kāinga. Ko tā ēnei mahere rautaki e rua he whakaū i tō mātou takohanga ki te Maihi Karauna – te Rautaki Whakarauora Reo Māori a te Karauna 2019-2023 me te whakaata hoki i ētahi momo takohanga anō.

Whāinga Amorangi Organisational Plan

sets out targeted actions, initiatives and milestones focused on building our staff cultural capability in all six competencies in order to partner, understand and respond to the needs and aspirations of Māori in a genuine way. The six competencies are:

- Aotearoa New Zealand history and Te Tiriti o Waitangi literacy
- Te reo Māori
- Kawa and tikanga
- Understanding racial equity and institutional racism
- Worldview knowledge
- Engaging with Māori.

Taukaea - Our Māori Language Plan

provides short- and long-term goals to promote the status and critical awareness of te reo and tikanga Māori within Te Tūāpapa Kura Kāinga, which contributes to the necessary micro-immersions that influence macro-outcomes in the revitalisation of te reo Māori in Aotearoa. Taukaea sets out the aspirations of Te Tūāpapa Kura Kāinga for our people to develop te reo and tikanga Māori understanding, enabling the connection between our people and the communities of Aotearoa they serve. Taukaea recognises that te reo and tikanga Māori are key to the success of the partnership created through Te Tiriti o Waitangi.

The commitments in both strategic plans are considered and embedded at the development stage of all internally facilitated learning and development opportunities and when engaging external facilitators.

Ka whakarārangi te **Mahere Whakahaere mō Whāinga Amorangi** i ngā mahi e whāia ana e mātou, ngā kaupapa me ngā tūāoma e aro ana ki te whakapiki i te mātau ahurea o ā mātou kaimahi i ngā āheitanga e ono kia motuhenga ai te haere kōtui, te mārāma me te urupare ki ngā matea me ngā wawata o ngāi Māori. Ko ngā āheitanga e ono ko:

- Ngā kōrero aronehe o Aotearoa me te mātau ki te Tiriti o Waitangi
- Te reo Māori
- Kawa me ngā tikanga
- Te mārāma ki te tautika ā-iwi me te kaikiritanga torowhare
- Ngā mātauranga ā-tirohanga
- Te whai wāhi ki a ngāi Māori

Kei **Taukaea – Tā Mātou Mahere Reo Māori** ētahi whāinga paetata, paetawhiti anō hoki ki te whakatairanga i te mana me te mārāma pū o te reo me ngā tikanga Māori i roto i Te Tūāpapa Kura Kāinga. Ka whāngai nei tērā i ngā rumakitanga-whāiti ka whakaawe nei i ngā hua-whānui i te whakarauoratanga o te reo Māori i Aotearoa. Ka whakatakoto a Taukaea i ngā wawata o Te Tūāpapa Kura Kāinga mō ō mātou tāngata kia piki ai te mārāma ki te reo me ngā tikanga Māori, e hua ake ai ko te taukaea i waenganui i ō mātou tāngata me ngā hāpori i Aotearoa e manaaki nei rātou. Ka tohua a Taukaea i te reo me ngā tikanga Māori hei ara e angitu ai te haere kōtui i hua ake ai i Te Tiriti o Waitangi.

Ka whakaarohia, ka whakaūngia hoki ngā takohanga kei ngā rautaki e rua i te tūāoma whakawhanaketanga o ngā ara ako, ara whakawhanake rāroto katoa, waihoki i a mātou e whai wāhi ana ki ngā kaitakawaenga rāwaho.

2022: A year of milestones and development

2022 marked many milestones for Aotearoa in our journey to revitalise te reo and tikanga Māori, culminating in our nation's first collective celebration of the rising of Te Kāhui o Matariki.

Te Tūāpapa Kura Kāinga, through our commitment to Whāinga Amorangi Organisational Plan and Taukaea – Our Māori Language Plan, increased partnership across business units, and investment in our people and culture have seen progress towards our own aspirations and milestones.

Our Whāinga Amorangi Organisational Plan and Progress

Over the last 12 months, Te Tūāpapa Kura Kāinga has demonstrated its commitment to provide quality, accessible and sustainable learning and development opportunities focused on building the cultural capability of our people and realising our strategic commitments.

2022: He tau tūāoma, he tau whakawhanake

I tohu te tau 2022 i ngā tūāoma maha o Aotearoa i tō tātou ara ki te whakarauora i te reo me ngā tikanga Māori, i hua ake ai ko tā te motu whakanui tahi tuatahi i te rewanga o Te Kāhui o Matariki.

I whakapiki a Te Tūāpapa Kura Kāinga, mā tō mātou takohanga ki te Mahere Whakahaere mō Whāinga Amorangi me Taukaea – Tā Mātou Mahere Reo Māori, i te haere kōtui puta noa i ngā taiwhanga mahi. Ka mutu, nā ngā haumitanga ki ō mātou tāngata me tō mātou ahurea i kitea ai ngā kokenga ki ō mātou anō wawata, tūāoma anō hoki.

Tā Mātou Mahere Whakahaere mō Whāinga Amorangi me ngā Kokenga

I roto i ngā marama 12, kua whakaatu a Te Tūāpapa Kura Kāinga i tana takohanga ki te tuku i ngā ara ako, ara whakawhanake e kouna ana, e toropai ana, e toitū ana anō hoki. Waihoki, e aro ana ki te whakapikitanga o te mātau ahurea o ō mātou tāngata me te whakatinana hoki i ō mātou takohanga rautaki.

Kaupapa Learning and development initiative	Whakamārama Definition and focus of initiative	Tāngata Participation and completion	Wā Time commitment
Internally developed and facilitated learning and development			
Mihi whakatau and Waiata Whāinga Amorangi competency: Te Reo Māori, Kawa and Tikanga, Worldview, and Engagement.	New starters and their whānau are welcomed to our whare with mihi whakatau facilitated by our leaders. To ensure this is done appropriately, our people are supported to understand the part they play and the significance of mihi whakatau. We hold quarterly workshops to ensure our leaders are supported to carry out the necessary roles in mihi whakatau and the tikanga that it underpins and provide opportunities to learn waiata weekly. Relevant te reo Māori language planning elements: Status, Critical Awareness, Acquisition, Use and Domains.	Provided to all staff	Mihi whakatau are weekly and waiata practice is 30 minutes weekly.
Induction and E-modules Whāinga Amorangi competency: Aotearoa New Zealand History and Te Tiriti o Waitangi, Understanding racial equity and institutional racism, Worldview, and Engagement.	New starters are supported and coached through an induction process that is made up of workshops, networking sessions and e-modules. Induction also includes a module that supports people to raise their awareness of bias, and tools they can use to mitigate it. Relevant te reo Māori language planning elements: Critical Awareness.	Provided to all new staff	Not applicable
Te Kākano Whāinga Amorangi competency: Te Reo Māori, Kawa and Tikanga, and Worldview.	Te Kākano is a six-week programme aimed at introducing and embedding fundamental te reo and tikanga Māori capability, moving all our people to the comfortable level of competence. Te Kākano is facilitated both in-person and online. Relevant te reo Māori language planning elements: Status, Critical Awareness, Acquisition, Use and Domains, Corpus.	149 people (38% of our workforce)	1 hour weekly for 6 weeks
Tipu Whāinga Amorangi competency: Te Reo Māori, Kawa and Tikanga, and Worldview.	Tipu is a six-week programme that builds on the foundational elements of the Te Kākano programme. These sessions focus on growing our people's te reo and tikanga Māori understanding while further strengthening connection. Tipu is facilitated both in-person and online. Relevant te reo Māori language planning elements: Status, Critical Awareness, Acquisition, Use and Domains, Corpus.	60 people (15% of our workforce)	1 hour weekly for 6 weeks

Kaupapa	Whakamārama	Tāngata	Wā
Ngā akoranga me ngā whakawhanaketanga ā-roto			
Mihi whakatau me te waiata Te mātau ki Whāinga Amorangi: Te Reo Māori, Kawa me ngā Tikanga, te Tirohanga ki te Ao, me te Whai Wāhi.	Ka pōhiritia ngā kaimahi hou me ō rātou whānau ki tō mātou whare mā te mihi whakatau ka whakahaerehia e ō mātou hautū. E whakaū ai i te tika o ēnei mahi, ka tautokona ō mātou tāngata kia mārāma ai rātou i te wāhi ki a rātou me te hirahira o te mihi whakatau. I ia wāhanga o te tau, ka whakatūhia he mahi awheawhe hei whakaū i te tautokona o ō mātou hautū ki te whakakapi i ngā tūranga waiwai i roto i ngā mihi whakatau me ngā tikanga e noho tūāpapa ana. Waihoki, ka whai wā i ia wiki ki te ako i ngā waiata. Ngā mata whakamahere reo Māori hāngai: Mana, te Māramatanga, te Ako, te Whakamahi, me ngā Whaitua.	Ka tukua ki ngā kaimahi katoa.	Tū ai ngā mihi whakatau i ia wiki, ā, tū ai te whakaharatau waiata e 30 mīniti i ia wiki.
Whakaurunga me ngā kōwae-hiko Te mātau ki a Whāinga Amorangi: Ngā kōrero aronehe o Aotearoa me te mātau ki te Tiriti o Waitangi, te Mārama ki te tautika ā-iwi me te kaikiri torowhare, te Tirohanga ki te Ao, me te Whai Wāhitanga.	Ka tautokona ngā kaimahi hou, ka whakangungua hoki ki tētahi hātepe whakauru, arā, ko ngā awheawhe, ko ngā hui tūhonohono me ngā kōwae-hiko. Kei roto hoki i te whakaurunga ko tētahi kōwae e tautoko ana i te tangata ki te whakapiki i tōna tūoho haukume, me ētahi taputapu hei whakamauru. Ngā mata whakamahere reo Māori hāngai: Mārama Pū.	Ka tukua ki ngā kaimahi hou katoa	Kāore i te hāngai
Te Kākano Te mātau ki a Whāinga Amorangi: Te Reo Māori, Kawa me ngā Tikanga, me te Tirohanga ki te Ao	Ko Te Kākano he hōtaka ono wiki te roa e aro ana ki te whakauru me te whakaū i te mātau tūāpapa ki te reo me ngā tikanga Māori, te neke i ō mātou tāngata katoa ki tētahi taumata mātau hāneanea. Whakahaerehia ai a Te Kākano ā-tinana, ā, mā te ipurangi anō hoki. Ngā mata whakamahere reo Māori hāngai: Mana, Mārama Pū, Ako, Whakamahi me ngā Whaitua, Puna Kupu.	149 tāngata (38% o tō mātou rāngaimahi)	1 haora i ia wiki mō te 6 wiki
Tipu Te mātau ki a Whāinga Amorangi: Te Reo Māori, Kawa me ngā Tikanga me te Tirohanga ki te Ao.	Ko Tipu tētahi hōtaka ono-wiki te roa, e whanake ana i ngā āhuatanga tūāpapa o te hōtaka o Te Kākano. Ka aro ēnei wānanga ki te whakapiki i te mārāma o ō mātou tāngata ki te reo me ngā tikanga Māori, me te poipoi tonu i ngā hononga. Whakahaerehia ai a Tipu ā-tinana, ā, mā te ipurangi anō hoki. Ngā mata whakamahere reo Māori hāngai: Mana, Mārama Pū, Ako, Whakamahi me ngā Whaitua, Puna Kupu.	60 tāngata (15% o tō mātou rāngaimahi)	1 haora i ia wiki mō te 6 wiki

Kaupapa Learning and development initiative	Whakamārama Definition and focus of initiative	Tāngata Participation and completion	Wā Time commitment
Aronui Whāinga Amorangi competency: Te Reo Māori, Kawa and Tikanga, Worldview, and Engagement.	Aronui is a learning initiative directed at our Senior Leadership team (Tier 1-2) to ensure that they are supported with their cultural capability learning in te reo and tikanga Māori. Each session is one-on-one and individualised to meet their needs and aspirations. Relevant te reo Māori language planning elements: Status, Critical Awareness, Acquisition, Use and Domains, Corpus.	All six senior leadership team members	2 hours a month
Whare Kōrero Whāinga Amorangi competency: Aotearoa New Zealand History and Te Tiriti o Waitangi, Te Reo Māori, Kawa and Tikanga, and Worldview.	Whare Kōrero focuses on growing Te Tūāpapa Kura Kāinga collective understanding of Te Tiriti o Waitangi and shaping a culture that embraces and responds to Te Ao Māori in a meaningful way. It is a marae-based learning programme and offers our people the opportunity to grow their understanding of Aotearoa New Zealand history and Te Tiriti o Waitangi and develop their cultural capability in a traditional “whare wānanga, whare kōrero” settings. A Whare Kōrero is a place for teaching traditional narratives, knowledge, and Māori-Crown partnership in a te ao Māori context. Relevant te reo Māori language planning elements: Status, Critical Awareness, Acquisition, Use and Domains, Corpus.	61 people (15% of our workforce)	2 days (overnight stay at marae)
Externally developed and facilitated learning and development			
Education Perfect – E-modules Whāinga Amorangi competency: all six competencies.	Education Perfect is a reputable organisation who are experts in creating e-learning resources. The suite of online modules has been designed to provide learning outcomes across the six competencies of Whāinga Amorangi. The modules are accessible online 24 hours a day. Relevant te reo Māori language planning elements: Critical Awareness, Acquisition, Corpus.	80 people registered (20% of our workforce)	1 hour weekly for 12 months
Kura Reo ki Pōneke Whāinga Amorangi competency: Te Reo Māori, Kawa and Tikanga, Worldview, and Engagement.	Kura Reo ki Pōneke is a five-day, full immersion wānanga supported by Taranaki Whānui and the Wellington City Council held at Te Rau Karamu Marae situated at the Massey University campus in Wellington. These are highly coveted te reo and tikanga Māori wānanga, facilitated by leaders of te ao Māori and exponents of te reo Māori. Relevant te reo Māori language planning elements: Status, Critical Awareness, Acquisition, Use and Domains, Corpus.	5 people (1% of our workforce)	5 full days

Kaupapa	Whakamārama	Tāngata	Wā
Aronui Te mātau ki a Aronui: Te Reo Māori, Kawa me ngā Tikanga, te Tirohanga ki te Ao me te Whai Wāhitanga	Ko Aronui tētahi kaupapa ako e aro ana ki te tīma Hautū Mātāmua (Taumata 1-2) hei whakaū i te tautokona o rātou me ā rātou mahi ako mātau ahurea i te reo me ngā tikanga Māori. He tahi ki tahi te āhua o ngā hui, waihoki ka motuhake ki te tangata e tutuki ai ōna matea me ōna wawata. Ngā mata whakamahere reo Māori hāngai: Mana, Mārama Pū, Ako, Whakamahī me ngā Whaitua, Puna Kupu.	Ngā Hautū mātāmua e ono	2 haora i te marama
Whare Kōrero Te mātau ki a Whāinga Amorangi: Ngā kōrero aronehe o Aotearoa me te mātau ki te Tiriti o Waitangi/Te Reo Māori, Kawa me ngā Tikanga, me te Tirohanga ki te Ao	Ka aro a Whare Kōrero ki te whakatipu i te mārāma tōpū o Te Tūāpapa Kura Kāinga ki Te Tiriti o Waitangi me te whakaahua i tētahi ahurea e whakamānawa ana, e urupare motuhenga ana anō hoki ki Te Ao Māori. Tū ai tēnei hōtaka ako ki runga marae, ā, mā konei e pai ai tā ō mātou tāngata whakapiki i te mārāma ki ngā kōrero aronehe o Aotearoa me Te Tiriti o Waitangi, otirā te whakawhanake i tō rātou mātau ahurea i roto i tētahi horopaki taketake, arā, te “whare wānanga, whare kōrero”. Ko te Whare Kōrero he wāhi hei whakaako i ngā kōrero tuku iho, ngā mātauranga, me te haere kōtūi a ngāi Māori me te Karauna i tētahi horopaki ao Māori. Ngā mata whakamahere reo Māori hāngai: Mana, Mārama Pū, Ako, Whakamahī me ngā Whaitua, Puna Kupu.	61 tāngata (15% o tō mātou rāngaimahi)	2 rā (ka kotahi pō ki te marae)
Ngā akoranga me ngā whakawhanaketanga ā-waho			
Education Perfect – ngā kōwae-hiko Te mātau ki a Whāinga Amorangi: ngā mātau e ono	Ko Education Perfect tētahi rōpū whakahaere rongonui e mātanga ana ki te hanga rauemi hiko. Kua waihangahia ētahi kohinga kōwae ā-ipurangi hei tuku i ngā hua ako mō ngā āheitanga e ono o Whāinga Amorangi. E wātea ana ngā kōwae ao noa, pō noa, i te ipurangi. Ngā mata whakamahere reo Māori hāngai: Mana, Mārama Pū, Ako, Whakamahī me ngā Whaitua, Puna Kupu.	80 tāngata i rēhita (20% o tō mātou rāngaimahi)	1 hāora i ia wiki mō te 12 marama
Kura Reo ki Pōneke Te mātau ki a Whāinga Amorangi: Te Reo Māori, Kawa me ngā Tikanga, te Tirohanga ki te Ao, me te Whāi Wāhitanga.	Ko te Kura Reo ki Pōneke tētahi wānanga e rima-rā te roa, he rumakī anō hoki te noho, ā, e tautokona ana e Taranaki Whānui me te Kaunihera o Pōneke. Ka tū ki Te Rau Karamu Marae kei te whare wānanga o Te Kunenga ki Pūrehuroa ki Pōneke. He wānanga kōunga ēnei i te wāhi ki te reo me ngā tikanga, e whakahaerehia ana e ngā pūkenga o te ao Māori me ngā toki o te reo Māori. Ngā mata whakamahere reo Māori hāngai: Mana, Mārama Pū, Ako, Whakamahī me ngā Whaitua, Puna Kupu.	5 tāngata (1% o tō mātou rāngaimahi)	5 rā

Kaupapa Learning and development initiative	Whakamārama Definition and focus of initiative	Tāngata Participation and completion	Wā Time commitment
<p>Groundwork</p> <p>Whāinga Amorangi competency: Aotearoa New Zealand History and Te Tiriti o Waitangi, Understanding racial equity and institutional racism, Worldview, and Engagement.</p>	<p>Alongside Whare Kōrero we offer workshop-based learning to help our people understand and implement Te Tiriti o Waitangi in their work as we strive to be a Tiriti-led organisation. These Te Tiriti o Waitangi workshops are tailored to build knowledge and understanding of Te Tiriti and the history of housing in Aotearoa New Zealand to support our people in their work to deliver housing solutions, particularly for Māori. Our approach includes both self-paced learning and workshop-based learning and is delivered by an external provider.</p> <p>Relevant te reo Māori language planning elements: Status.</p>	131 people (33% of our workforce)	8 hours
<p>Te Arawhiti – Engagement with Māori workshop</p> <p>Whāinga Amorangi competency: Aotearoa New Zealand History and Te Tiriti o Waitangi, Understanding racial equity and institutional racism, and Engagement.</p>	<p>Te Arawhiti provide a workshop that introduces engagement with Māori. This workshop supports the use and application of the Engagement Framework and Guidelines across the public sector, to guide agencies and promote good practice in their engagement with Māori and support broader efforts to build public sector capability.</p> <p>Relevant te reo Māori language planning elements: Status.</p>	5 people (1% of our workforce)	8 hours
<p>Te Arawhiti – Te Tiriti o Waitangi and Aotearoa Histories workshop</p> <p>Whāinga Amorangi competency: Aotearoa New Zealand History and Te Tiriti o Waitangi, Understanding racial equity and institutional racism, and Engagement.</p>	<p>Te Arawhiti provide a full-day workshop that introduces participants to Te Tiriti o Waitangi and its principles, with high-level examples of the history of the Māori-Crown relationship. Through learning about the significance of land, the Crown’s changing understanding of the Treaty, and the power of protest and redress, participants gain perspectives about how the Māori-Crown relationship has changed over time.</p> <p>Relevant te reo Māori language planning elements: Status.</p>	5 people (1% of our workforce)	8 hours

Kaupapa	Whakamārama	Tāngata	Wā
<p>Groundwork</p> <p>Te mātau ki a Whāinga Amorangi: Ngā kōrero aronehe o Aotearoa me te mātau ki te Tiriti o Waitangi, te Mārama ki te tautika ā-iwi me te kaikiri torowhare, te Tirohanga ki te Ao, me te Whai Wāhitanga</p>	<p>Hei āpiti atu ki a Whare Kōrero, e tukua ana e mātou tētahi akoranga awheawhe e āwhina ana i ō mātou tāngata kia mārama, kia whakatinana anō hoki i Te Tiriti o Waitangi i roto i ā rātou mahi i roto i tā mātou whai kia tū hei rōpū whakahaere e aratakina ana e Te Tiriti. Kua waihangahia ēnei akoranga awheawhe ki te whakapiki i te mōhio me te mārama ki Te Tiriti me ngā kōrero aronehe mō te whai whare i Aotearoa hei tautoko i ō mātou tāngata i roto i ā rātou mahi ki te tuku i ngā urupare whai whare. Ka tino pērā mō ngāi Māori. Kei tā mātou tukanga ko ngā akoranga kuhutahi me ngā akoranga ā-awheawhe. Tukua ai e tētahi kairato rāwaho.</p> <p>Ngā mata whakamahere reo Māori hāngai: Mana</p>	131 tāngata (33% o te rāngaimahi)	8 haora
<p>Te Arawhiti – Awheawhe whai wāhi ki a ngai Māori</p> <p>Te mātau ki a Whāinga Amorangi: Ngā kōrero aronehe o Aotearoa me te mātau ki te Tiriti o Waitangi, , te Mārama ki te tautika ā-iwi me te kaikiri torowhare, me te Whāi Wāhitanga.</p>	<p>Tukua ai e Te Arawhiti tētahi awheawhe e whakauru ana i te whai wāhitanga ki a ngāi Māori. E tautoko ana tēnei awheawhe i te whakamahinga me te tukunga o te Angamahi Whai Wāhi me ngā Aratohu puta noa i te rāngai tūmatanui, hei ārahi i ngā umanga me te whakatairanga i ngā taumata mahi tika i roto i tā rātou whai wāhi ki a ngāi Māori. Ka tautoko hoki i ngā mahi whānui o te whakapiki i te mātau o te rāngai tūmatanui.</p> <p>Ngā mata whakamahere reo Māori hāngai: Mana.</p>	5 tāngata (1% o te rāngaimahi)	8 haora
<p>Te Arawhiti – Awheawhe mō Te Tiriti o Waitangi me ngā Kōrero Hītori o Aotearoa</p> <p>Te mātau ki a Whāinga Amorangi: Ngā kōrero aronehe o Aotearoa me te mātau ki te Tiriti o Waitangi, te Mārama ki te tautika ā-iwi me te kaikiri torowhare, me te Whāi Wāhitanga.</p>	<p>Tukua ai e Te Arawhiti tētahi akoranga awheawhe e whakauru ana i ngā kaiuru ki Te Tiriti o Waitangi me ōna mātāpono. Ka whai hoki i ētahi tauira tiketike o te hītori o te hononga o ngāi Māori me te Karauna. Mā te ako i te hiranga o te whenua, o te huringa o tō te Karauna mārama ki te Tiriti, me te mana o te porotēhi me te puretumu, ka whai tirohanga ngā kaiuru e pā ana ki te huringa o te hononga o ngāi Māori me te Karauna i roto i te wā.</p> <p>Ngā mata whakamahere reo Māori hāngai: Mana.</p>	5 tāngata (1% o te rāngaimahi)	8 haora



We seek regular feedback from our people following workshops and wānanga through survey and open forums. This feedback is important to ensure that our learning and development opportunities offered are of good quality, relevant and can evolve and be improved. The feedback from people has been overwhelmingly positive. People have shared how they have applied their learning to their work, and how their engagement and communication with colleagues and communities has changed. Hearing from our people, of their own volition, seeking further opportunities to learn, has been a highlight.

He rite tonu tā mātou pōhiri i ngā kōrero whakahoki i ō mātou tāngata mutu ana ngā mahi awheawhe me ngā wānanga mā roto mai i ngā uiui me ngā hui tūmatanui. He hirahira ēnei kōrero whakahoki ki te whakaū i te kounga me te hāngai o ā mātou ara ako, ara whakawhanake, waihoki, e taea ana te whanake tonu me te tipu tonu. Ko ngā kōrero whakahoki a te marea he kōrero pai. Kua tuari ngā tāngata i te āhua o tā rātou whakauru i ngā akoranga ki ā rātou mahi, me te huringa o ngā whai wāhitanga me ngā whakawhitinga kōrero ki ō rātou hoa mahi me ō rātou hapori. Ko tētahi o ngā tiketiketanga ko te rongō i tā ō mātou tāngata whai i ētahi ara ako atu anō.

“Gaining familiarity with Māori language and cultural concepts will help me communicate more effectively with Māori colleagues and communities. I can use the learnings from Whare Kōrero to promote cultural awareness and sensitivity within the organisation.”

“Tipu in a personal capacity, it has sparked a passion for learning more about te ao Māori and the history of mana whenua where I live. In a professional capacity, it has helped me learn how to be a better Treaty partner as an agent of the Crown.”

“The Groundwork course really challenged me to think about how I could incorporate Te Tiriti o Waitangi into my everyday policy work.”

Te Tūāpapa Kura Kāinga regularly conduct a pulse survey to test how our people are feeling. The feedback on the support being provided to grow their understanding of te reo and tikanga Māori has been positive and suggestions for further growth are welcomed and, where appropriate, integrated in the future of our organisation’s journey.

‘Wānangatia, Arohatia, Kōkiritia – Curiosity, Empathy, Drive’

Our values of Te Tūāpapa Kura Kāinga are recited every day in our karakia and are reinforced in all our learning and development opportunities. These connect us to our kaupapa and to the spirit of service.

“Mā te waia haere ki te reo Māori me ngā āhuatanga o te ahurea ahau e āwhina kia whai hua nui ake taku whakawhiti kōrero ki ngā hoa mahi me ngā hapori Māori. Whakamahi ai ahau i ngā akoranga nō te Whare Kōrero ki te whakatairanga i te tūoho ā-ahurea i roto i te wāhi mahi.”

“Mōku ake, nā Tipu i tutungi te ahi ki te ako tonu e pā ana ki te ao Māori me ngā kōrero aronehe o te mana whenua i te wāhi e noho nei ahau. I te taha mahi, kua ako ahau me pēhea e pai ake ai taku tū hei hoa Tiriti, waihoki hei āpiha a te Karauna.”

“I tino wero mai te kōhi Groundwork i ahau kia whai whakaaro ai ahau ki te āhua o taku tuitui i Te Tiriti o Waitangi ki aku mahi kaupapa here o te ia rā.”

He rite tonu tā Te Tūāpapa Kura Kāinga whakahaere i tētahi uiui tono whakaaro hei whakamātau i ngā kare ā-roto o ō mātou tāngata. Ko ngā kōrero whakahoki mō ngā momo tautoko e tukua ana ki te whakapakari i ō rātou mōhiotanga ki te reo me ngā tikanga Māori he pai, ka mutu, e pōhiritia ana ngā whakaaro e tipu tonu ai rātou, ā, i ngā wāhi e tika ana, ka whakaurua ki te anamata o tō mātou wāhi mahi.

‘Wānangatia, Arohatia, Kōkiritia’

Ka tākina ngā uaratanga o Te Tūāpapa Kura Kāinga i ia rā i te wā o te karakia, waihoki, ka whakaūngia i roto i ō mātou ara ako, ara whakawhanake katoa. E tūhono ana ēnei i a mātou ki tā mātou kaupapa, waihoki ki te hāpai hapori.

Our technology Ā mātou hangarau

Over 2022/23, we started to embed our **digital strategy**, and we have made significant improvements to mature our fully cloud-based digital environment.

This year we implemented a new **digital operating model**, to have specialist capability in-house to respond quickly to changing business requirements. This focus has reduced our reliance on external partners and contractors, and improved our ability to implement innovative solutions that support and enable business-led outcomes. Through this work we remain focused on maturing our information management and digital security practices to ensure our data and information is protected.

In early 2023, we completed **implementation of 'Aho'**, bringing our finance, human resources, procurement and contracting processes and information together into one solution using the Oracle platform. Implementation was on schedule and under budget, and we are working to embed Aho into our day-to-day processes to roll-out enhancements and to make the best use of its capabilities.

Our governance and risk management Ngā whakahaere me te whakahaere tūraru

Effective risk management is critical to sound governance. We have an **enterprise risk management framework and policy**. We monitor and report on our strategic risks in line with relevant government frameworks.

Key parts of our work programme are driven by our responsibility to **manage risk** in the system, including our system intelligence

One of the key uses of Aho is **managing our contracts** with our housing and service providers. At the end of June 2023, we managed around 600 contracts for a range of services, including Community Housing, Sustaining Tenancies, Housing First, Transitional Housing, Rangatahi Transitional Housing, the COVID response and the Contracted Emergency Housing initiative in Rotorua.

During 2022/23, we prepared to move the administration of contracts and invoice payments to HUD from MSD. MSD previously managed Transitional Housing contracts on behalf of HUD, including contract payments, referring and assessing people's need for housing support, as well as responding to client queries. From 1 July 2023, HUD will manage all Transitional Housing contracts and payments.

We have progressed work on our **Provider and Property Management (PPM)** solution, working with MSD. This work ensures we have the digital capability in-house to effectively manage our property and provider management requirements.

work programmes that monitor for emerging challenges. The Senior Leadership Team (SLT) reviews strategic risks, which affect both the system and organisation, and makes decisions to support mitigation activity. Oversight of other organisational, project and programme risks is provided by the SLT subcommittees and other internal governance structures.

Our independent **Risk and Assurance Committee** also provides advice to the Chief Executive on effective risk management and appropriate assurance to help us meet our organisational risk and assurance maturity goals.

We also have an **internal assurance programme** that provides independent assurance to the Chief Executive that important processes and systems are operating effectively. The programme includes identifying possible improvements.

HUD acts on behalf of the Minister of Housing to give effect to the Minister's role as joint responsible Minister and protect the Crown's ownership, investment and purchase interests in **Kāinga Ora and Tāmaki Regeneration Company Limited (TRC)**. We support the Minister with overseeing delivery and performance. We also facilitate and support engagement between the Minister and the entities.

In 2022/23, our team established an **Investment Monitoring function** to enhance the resourcing and capability to advise Ministers on investment decisions. This reflects the scale and breadth of investment through Kāinga Ora and TRC in recent years.

A large part of our team's role is ensuring that regular **governance and accountability** work is done correctly, on time, and in a way that drives better performance outcomes. This includes:

- supporting Ministers in setting the medium-term and annual direction for Kāinga Ora and TRC through the Statements of Intent and Statements of Performance Expectations
- providing independent advice to support Ministerial consultation on significant investment proposals within the Large Scale Projects, the Kāinga Ora Land Programme and public housing

- assisting Ministers in making board appointment decisions for Kāinga Ora and TRC, to build governance and strategic leadership capacity. In 2022/23, there were three new board members appointed to Kāinga Ora and, jointly with Auckland Council, three new directors appointed to TRC
- facilitating and advising on Budget proposals for Kāinga Ora and TRC
- developing constructive, open relationships between Kāinga Ora, TRC, HUD and Ministers.

Our team also responds to current issues. In 2022/23, we supported Ministers' **investment decision-making** for the Infrastructure Acceleration Fund, significant Kāinga Ora Land Programme acquisitions and other significant public housing investments.

We provided advice to Ministers on the decision to provide **Crown debt to Kāinga Ora**, instead of Kāinga Ora borrowing market debt. The interest rate savings from this change are expected to be around \$310 million over five years.

In 2022/23, we also **reviewed our work programme** in response to the Office of the Auditor-General's report 'Improving Value Through Better Crown Entity Monitoring', and Te Kawa Mataaho – Public Service Commission's 'The Foundations of Good Practice: Guidelines for Crown Entity Monitoring'. This will support efficient ongoing provision of high-value advice to Ministers.

Our carbon footprint

Tā mātou tapuwāe waro

The impacts of climate change are being felt by communities across Aotearoa, and we play a key role in contributing to the climate change response. The GPS-HUD commits us to achieving thriving and resilient communities, including prioritising reducing our **organisational emissions** while supporting communities to adapt to the effects of climate change.

We remain committed to meeting the **requirements of the Carbon Neutral Government Programme (CNGP)** and operating in a low-emissions and energy-efficient environment. Management of our emissions is an important component of our environmental and sustainability objectives. Our sustainability reporting will highlight the areas where we need to make changes to reduce our operational greenhouse gas

emissions. The scope of our carbon emissions reporting is defined as our core operational emissions. We chose financial year 2020/2021 as our base year as this represents our first full year of available data.

Our greenhouse gas emissions measurement (emissions data and calculations) has been independently verified against ISO14064-1:2018 by Toitū Envirocare (Enviro-Mark Solutions Limited), a wholly-owned subsidiary of Manaaki Whenua Landcare Research, which is a Crown Research Institute.

In 2022/23, we emitted 231 tCO2e (tonnes of carbon dioxide equivalent) a 9 percent increase on our base year (213 tCO2e). Most of our emissions came from domestic air travel and purchased electricity for our two offices.

Table 1: Emissions profile broken down by scope and total annual emissions (tCO2-e)

Category	Scope	2020/21 tCO2-e	2021/22 tCO2-e	2022/23 tCO2-e
1 Direct emissions	Scope 1	0	0	5.65
2 Indirect emissions from imported energy	Scope 2	19.42	16.07	19.36
3 Indirect emissions from transportation	Scope 3	165.97	117.21	192.87
4 Indirect emissions from products used by the organisation		27.19	22.92	13.57
5 Indirect emissions associated with the use of products from the organisation		0	0	0
6 Indirect emissions from other sources		0	0	0
Total gross emissions (all measured emissions) in tCO2-e		212.58	156.20	231.46
Change in gross emissions (all categories) since base year			-27%	9%

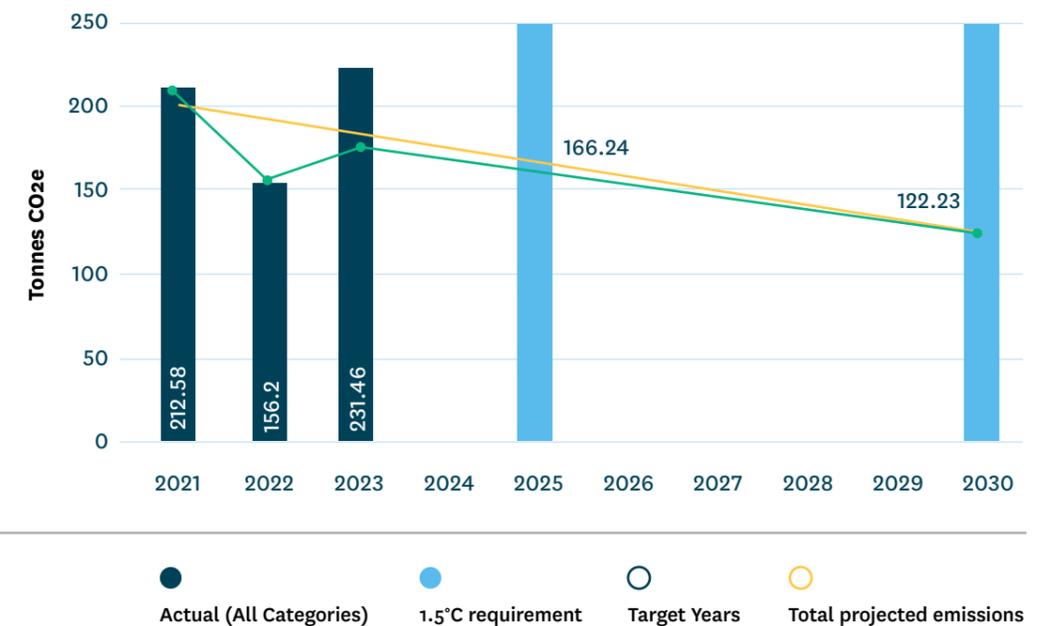
Table 2: Total emissions breakdown by emission by sources 2022/23

Sources	2022/23 tCO2-e	Percentage
Air travel domestic	159.47	68.90%
Purchased electricity including transmission and distribution losses	21.14	9.13%
Ground transport	16.91	7.13%
Working from home	12.25	5.29%
Wastewater services	10.10	4.36%
Accommodation	6.99	3.02%
Waste	1.60	0.69%
Air travel short haul	1.52	0.66%
Freight	1.39	0.60%
Water supply	0.09	0.04%

We have set targets to do our part to keep global warming to less than 1.5 degrees of warming as required under the Carbon Neutral Government Programme. Our target also aligns to the requirements of the Toitū carbon reduce programme.

We have set the following **emission reduction targets**:

- 2025 target: Gross emissions (all categories) to be no more than 166.24 tCO2-e, representing a 21.8 percent reduction in gross emissions (all categories) compared to base year 2020/21
- 2030 target: Gross emissions (all categories) to be no more than 122.23 tCO2-e, representing a 42.5 percent reduction in gross emissions (all categories) compared to base year 2020/21



Over the past year, we have made large savings on **waste and electricity** in our two offices, with reductions of 75 percent and 17 percent, respectively, since our base year calculations. These reductions reflect a focused effort to make smarter decisions about how our workplace operates day-to-day.

Overall, we have experienced an increase of 9 percent in our **total emissions** this year. We had projected an increase during 2022/23 for emissions relating to domestic travel after COVID-19 restrictions were lifted. In applying our Place-based and MAIHI Ka Ora strategies, we need people to visit regions across Aotearoa to work with iwi and local government to deliver critical housing needs, including in response to weather events.

We have identified the following **areas of focus to decrease our emissions:**

- Energy efficiency – we will continue to refine office lighting and energy-using hardware and work with our landlords on energy-saving initiatives.
- Travel – we will keep identifying ways to reduce and/or make smarter decisions around air travel, hotel nights, taxi journeys and rental cars by choosing energy-efficient options. We encourage the continued use of technology to reduce the need for in-person meetings.
- Waste – we will keep encouraging our people to help reduce our waste to landfill, through extra initiatives such as introducing soft plastic recycling on-site.
- Engaging our people – we will continue to work alongside our internal sustainability group, engaging with people on our emissions reduction plans to boost awareness of our targets and help them decarbonise in their everyday lives.

Our current emissions reporting accounts for the emissions of our core business activities. This year we have refined our **data collection methods**, which means we can rely less on averages or a pro-rata calculation for our total carbon emissions. We will continue to improve the way we report our data as we build a clearer understanding of how we can achieve our carbon neutral goals.

2021/22 results verified against ISO14064-1:2018

2022/23 results provisional and unverified.

Growing our capability together

Whare kōrero is an overnight marae-based programme focused on growing a collective understanding within HUD of narratives of partnership, Te Tiriti o Waitangi, and te reo and tikanga Māori in a traditional whare wānanga, whare kōrero setting. It is about shaping a culture that embraces and responds to Te Ao Māori in a meaningful way.

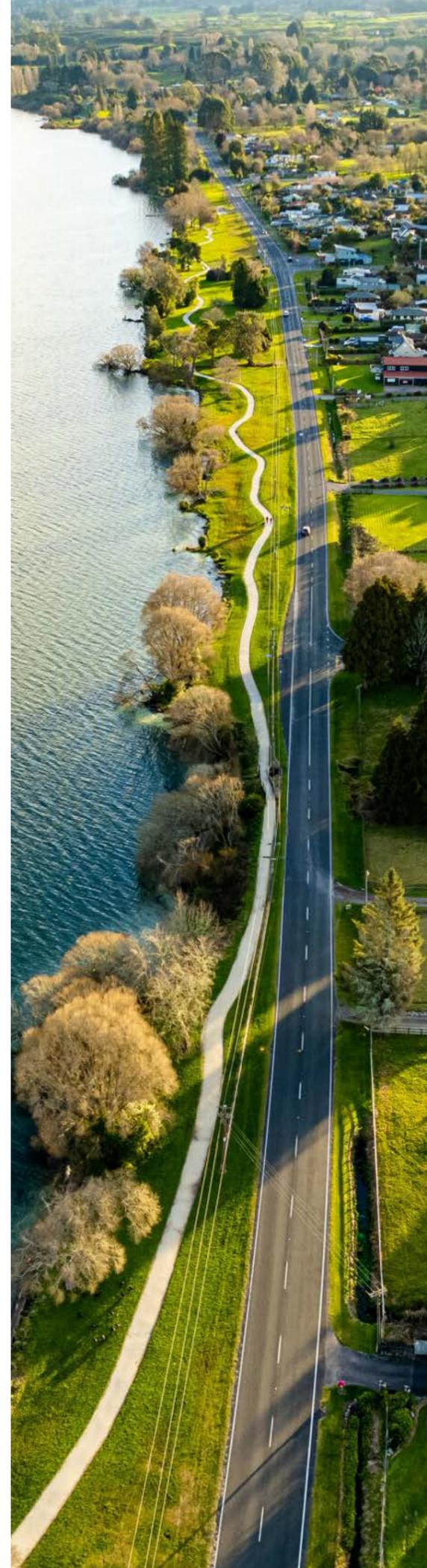
A ‘Whare Kōrero’ is a place for teaching traditional narratives and knowledge. The term is used for this marae-based learning programme as it is focused on teaching traditional narratives around the Māori-Crown partnership in a Te Ao Māori context, including:

- Narratives of partnerships (New Zealand history)
- Te Whakaputanga (Declaration of Independence) and Te Tiriti o Waitangi/Treaty of Waitangi
- Wai 2750 – Housing Policy and Services Inquiry
- Te MAIHI o te whare Māori
- Enabling kaupapa Māori approaches and understanding a Te Ao Māori worldview.

In 2022/23, we held two whare kōrero for staff at marae in the Wairarapa. Te Tautiaki, the MAIHI Partnership Directors, and Te Hononga guided participants to understand more about Te Ao Māori, the work of the Waitangi Tribunal and the Wai 2750 Inquiry, how the Treaty settlement process works, and contemporary issues facing Māori.

Our Chief Executive, Andrew Crisp, was among participants and reflected on the importance of whare kōrero:

“because building our understanding of partnership with Māori, of Te Tiriti o Waitangi and developing an understanding of and building our comfort with te reo and tikanga Māori is fundamental to the shift we are trying to achieve in the housing system. It’s essential to our work and our ability to shift the housing system in Aotearoa New Zealand.”



Performance and financial information

Ngā kōrero mō te
mahi, mō te pūtea
anō hoki

STATEMENT OF RESPONSIBILITY

I am responsible, as Chief Executive of Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (the Ministry), for:

- the preparation of the Ministry’s financial statements, performance information and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and performance reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report; and
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the Annual Report.

In my opinion:

- the Annual Report fairly reflects the operations, progress, and the organisational health and capability of the Ministry;
- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2023 and its operations for the period ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2024 and its operations for the year ending on that date.



Andrew Crisp

Chief Executive
Te Tūāpapa Kura Kāinga -
Ministry of Housing and Urban Development
28 September 2023

INDEPENDENT AUDITOR'S REPORT

To the readers of Ministry of Housing and Urban Development's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of the Ministry of Housing and Urban Development (the Ministry). The Auditor-General has appointed me, Rehan Badar, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 100 – 125, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023 on pages 16 – 49 and 82 – 98;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2023 on pages 146 – 164 and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 126 – 145 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023;
 - the schedules of expenses; and revenue for the year ended 30 June 2023; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023:
 - presents fairly, in all material respects, for the year ended 30 June 2023:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023; and
 - expenses; and revenue for the year ended 30 June 2023.

Our audit was completed on 28 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry’s financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry’s ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Chief Executive’s responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Strategic Intentions 2021-2026 and relevant Estimates and Supplementary Estimates of Appropriations 2022/23, and the 2022/23 forecast financial figures included in the Ministry's 2021/22 annual report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Ministry
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern

- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1 – 164 but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Ministry.



Rehan Badar

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Performance

Tauākī whakatutukitanga

For the year ended 30 June 2023

ASSESSING OUR SERVICE PERFORMANCE

The Statement of Performance complies with New Zealand generally accepted accounting practice (NZ GAAP), has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.

The section on *Our role leading the housing urban development system* sets out the strategy and vision for the wider housing system and explains what our role is in achieving this vision. This section explains the long-term plan for housing and urban development, through the Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora – the National Māori Housing Strategy. Together they provide a shared vision and direction for housing in Aotearoa New Zealand.

Our Statement of Strategic Intentions provides more information on why housing and urban development matters to Aotearoa New Zealand. It explains why we exist, what we intend to achieve in broad terms over the medium to long term, and how we will go about this. Our Statement of Strategic Intentions can be found on our website (www.hud.govt.nz/documents/hud-statement-of-strategic-intentions-2021-2026/).

The section on *Our operating context* explains the purpose of Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development as an agency and how we are organised.

The overall performance of the housing and urban development system is assessed through the He Oranga Kāinga, He Oranga Hapori – Housing and Urban Development Indicators. These are long-term indicators, which assess how the system is performing. Data for these indicators is published on the Ministry's website (www.hud.govt.nz).

The MAIHI Ka Ora implementation plan focuses on the steps we need to take over the next three to four years to bring us closer to achieving the vision for Māori housing. Performance against the plan will be reported to the MAIHI Whare Wānanga and published on the Ministry's website (www.hud.govt.nz).

We measure the effectiveness of our contribution to the system through HUD's outcome indicators, which are set in the Statement of Strategic Intentions. These indicators best reflect the impact that we have on the system. The section on *Our progress* sets out the activities we have undertaken over the previous financial year, for each of our outcome indicators. It also reports on our performance measures for each of our outcome indicators.

We measure the services we deliver for New Zealanders through our output measures, which are set out in the Estimates of Appropriations and Supplementary Estimates each year. This *Statement of Performance* section reports on performance in delivering our products and services and provides our service performance information. The appropriations reported in this Annual Report and included in this *Statement of Performance* are:

Multi-Category Expenses and Capital Expenditure:

Managing the Housing and Urban Development Portfolio

Departmental Output Expenses:

- Facilitating the Purchase and Redevelopment of Land for Housing Purposes
- Management of Housing Provision and Services
- Policy Advice and Ministerial Servicing

Housing Acceleration Fund

Non-Departmental Capital Expenditure:

- Investment in Crown-owned Entities to Advance Development-Ready Land

Non-Departmental Other Expenses:

- Investment in Infrastructure to Advance Development-Ready Land.

Public Housing

Non-Departmental Output Expenses:

- Purchase of Public Housing Provision
- Services for People in Need of or at Risk of Needing Public Housing

Transitional Housing

Non-Departmental Output Expenses:

- Provision of Transitional Housing Places
- Transitional Housing Services.

Departmental Capital Expenditure:

- Ministry of Housing and Urban Development – Capital Expenditure Permanent Legislative Authority (PLA).

The Minister's Report on Non-Departmental Appropriations for Vote Housing and Urban Development is presented separately to the House of Representatives pursuant to section 19B of the Public Finance Act 1989 and is published on the Parliament website (www.parliament.nz). The appropriations included in the Minister's Report on Non-Departmental Appropriations for Vote Housing and Urban Development are:

Non-Departmental Output Expenses:

- Affordable Housing Fund (Multi-Year Appropriation)
- Contracted emergency housing accommodation and services
- He Kūkū ki te Kāinga – Increasing Māori Housing Supply (Multi-Year Appropriation)
- Infrastructure Investment to Progress Urban Development (Multi-Year Appropriation)
- Land for Housing Programme (Multi-Year Appropriation)
- Local Innovations and Partnerships
- Progressing the Pipeline of Māori Housing 2022-2025 (Multi-Year Appropriation)
- Support Services to Increase Home Ownership.

Non-Departmental Other Expenses:

- Housing Assistance.

Non-Departmental Capital Expenditure:

- Affordable Housing Fund – Capital Funding (Multi-Year Appropriation)
- Housing Infrastructure Fund Loans (Multi-Year Appropriation)
- Kāinga Ora – Homes and Communities Crown Lending Facility (Multi-Year Appropriation)
- Kāinga Ora – Homes and Communities Private Debt Refinancing Facility (Multi-Year Appropriation)
- Progressive Home Ownership Fund (Multi-Year Appropriation).

Multi-Category Expenses and Capital Expenditure:

- Amortisation of Upfront Payments
- Housing Programme Fair Value Impairment Loss and Inventory Disposal
- Upfront Payments.

Service performance information for some appropriations is reported in the Annual Report for Kāinga Ora – Home and Communities, as the services are delivered by Kāinga Ora. The appropriations included in Kāinga Ora Annual Report are:

Multi-Category Expenses and Capital Expenditure:

- Community Group Housing.

Non-Departmental Output Expenses:

- Kāinga Ora – Homes and Communities
- Buying Off the Plans Programme (Multi-Year Appropriation)
- Operating the Buying Off the Plans Programme (Multi-Year Appropriation).

Non-Departmental Other Expenses:

- Kāinga Ora Land Programme.

Benefits or Related Expenses:

- First Home Grants.

The remaining appropriations included in the Estimates of Appropriations and Supplementary Estimates are not reported in the reports noted above, as an exemption has been granted under section 15D(2)(b) of the *Public Finance Act 1989*.

Exemption under section 15D(2)(b)(iii) of the *Public Finance Act 1989* as the amount of these annual appropriations for a Non-Departmental Output Expense is less than \$5 million:

Non-Departmental Output Expense:

- Public Housing
 - Services Related to the Provision of Public Housing
- Management of Crown Properties held under the *Housing Act 1955*

Exemption under section 15D(2)(b)(ii) of the *Public Finance Act 1989* as additional performance information is unlikely to be informative:

Non-Departmental Output Expense:

- Operating the Land for Housing Programme (Multi-Year Appropriation)

Non-Departmental Other Expenses

- Land for Housing Operations (Multi-Year Appropriation).
- Public Housing
 - Support for the Provision of Public Housing

Non-Departmental Capital Expenditure:

- Land for Housing Programme – developers’ loan payments
- Refinancing of Crown loans to Kāinga Ora – Homes and Communities.

The following performance framework summarises the main services that we provide, the impact we intend to have, and how this will contribute to the strategic intentions of the housing and urban development system.

The Housing and Urban Development system Government Policy Statement on Housing and Urban Development					
Outcomes					
Thriving and resilient communities	Wellbeing through housing	Māori housing through partnership	An adaptive and responsive system		
Outcomes					
Ensure more affordable homes are built	Ensure houses meet needs	Enable people into stable, affordable homes	Plan and invest in our places	Support whānau to have safe, healthy, affordable homes with secure tenure	Re-establish housing's primary role as a home rather than a financial asset
Te Tūāpapa Kura Kāinga He kāinga ora, he hapori ora - Thriving communities where everyone has a place to call home					
Our outcome indicators The impact that we have on the system					
More houses	New infrastructure developments supporting the development of housing	Home ownership	Rental affordability	Māori-led housing	Warm and dry houses Support provided to people in housing need
Our role How we ensure the system is working well and outcomes are realised					
Grow understanding of the system	Understand what's happening now and identifying future trends	Help focus effort across the system	Ensure the right settings, tools and funding are in place	Enable and ensure delivery	Drive action through collaboration and partnership
Our outputs ²⁴ The services we provide					
Facilitating the purchase and development of land for housing purposes	Policy advice and ministerial servicing	Managing of housing provision and services			

System performance

Ministry performance

²⁴ The departmental appropriations in the Vote Housing and Urban Development Estimates of Appropriations

Disclosure of judgements

In determining key service performance information for each outcome, management has used judgement based on indicators that align with the mission and annual activities of the Ministry. While the Ministry does have discretion over these, the Ministry seeks to maintain consistency across years where appropriate and to determine service performance information that is relevant, reliable, neutral, understandable, and complete.

As a relatively new agency, which was established in 2018, we are developing our capability in monitoring and evaluating performance information. We intend to review our performance measures and standards during 2023/24 to ensure that the service performance information that is being reported is appropriate and meaningful.

Significant Budget initiatives

The following table provides information on significant new initiatives for the Ministry that have been funded through the past three Budgets, and where to find further information on the delivery of these initiatives. The table below does not include Budget initiatives that were to address cost pressures.

Budget	Budget Initiative	About the initiative	Location of performance information
2022	Affordable Housing Fund	This initiative will support the development of the affordable housing sector through establishing the Affordable Housing Fund. The fund will focus on supporting the development of affordable homes for low-to-moderate income households in locations facing the biggest housing supply and affordability challenges.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheadings of More houses, and Increased rental affordability.
	Emergency Housing – Progressing Work on System Changes	This initiative will support a programme to reset and redesign the emergency housing system.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More support provided to people in housing need.

Budget	Budget Initiative	About the initiative	Location of performance information
	Emergency Housing – Rotorua Response	This initiative provides funding for the continued contracting of motels as emergency housing with wrap-around support services in Rotorua. It will also fund the continued operation of Te Pokapu – the Rotorua Housing Hub, and the provision of support services for whānau in non-contracted emergency housing motels. The initiative provides an immediate, placed-based response to urgent housing need in Rotorua, and complements the implementation of initiatives under the Aotearoa New Zealand Homelessness Action Plan.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More support provided to people in housing need.
	First Home Products	This initiative adjusts the First Home Loan and First Home Grant settings to ensure more first home buyers are able to access the products, and reduce the barriers to owning a first home.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of Increased home ownership.
	Homelessness Action Plan	This initiative provides funding for the expansion of rangatahi/youth-focused transitional housing places, the design and delivery of a new supported accommodation service for rangatahi/young people with higher and more complex needs, homelessness outreach services, and the provision of kaupapa Māori support services.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More support provided to people in housing need.

Budget	Budget Initiative	About the initiative	Location of performance information
	Public and Transitional Housing – Maintaining and Increasing Public, Transitional and COVID-19 Housing Supply	This initiative provides funding to support the current delivery of public and transitional housing, including the delivery of new places committed to through the Public Housing Plan 2021-2024. It will also enable the extension of existing contracted transitional housing motels and motel places contracted at the start of the COVID-19 outbreak.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More houses.
2021	Housing Acceleration Fund	This fund will increase the pace and scale of new housing supply through supporting the provision of infrastructure and housing, and expanding the Land for Housing Programme. This will include increasing affordable homes, whether for rent or home ownership, and will focus on locations with high housing need, including Kāinga Ora Large-Scale Projects.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of New infrastructure to support development of housing.
	Kāinga Ora Land Acquisition Fund	This initiative will support Kāinga Ora to borrow so as to purchase land, meet holding costs, and allow for development risks.	Progress made in delivering this initiative is reported in the Kāinga Ora – Homes and Communities Annual Report.
	Whai Kāinga Whai Oranga	This initiative will see the delivery of new housing and repairs to existing stock for Māori across Aotearoa New Zealand. This is a joint initiative between the Ministry of Housing and Urban Development and Te Puni Kōkiri.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More Māori-led housing.

Budget	Budget Initiative	About the initiative	Location of performance information
	Short-Term Housing and Support Services – Extension	This initiative extends key programmes that support those experiencing chronic homelessness or those at increased risk of homelessness, including Housing First, Rapid Rehousing, and Sustaining Tenancies.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More support provided to people in housing need.
2020	Progressive Home Ownership Implementation – Delivering on the Government Build Programme	This initiative is to fund the operation of the Progressive Home Ownership scheme that will provide access to home ownership to improve the wellbeing of target households in terms of meeting their housing needs and will have flow-on benefits such as improved security of housing tenure, access to building household wealth and housing-related health and social outcomes.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of Increased home ownership.
	Te Maihi o Te Whare Maori – Maori and Iwi Housing Innovation (MAIHI)	Funding towards delivering bespoke outcomes for Māori housing, guided by Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework for Action	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More Māori-led housing.
	Government Housing Build Programme	Funding to deliver an extra 8,000 new public and transitional homes.	Progress made in delivering this initiative is reported in the Our progress section, particularly under the subheading of More houses.

MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE

Managing the Housing and Urban Development Portfolio Multi-Category Appropriation (MCA)

The single overarching purpose of this appropriation is to improve the functioning of the housing sector by providing good quality advice to Ministers and effective departmental operations.

2022 Actuals \$000	Financial performance	2023 Actuals \$000	2023 Budget \$000
	Departmental output expenses		
	Revenue		
	Revenue - Crown		
7,094	Facilitating Purchases and Development of Land for Housing Purposes	6,500	6,500
23,844	Management of Housing Provision and Services	25,955	25,955
47,293	Policy Advice and Ministerial Servicing	48,318	48,318
	Revenue - Departmental		
47	Facilitating Purchases and Development of Land for Housing Purposes	56	47
74	Management of Housing Provision and Services	223	169
251	Policy Advice and Ministerial Servicing	415	314
	Revenue - Third Party		
-	Facilitating Purchases and Development of Land for Housing Purposes	25	25
-	Management of Housing Provision and Services	100	90
-	Policy Advice and Ministerial Servicing	188	185
78,603	Total revenue	81,780	81,603
	Expenses		
5,702	Facilitating Purchases & Development of Land for Housing Purposes	6,648	6,572
27,104	Management of Housing Provision & Services	27,085	26,214
41,730	Policy Advice & Ministerial Servicing	44,438	48,817
74,536	Total expenses	78,171	81,603

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
4.56 (see Note 1)	The satisfaction rating (see Note 2) given by the Minister for overall satisfaction annually	97.6%	Reach or exceed 70%

Note 1 - In 2021/22, the satisfaction survey used a 5-point scale. Further, one of the questions included in the Ministerial Satisfaction Survey was not answered. The reported measure excludes that from the calculations. If this is included (i.e. reported as 0) the reported measure would be 4.37. In percentage terms, the 2021/22 result would equate to 91.2% (for 4.56) or 87.4% (for 4.37).

Note 2 - The satisfaction survey rating measures Ministers' overall satisfaction with the management of the Housing and Urban Development Portfolio on a scale of 1-10, where 1 means unsatisfied and 10 means extremely satisfied.

Facilitating the purchase and redevelopment of land for housing purposes

This category is limited to the activities associated with the facilitation of the purchase and redevelopment of land for housing purposes.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
7 (see Note 1)	Number of settled land acquisitions	4	4
3	Number of signed Development Agreements	1 (see Note 2)	3

Note 1 - The number of settled land acquisitions is dependent on the speed of progression of relevant land opportunities through the programme pipeline, which is built on year by year. This is determined by factors including market conditions, complexity of land opportunities and programme resourcing.

Note 2 - The headwinds facing the residential development and construction sector is creating significant uncertainty, impacting the programme's delivery as development partners' appetite to entering into Development Agreements has declined. Despite this, two further Development Agreements were in negotiation at year-end, with one in the final stages.

Management of Housing Provision and Services

This category is limited to managing and regulating housing and housing support providers (including Kāinga Ora) through negotiating, managing and paying contracts.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
63%	An annual monitoring report will be provided within 120 working days of receiving a Community Housing Provider annual return	80.8%	80% (see Note 1)
67% (see Note 2)	Percentage of contracts monitored against their performance and reporting requirements	90%	90%
100%	Percentage of payments to contracted housing and support providers processed within 10 working days	90% (see Note 3)	100%

Note 1 - This target was decreased from 90% to 80%, to reflect the increasing monitoring requirements, while enabling a thorough assessment of each provider in order to provide continued assurance to the government and the public.

Note 2 - The performance target for 2021/22 of contracts monitored against their performance and reporting requirements was 80%.

Note 3 - A number of factors have resulted in the target not being achieved including the manual process required to separate invoices not paid within 10 working days from those processed within 10 working days, but also not paid within the timeframe due to dispute or the need for clarification. In addition, the transition to a new payment system during the reporting period created some delays while training and capability building occurred.

Policy Advice and Ministerial Servicing

This category is limited to advice to support decision making by Ministers on government policy matters relating to housing and urban development, and Ministerial servicing and performance monitoring.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
3.68	Technical quality of policy advice papers will be assessed against the policy quality framework	3.56	Achieve an average score of at least 3/5
<i>Percentage of requests completed within either specified or statutory timeframe:</i>			
92.63% (see Note 1)	Ministerial correspondence	97.8%	95% or above
100%	Parliamentary Questions	99.1%	95% or above
97.6%	Ministerial Official Information Act 1982 requests	97.2%	95% or above
99.4%	Departmental Official Information Act 1982 requests	97.6%	95% or above

Note 1 – In 2021/22, Ministerial correspondence timeliness was below target due to the effects of the COVID-19 lockdown in August 2021, as well as a large amount of staff turnover in the same period. Timeliness results improved in 2022, however, this was not sufficient to increase the 2021/22 timeliness to 95% or above.

Housing Acceleration Fund

The single overarching purpose of this appropriation is to achieve the outcome of advancing housing supply through the provision of infrastructure investment.

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
Non-departmental capital expenditure			
-	Investment in Crown-owned Entities to Advance Development-Ready Land	210,840	431,000
Non-departmental other expenses			
21,563	Investment in Infrastructure to Advance Development-Ready Land	29,781	70,083
21,563	Total expenses	240,621	501,083

Note that Kāinga Ora spent \$569 million on capital expenditure during 2022/23. The reimbursement to Kāinga Ora will be recognised as a cash capital injection into this Crown entity, but will not be recognised in the Ministry's financial statements, and will be recorded against this appropriation when the cash is actually paid.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
1,760 (see Note 1)	The total number of houses enabled	450 (see Note 2)	1,080-1,320

Note 1 – The number of houses enabled in 2021/22 was incorrectly reported in the Annual Report for 2021/22 as 1,732. The total number of homes enabled during 2021/22 were solely those enabled through the delivery of the Large-Scale Projects and was therefore 1,760.

Note 2 – The number of houses enabled in 2022/23 reflects the number of houses enabled through the delivery of Large-Scale Projects. With the change in market conditions, build partners experienced funding difficulties as they were unable to meet the level of pre-sales required by lenders. End buyers switched to existing homes rather than committing to purchase new builds due to the risk of expiring pre-approval with extended build times. For these reasons, the 2022/23 year's result was considerably short of the target.

Investment in Crown-owned Entities to Advance Development-Ready Land

This category is limited to investments in Crown-owned entities to increase the amount of development-ready land.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
1,760	The total number of houses enabled through the delivery of Large-Scale Projects (see Note 1)	450 (see Note 2)	1,080-1,320

Note 1 – Kāinga Ora has continued to develop the Large-Scale Projects following confirmation of the Housing Acceleration Fund in April 2021. The Large-Scale Projects have been in development since 2018, and the homes enabled are reflective of land development activities undertaken in both the current financial year and previous years. Enabled homes under the Large-Scale Projects refers to the number of homes that will be built on ready-to-build land handed over to a third party, or as agreed to under a signed unconditional contract between Kāinga Ora and the third party.

Note 2 – The number of houses enabled in 2022/23 reflects the number of houses enabled through the delivery of Large-Scale Projects. With the change in market conditions, build partners experienced funding difficulties as they were unable to meet the level of pre-sales required by lenders. End buyers switched to existing homes rather than committing to purchase new builds due to the risk of expiring pre-approval with extended build times. For these reasons, the 2022/23 year's result was considerably short of the target.

Investment in Infrastructure to Advance Development-Ready Land

This category is limited to contributions for infrastructure projects to advance development-ready land.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
-	The total number of houses enabled through the competitive component of the Infrastructure Fund	0	Baseline year
-	The total number of houses to be enabled on land where an infrastructure agreement has been signed (see Note 1)	30,000-35,000 (see Note 2)	Baseline year

Note 1 – This is a new measure that has been introduced for 2022/23 to measure delivery during the early stages of the Infrastructure Acceleration Fund.

Note 2 – 30 funding agreements with a total allocation of \$926 million have been signed, to deliver between 30,000-35,000 homes over the next 10 to 15 years.

Public Housing

The single overarching purpose of this appropriation is to secure and purchase the provision of public housing and associated support services.

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
Non-departmental output expenses			
1,323,430	Purchase of Public Housing Provision	1,391,486	1,461,450
67,269	Services for People in Need of or at Risk of Needing Public Housing	75,769	92,731
11,505	Services Related to the Provision of Public Housing	221	300
Non-departmental other expenses			
3,340	Support for the Provision of Public Housing Supply	-	-
1,405,544	Total expenses	1,467,476	1,554,481

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
1,683 (see Note 1)	The net increase in additional public housing places (see Note 2) will be at least:	3,192 (see Note 3)	3,350

Note 1 – The performance target for 2021/22 of the net increase in additional public housing places was at least 2,300.

Note 2 – ‘Public housing places’ is made up of total tenancies (Kāinga Ora and CHPs Income Related Rent Subsidy places and market renters) plus Kāinga Ora vacancies.

Note 3 – Extreme adverse weather events in January and February 2023 resulted in the delivery of some public housing places being delayed until 2023/24.

Purchase of Public Housing Provision

This category is limited to purchasing the provision of public housing and related services from public housing providers in accordance with reimbursement agreements, or tailored agreements under the Public and Community Housing Management Act 1992.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
72,291	The number of tenancies subsidised by an Income-Related Rent Subsidy will be at least:	73,529 (see Note 1)	75,500

Note 1 – Extreme adverse weather events in January and February 2023 resulted in the delivery of some public housing places being delayed until 2023/24. In addition, around half of Kāinga Ora delivery of net additional public housing places occurred in the latter part of 2022/23, meaning tenanting is expected to progressively occur from the start of 2023/24. This includes the significant new development at Greys Avenue in Auckland, named Te Mātāwai, which will provide tenants with around-the-clock on-site care and support services. Providers are taking a deliberately staged approach to placing people into these permanent homes, creating a diverse and mixed community that plays an important part in achieving positive outcomes for everyone with a greater sense of inclusion and neighbourliness. As a result of such factors, the total number of tenancies has increased at a slower rate than forecast.

Services for People in Need or at Risk of Needing Public Housing

This category is limited to the provision of support services to those in need of public housing or those at risk of entering or exiting public housing.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
2,755	The number of contracted places available for chronic homeless households to be placed and supported into secure and stable accommodation under the Housing First initiative will be at least:	2,755	2,640
2,352	The number of contracted places available for households to be supported under the Sustaining Tenancies programme will be at least:	2,357	2,350
610	The number of contracted places available for homeless households to be supported under the Rapid Rehousing programme will be at least:	681	545

Transitional Housing

The single overarching purpose of this appropriation is to fund the delivery of transitional housing places and services in New Zealand.

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
Non-departmental output expenses			
198,041	Purchase of Transitional Housing Places	186,440	240,960
126,159	Transitional Housing Services	133,294	225,483
Non-departmental capital expenditure			
-	Acquisition, Development and Construction of Transitional Housing	-	-
324,200	Total expenses	319,734	466,443

Provision of Transitional Housing Places

This category is limited to supporting transitional housing providers to provide transitional housing places.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
1,088 (see Note 1)	The net increase in additional transitional housing places in areas of demand will be at least:	415	340

Note 1 – The performance target for 2021/22 of the net increase in additional transitional housing places in areas of demand was at least 1,200.

Transitional Housing Services

This category is limited to payments to transitional housing providers on a per household basis to cover tenancy and property management, and services to support tenants in transitional housing to move into sustainable housing.

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
New measure	Percentage of new transitional housing places contracted that receive associated services	100%	100%

Departmental Capital Expenditure Ministry of Housing and Urban Development – Capital Expenditure Permanent Legislative Authority (PLA)

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Housing and Urban Development, as authorised by section 24(1) of the *Public Finance Act 1989*.

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
787	Total expenses	3,409	1,200

Performance information

2021/22 Performance	Performance measure	2022/23 Performance	2022/23 Target
Achieved	Capital expenditure is in accordance with the Capital Asset Management Plan	Achieved	Achieved

Financial Statements

Ngā tauākī pūtea

For the year ended 30 June 2023

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Budget* 2023 \$000	Revised Budget* 2023 \$000	Forecast* 2024 \$000
	Revenue					
78,231	Revenue Crown		80,773	71,577	80,773	72,863
372	Other revenue	2	1,007	-	830	300
78,603	Total revenue		81,780	71,577	81,603	73,163
	Expenses					
51,690	Personnel costs	3	55,116	54,129	58,803	57,886
754	Depreciation and amortisation	7	968	866	846	846
477	Capital charge	4	397	477	477	477
21,615	Other operating expenses	5	21,690	16,105	21,477	13,954
74,536	Total expenses		78,171	71,577	81,603	73,163
4,067	Net surplus and total comprehensive revenue and expense		3,609	-	-	-

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against the original 2022/23 budget are detailed in Note 17.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Actual 2022 \$000	Notes	Actual 2023 \$000	Budget* 2023 \$000	Revised Budget* 2023 \$000	Forecast* 2024 \$000
Assets					
Current assets					
16,965		12,829	7,411	9,990	6,886
139	6	133	28	322	322
138		89	-	-	-
852		810	676	404	404
18,094		13,861	8,115	10,716	7,612
Non-current assets					
5,026	7	4,243	6,877	4,380	4,934
-	8	3,224	-	1,000	6,450
5,026		7,467	6,877	5,380	11,384
23,120		21,328	14,992	16,096	18,996
Liabilities					
Current liabilities					
5,342	9	3,208	2,698	4,711	4,711
4,067	10	3,609	-	-	-
198		299	208	-	-
3,543	12	4,161	2,178	1,520	1,520
13,150		11,277	5,084	6,231	6,231
Non-current liabilities					
89	11	65	59	206	206
345	12	450	313	123	123
434		515	372	329	329
13,584		11,792	5,456	6,560	6,560
9,536		9,536	9,536	9,536	12,436
Equity					
9,536	13	9,536	9,536	9,536	12,436
9,536		9,536	9,536	9,536	12,436

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against the original 2022/23 budget are detailed in Note 17.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Actual 2022 \$000	Notes	Actual 2023 \$000	Budget* 2023 \$000	Revised Budget* 2023 \$000	Forecast* 2024 \$000
9,536		9,536	9,536	9,536	9,536
4,067		3,609	-	-	-
-		-	-	-	2,900
(4,067)	10	(3,609)	-	-	-
9,536	13	9,536	9,536	9,536	12,436

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against the original 2022/23 budget are detailed in Note 17.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Budget* 2023 \$000	Revised Budget* 2023 \$000	Forecast* 2024 \$000
	Cash flows from operating activities				
78,111	Receipts from Revenue Crown	80,816	78,231	80,911	72,863
-	Receipts from Department	120	450	-	-
266	Receipts from other revenue	993	-	712	300
(21,164)	Payments to suppliers	(23,790)	(23,198)	(24,304)	(14,207)
(48,463)	Payments to employees	(54,626)	(54,140)	(58,803)	(57,886)
(477)	Payments for capital charge	(397)	(477)	(477)	(477)
(151)	Goods and services tax (net)	(224)	-	253	253
8,122	Net cash flows from operating activities	3,340	866	(1,708)	846
	Cash flows from investing activities				
(787)	Purchase of property, plant and equipment	(185)	(2,500)	(200)	(1,400)
-	Purchase of intangible assets	(3,224)	-	(1,000)	(5,450)
(787)	Net cash flows from investing activities	(3,409)	(2,500)	(1,200)	(6,850)
	Cash flows from financing activities				
(7,726)	Repayment of surplus to the Crown	(4,067)	(6,698)	(4,067)	-
-	Capital injection	-	-	-	2,900
(7,726)	Net cash flows from financing activities	(4,067)	(6,698)	(4,067)	2,900
(391)	Net increase/(decrease) in cash and cash equivalents	(4,136)	(8,332)	(6,975)	(3,104)
17,356	Cash and cash equivalents at the beginning of the year	16,965	15,743	16,965	9,990
16,965	Cash and cash equivalents at the end of year	12,829	7,411	9,990	6,886

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against the original 2022/23 budget are detailed in Note 17.

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department (IR). The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023 (continued)

RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

Actual 2022 \$000		Actual 2023 \$000
4,067	Net surplus	3,609
	Add/(less) non-cash items:	
754	Depreciation and amortisation expense	968
754	Total non-cash items	968
	Add/(less) non operating non financial liability items	
(34)	Pension liability movement	(5)
(34)	Total non operating non financial liability items	(5)
	Add/(less) movements in Statement of Financial Position items	
(760)	(Increase)/decrease in receivables and prepayments	97
3,462	Increase/(decrease) in payables	(2,134)
(10)	Increase/(decrease) in deferred revenue	101
-	Increase/(decrease) in provisions	-
581	Increase/(decrease) in employee entitlements	623
32	Increase/(decrease) in non-current employee entitlements	105
30	Increase/(decrease) in non-current provisions	(24)
3,335	Total net movements in Statement of Financial Position items	(1,232)
8,122	Net cash flows from operating activities	3,340

The accompanying notes form part of these financial statements.

STATEMENT OF COMMITMENTS

As at 30 June 2023

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are reported below at the lower of the remaining contractual commitment and the value of those penalty or exit costs (that is, the minimum future payments).

Non-cancellable operating lease commitments

The Ministry leases premises in the normal course of its business. The Ministry leases two properties with non-cancellable leasing periods, one is 72 months, and the other is for 109 months. Both leases have varying terms, escalation clauses, and renewal rights. The Ministry also leases laptops, tablets and keyboards for 36 months. There is no liability for the Ministry to purchase the leased assets at end of the lease period.

There are no restrictions placed on the Ministry by any of its leasing arrangements.

Actual 2022 \$000		Actual 2023 \$000
	Capital commitments	
137	Leasehold improvements	-
137	Total capital commitments	-
	Operating leases as lessee	
	The future aggregate minimum lease payments to be paid under non cancellable operating leases are as follows:	
2,514	Not later than one year	2,788
10,054	Later than one year and not later than five years	10,283
4,384	Later than five years	1,988
16,952	Total non-cancellable operating lease commitments	15,059
17,089	Total commitments	15,059

The accompanying notes form part of these financial statements.

STATEMENT OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2023

Unquantifiable contingent liabilities

As at 30 June 2023, the Ministry has no unquantifiable contingent liabilities (2022: \$nil).

Quantifiable contingent liabilities

As at 30 June 2023, the Ministry has no quantifiable contingent liabilities (2022: \$nil).

Contingent assets

The Ministry has no contingent assets (2022: \$nil).

The accompanying notes form part of these financial statements.

NOTES TO THE DEPARTMENTAL FINANCIAL STATEMENTS

For the year ended 30 June 2023

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NOTES TO THE DEPARTMENTAL FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Statement of accounting policies

Reporting entity

The Ministry of Housing and Urban Development (the Ministry) is a government department as defined by section 5 of the *Public Service Act 2020* and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry's operations includes the *Public Finance Act 1989 (PFA)*, the *Public Service Act 2020*, and the *Urban Development Act 2020*. The Ministry's ultimate parent is the New Zealand Crown.

In addition, the Ministry reports on Crown activities that it administers in the non-departmental statements and schedules on pages 126 – 145.

The Ministry's primary objective is to provide leadership across agencies to coordinate the social, economic and environmental aspects of housing and urban development. We are responsible for delivering the Government's housing and urban development programme to end homelessness, make room for growth in our urban centres, and help create thriving communities. The Ministry does not operate to make a financial return.

The Ministry has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

These financial statements of the Ministry are for the year ended 30 June 2023, and the Chief Executive approved them for issue on 28 September 2023.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of Compliance

The financial statements of the Ministry have been prepared in accordance with the requirements of the PFA, which includes the requirement to comply with GAAP, and Treasury Instructions.

The financial statements have been prepared in accordance with and comply with Tier 1 PBE Accounting Standards. The accounting policies set out below have been complied with consistently to all periods presented in the financial statements.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest thousand dollars (\$000). The related party transaction disclosures are rounded to the nearest dollar. The functional currency of the Ministry is New Zealand dollars.

New or amended standards adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 *Financial Instruments*, which supersedes both PBE IFRS 9 *Financial Instruments* and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. The Ministry has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

This Standard establishes new requirements for the selection and presentation of service performance information. The Ministry has adopted PBE FRS 48. The main change between PBE FRS 48 and PBE IPSAS 1 *Presentation of Financial Statements* is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information. This is disclosed on page 88 of the service performance information.

Other changes in accounting policies

There have been no other changes in the Ministry's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Ministry are:

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

PBE IPSAS 16 Investment Property

The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.

PBE IPSAS 17 Property, Plant and Equipment

The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.

PBE IPSAS 30 Financial Instruments

Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.

PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets

The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering the periods beginning on or after 1 January 2023.

The Ministry has not yet assessed in detail the impact of these amendments and the new standard.

Summary of Significant Accounting Policies

Significant accounting policies are included in the notes that they relate to.

Significant accounting policies that do not relate to a specific note are outlined below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in surplus or deficit.

Cash and cash equivalents

Cash includes cash on hand and funds in the current accounts on deposit with banks.

The Ministry is permitted to expend its cash and cash equivalents only within the scope and limits of its appropriations

Goods and services tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IR is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Ministry is a public authority and consequently is exempt from income tax. Accordingly, no charge for income tax has been provided for.

Critical accounting estimates and assumptions

In preparing these financial statements, the Ministry has made estimates and assumptions about the future. These estimates and assumptions might differ from the subsequent actual results. The Ministry continually evaluates estimates and assumptions, which are based on historical experience and other factors, including expectations of future events that the Ministry believes to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

- assessing the useful lives of property, plant and equipment – refer to Note 7; and
- assessing the useful lives of software – refer to Note 8

Critical judgements in applying accounting policies

There have been no critical judgements in applying accounting policies.

Budgeting and forecasting figures

Basis of the budget and forecast figures

The 2023 budget figures are for the year ended 30 June 2023 and were published in the 2021/22 Annual Report. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ended 2022/23.

The revised budget figures are those included in the Supplementary Estimates of Appropriations (Budget) for the year ending 2022/23.

The 2024 forecast figures are for the year ending 30 June 2024, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2023/24. This information is not materially different to the financial forecast information submitted to the Treasury for the Pre-election Fiscal and Economic Update 2023 that was submitted subsequent to the BEFU.

The forecast financial statements have been prepared to communicate forecast financial information for accountability purposes, as required by the Act.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2024 forecast figures have been prepared in accordance and comply with PBE FRS 42 *Prospective Financial Statements*.

The Chief Executive approved the forecast financial statements for issue on 11 April 2023.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Although the Ministry regularly updates its forecasts, it will not publish updated forecast financial statements for the year ending 30 June 2024.

Significant assumptions used in preparing the forecast financial statements

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities, and are based on several assumptions about what might occur during 2023/24. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions which were adopted as at 11 April 2023, were as follows:

- The Ministry's activities and output expectations will remain substantially the same as in the previous year, focusing on the Government's priorities.
- Personnel costs were based on 403 full-time equivalent staff, which considers staff turnover.
- Operating costs are based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred. Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Estimated year-end information for 2022/23 was used as the opening position for the 2023/24 forecasts.

The actual financial results achieved for 30 June 2024 are likely to vary from the forecast information presented, and the variations might be material.

2. Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below:

Revenue Crown

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. Parliament establishes the funding entitlement when it passes the Appropriations Act for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved before the balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limit of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Revenue- Department and third party

Revenue earned in exchange for the provision of outputs (products and services) to third parties, is recorded as operating revenue.

Revenue from the supply of services is measured at the fair value of consideration received, recognised on a straight-line basis over the specified period for the services.

Revenue is measured at the fair value of consideration received or receivable.

Breakdown of other revenue and further information

Actual 2022 \$000		Actual 2023 \$000
	Other revenue	
372	Revenue from departments	694
-	Revenue from third parties	313
372	Total other revenue	1,007

3. Personnel Costs

Accounting policy

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employer contributions to defined contribution schemes include contributions to the State Sector Retirement Savings Scheme, KiwiSaver, the Government Superannuation Fund and Individual Retirement Plan (formerly Global Retirement Trust) are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

Actual 2022 \$000		Actual 2023 \$000
41,057	Salaries and wages	46,680
7,266	Contract employees	5,917
1,195	Contributions to defined contribution and benefit schemes	1,373
904	Other personnel expenses	754
55	ACC employer contributions	56
1,213	Increase/(decrease) in employee entitlements	336
51,690	Total personnel costs	55,116

4. Capital Charge

Accounting policy

The capital charge is recognised as an expense in the period to which the charge relates.

Further information

The Ministry pays a capital charge to the Crown based on its taxpayers' funds excluding any memorandum accounts as at 30 June of the previous financial year and 31 December of the current financial year. The capital charge rate for the year ending 30 June 2023 was 5.0% (2022: 5.0%).

5. Other Operating Expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating leases are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

The Ministry leases office premises and laptops, tablets and keyboards. As all the risks and benefits of the ownership are substantially retained by the lessors, these leases are classified as operating leases.

Other operating expenses

Other expenses are recognised as goods and services are received.

Breakdown of other operating expenses and further information

Actual 2022 \$000		Actual 2023 \$000
	Fees to Auditors:	
274	- fees to Audit New Zealand for audit of financial statements	294
4,462	Consultancy fees	2,446
2,343	Leasing and renting costs	2,950
2,326	Legal fees	2,394
464	Subscriptions	563
152	Restructing costs	233
7,352	Professional services	6,664
2,342	Computer operating costs	3,012
1,900	Other operating costs	3,134
21,615	Total other operating expenses	21,690

6. Trade and Other Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Ministry applies the simplified ECL model of recognising lifetime ECLs for short-term receivables.

In measuring ECLs, short-term receivables have been assessed on a collective basis because they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Breakdown of trade and other receivables and further information

Actual 2022 \$000		Actual 2023 \$000
73	Receivables from departments and Crown entities	14
66	Receivables from third parties	119
-	Less: allowance for credit losses	-
139	Total trade and other receivables	133

All debtors are non-interest bearing, are from exchange revenue (other than monies receivable from the Crown) and are normally settled on the 20th of the month following the date of invoice unless specific legislative terms apply; Therefore, the carrying value of trade and other receivables approximates their fair value due to their short-term nature.

6. Trade and Other Receivables

Those specific debtors that are insolvent are fully provided for. As at 30 June 2023, the Ministry has identified no debtors that are insolvent. Receivables from other government agencies are \$14,000 as at 30 June 2023 (2022: \$73,000). We would expect that the future cash flows associated with these receivables are certain. There is minimal uncertainty associated with our third-party receivables, and we would expect that the full amount would be received.

All non-government customers who wish to trade on credit terms are subject to credit verification procedures. Risk limits are set for each individual customer; these risk limits are regularly monitored. In addition, receivable balances are monitored on an ongoing basis, with the result that the Ministry's exposure to bad debts is not significant.

As at 30 June 2023, all overdue receivables have been assessed for impairment and no provisions have been applied.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

7. Property, Plant and Equipment

Accounting policy

Property, plant and equipment consists of the following asset classes: furniture and office equipment, and computer hardware.

Property, plant and equipment is shown at cost less accumulated depreciation and impairment losses. Individual assets are capitalised if their cost is greater than \$5,000.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

Work in Progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in surplus of deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than Work in Progress, at rates that will write down the cost of the asset to its estimated residual values over its useful life.

The estimated useful lives of major classes of assets are as follows:

Type of asset	Estimated life (years)	Depreciation Rate
Computer hardware	2-3 years	33.3% to 42.6%
Furniture and fittings	5 years	20%
Lease hold improvements	8 to 15 years	6% to 13%

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable service amount.

The total impairment loss and reversal of previously recognised impairments are recognised in surplus or deficit

Critical accounting estimates and assumptions

Useful lives of property, plant and equipment

At each balance date, the Ministry reviews the appropriateness of the useful lives and residual values of its property, plant and equipment. In making the assessment in respect of each asset the Ministry needs to consider a number of factors such as its condition, expected period of use by the Ministry and expected disposal proceeds from its future sale. An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the Statement of Comprehensive Revenue and Expense and carrying amount of the asset in the Statement of Financial Position. The Ministry minimises the risk of this estimation uncertainty by physical inspection of property, plant and equipment, and technological changes.

Breakdown of property, plant and equipment and further information

Movements for each class of property, plant and equipment are as follows:

	Computer hardware \$000	Furniture and fittings \$000	Leasehold improvements \$000	Actual \$000
Cost or valuation				
Balance as at 30 June 2021	1,023	712	4,196	5,931
Additions	381	269	137	787
Balance as at 30 June 2022	1,404	981	4,333	6,718
Additions	23	-	162	185
Balance as at June 2023	1,427	981	4,495	6,903
Accumulated depreciation				
Balance as at 30 June 2021	578	127	233	938
Depreciation charge for the year	305	167	282	754
Balance as at 30 June 2022	883	294	515	1,692
Depreciation charge for the year	218	197	334	749
Impairment charge for the year	219	-	-	219
Balance as at 30 June 2023	1,320	491	849	2,660
Carrying amounts				
As at 30 June 2022	521	687	3,818	5,026
As at 30 June 2023	107	490	3,646	4,243

Work in Progress

There was no Work in Progress at 30 June 2023 (2022: \$137,075, being leasehold improvements).

Impairment

During the year an impairment expense to computer hardware of \$219,278 was recognised, due to obsolete laptops (2022: \$nil).

8. Intangible Assets

Accounting policy

Software acquisition and development

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the costs of services, software development employee costs, and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software.

Costs associated with the development and maintenance of the Ministry's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Type of asset	Estimated life (years)	Depreciation Rate
Acquired computer software	3 years	33.3% to 42.6%
Internally developed computer software	5 years	20%

Critical accounting estimates and assumptions

Useful lives of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licenses, the useful life represents management's view of the expected period that the Ministry will receive benefits from the software for, not exceeding the license term. For internally generated software that the Ministry developed, the useful life is based on historical experience with similar systems as well as anticipation of future events that might affect the useful life, such as changes in technology.

Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

	Internally generated \$000	Actual \$000
Cost or valuation		
Balance as at 30 June 2022	-	-
Additions	3,223	3,223
Balance as at 30 June 2023	3,223	3,223
Accumulated amortisation		
Balance as at 30 June 2022	-	-
Amortisation charge for the year	-	-
Balance as at 30 June 2022		
Carrying amounts		
As at 30 June 2022	-	-
As at 30 June 2023	3,223	3,223

Restrictions

There are no restrictions over the title of the Ministry's intangible assets, nor are any pledged as security for liabilities.

Work in Progress

Work in Progress at 30 June 2023 totalled \$3.2 million relating solely to internally generated software (2022: \$nil).

Impairment

There has been no impairment to intangible assets during the financial year (2022: \$nil).

9. Trade and Other Payables

Accounting policy

Short-term payables are measured at the amount payable. Payables are not discounted due to the short-term nature of the balance.

Breakdown of trade and other payables and further information

Actual 2022 \$000		Actual 2023 \$000
	<i>Payables under exchange transactions</i>	
4,961	Trade and accrued expenses	2,257
	<i>Payables under non-exchange transactions</i>	
381	GST, FBT and PAYE payable	951
5,342	Total trade and other payables	3,208

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

Short-term payables are measured at the amount payable. Short-term payables are measured at the amount payable.

10. Return of Operating Surplus

Actual 2021 \$000		Actual 2022 \$000
4,067	Net surplus	3,609
-	Less retention of underspends	-
4,067	Total return of operating surplus	3,609

The return of any surplus to the Crown is required to be paid by 31 October of each year.

11. Provisions

Accounting policy

A provision is recognised for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre tax discount rate based on market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated timing of the future cash outflows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “Finance costs”.

Provisions are not recognised for net deficits from future operating activities.

Breakdown of provisions and further information

Actual 2022 \$000		Make-Good \$000	Actual 2023 \$000
	Non-current		
59	Balance as at 1 July	89	89
30	Unwind of provision	(24)	(24)
89	Total non-current provisions	65	65
89	Total provisions	65	65

Lease make-good provision

In respect the lease of 7 Waterloo Quay, Wellington the Ministry is required at the expiry of the lease term to make-good any damage caused to the premises and to remove any fixtures or fittings installed by the Ministry. The Ministry has the option to renew this lease, which affects the timing of the expected cash outflows to make-good the premises.

The Ministry has not assumed that the option to renew its leases will be exercised in measuring the provision. The cash flows associated with the non-current portion of the lease make-good provision are expected to occur in April 2029.

12. Employee Entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

The Ministry recognises a liability for sick leave to the extent absences in the coming year are expected to be greater than sick leave entitlements earned in the coming year. The amount is calculated based on unused sick leave entitlements that can be carried forward at balance date, to the extent the Ministry anticipates they will be used by staff to cover future absences.

Long-term employee entitlements

Employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlements information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, vested and non-vested long service leave expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Breakdown of employee entitlements

Actual 2022 \$000		Actual 2023 \$000
	Current portion:	
1,150	Salary and wages	1,456
2,225	Annual leave	2,443
116	Long service leave	129
52	Sick leave	133
3,543	Total current employee benefits	4,161
	Non-current portion:	
345	Long service leave	450
345	Total non-current employee benefits	450
3,888	Total employee entitlements	4,611

13. Equity

Accounting policy

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities. Equity is classified as taxpayers' funds.

Breakdown of equity and further information

Actual 2022 \$000		Actual 2023 \$000
	Taxpayers' funds	
9,536	Opening balance	9,536
4,067	Net surplus	3,609
(4,067)	Return of operating surplus to the Crown	(3,609)
9,536	Total equity as at 30 June	9,536

Capital management

The Ministry's capital is its equity, which comprise of taxpayers' funds. Equity is represented by net assets.

The Ministry manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The Ministry's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and compliance with government budget processes, Treasury instructions and the Public Finance Act 1989.

The objective of managing the Ministry's equity is to ensure the Ministry effectively achieves its goals and objectives for which have been established for while remaining a going concern.

14. Related Party Transactions

The Ministry is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

Actual 2022		Actual 2023
\$2,153,889	Salaries and other short-term employee benefits	\$2,555,094
6.2	Full-time equivalent members	7.0

The key management personnel remuneration disclosure includes the Chief Executive and six other members of the Executive Leadership Team and those formally acting in these positions during the financial year on a full-time equivalent basis. The above key management personnel disclosure excludes the Minister of Housing. The Minister's remuneration and other benefits are not received only for her role as a member of key management personnel of the Ministry. The Remuneration Authority sets the Minister's remuneration and other benefits under the *Members of Parliament (Remuneration and Services) Act 2013*, and they are paid under permanent legislative authority on behalf of the Crown by the Department of Internal Affairs, not by the Ministry.

15. Events After Balance Date

There are no significant events after balance date.

16. Financial Instruments

16A. Financial instruments categories

The carrying amounts of financial assets and financial liabilities in each of the PBE IPSAS 41 Financial Instruments categories are as follows:

Actual 2022 \$000		Note	Actual 2023 \$000
	Financial assets measured at amortised cost		
16,965	Cash and cash equivalents		12,829
139	Receivables	6	133
17,104	Total		12,962
	Financial liabilities measured at amortised cost		
4,961	Payables	9	2,257
4,961	Total		2,257

16B. Fair value hierarchy

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- quoted market price (level 1) – financial instruments with quoted prices for identical instruments in active markets
- valuation technique using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where significant inputs are observable
- valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

There were no transfers between the different levels of the fair value hierarchy

16C. Financial instrument risks

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Ministry has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow it to enter into any transactions that are speculative in nature.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Ministry has no assets or liabilities that are denominated in foreign currency at balance

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument or the cash flows from a financial instrument will fluctuate due to changes in market interest rates.

The Ministry has no exposure to interest rate risk because it has no interest-bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligations causing the Ministry to incur a loss.

In the normal course of our business, the Ministry incurs credit risk from trade debtors and transactions with financial institutions.

These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables. There is no collateral held as security against these financial instruments.

Although cash and cash equivalents as at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

The Ministry is permitted to deposit funds only with Westpac (a Standard & Poor's credit rating of AA-), a registered bank. This entity has a high credit rating.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

As part of meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Ministry maintains a target level of available cash to meet liquidity requirements.

Contractual maturity analysis of financial liabilities

The table below analyses the Ministry's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2022				
Receivables (see Note 6)	139	-	-	-
Payables (see Note 9)	4,961	-	-	-
2023				
Receivables (see Note 6)	133	-	-	-
Payables (see Note 9)	2,257	-	-	-

16D. Reconciliation of assets and liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balances of finance lease liabilities at balance date.

	\$000
Repayment of surplus provision	
Balance as at 1 July 2021	7,726
Cash flows	
- Surplus repayment	(7,726)
Provision for repayment current year	4,067
Balance as at 30 June 2022	4,067
Cash flows	
- Surplus repayment	(4,067)
Provision for repayment current year	3,609
Balance as at 30 June 2023	3,609

17. Explanation of Major Variances Against Budget

Explanations for major variances from the departmental (original) budget figures are as follows:

Statement of Comprehensive Revenue and Expense

Revenue Crown

Revenue Crown exceeded budget by \$9.2 million. During the year total departmental funding increased by \$10 million, mainly due to expense transfers from 2021/22 to 2022/23 and a fiscally neutral transfer from non-departmental expenses.

Other operating costs

Other operating costs were overspent by \$5.6 million. During the year total departmental funding increased by \$10 million, mainly due to expense transfers from 2021/22 to 2022/23 and a fiscally neutral transfer from non-departmental expenses.

Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents were over budget by \$5.4 million as the Ministry received more Revenue Crown than budgeted, and the surplus repayable for 2021/22 was less than budgeted. The surplus cash relating to the departmental underspend, remains with HUD until it is required to be returned to the Crown by or on 31 October 2023. Until then, it forms part of the return of operating surplus.

Property, plant and equipment

Property, plant and equipment were under budget by \$2.6 million as laptops are now leased rather than purchased and an impairment expense of \$219,278 was recognised during the year.

Intangible assets

Intangible assets were overspent by \$3.2 million as the capital/operating split of proposed IT project costs were unknown at the time.

Non-departmental statements and schedules

Ngā tauākī pūtea, ngā āpiti anō hoki o tari kē

For the year ended 30 June 2023

The following non-departmental statements and schedules record the revenue, capital receipts, expenses, assets, liabilities, commitments, contingent liabilities and contingent assets that the Ministry manages on behalf of the Crown.

SCHEDULE OF NON-DEPARTMENTAL REVENUE

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Budget* 2023 \$000
15,279	KiwiBuild property sales	20,276	188,140
5,261	Other revenue	17,940	1,527
20,540	Total non-departmental revenue	38,216	189,667

SCHEDULE OF NON-DEPARTMENTAL CAPITAL RECEIPTS

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Unaudited Budget* 2023 \$000
3,297	Return of equity by Crown entities	1,041	-
3,297	Total non-departmental capital receipts	1,041	-

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against budget are detailed in Note 11.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

The accompanying notes form part of the non-departmental schedules.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Budget* 2023 \$000
1,405,544	Public housing (refer to other sections in this document: Our Progress and Statement of Performance)	1,467,476	1,561,222
324,200	Transitional housing (refer to other sections in this document: Our Progress and Statement of Performance)	319,734	466,143
165,247	Other operating expenses	230,050	452,628
74,052	GST input expense	93,195	218,297
10,858	Progressive Home Ownership write-downs	80,921	75,173
12,413	Land for Housing expenses	75,557	205,140
39,247	First Home Grants	61,970	137,735
34,840	Shovel-Ready projects	38,773	91,009
147	Progressive Home Ownership grants	400	4,000
203	Buying Off the Plan Expenses	96	3,000
-	Affordable Housing Fund	-	96,000
2,066,751	Total non-departmental operating expenses	2,368,172	3,310,347

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against budget are detailed in Note 11.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

The accompanying notes form part of the non-departmental schedules.

SCHEDULE OF NON-DEPARTMENTAL ASSETS

As at 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Budget* 2022 \$000
Current assets				
98,679	Cash and cash equivalents		258,507	245,362
97,025	Prepayments	2	108,621	131,978
1,053	Trade and other receivables	3	16,834	65,029
502,155	Inventory	4	477,622	559,351
698,912	Total current assets		861,584	1,001,720
Non-current assets				
22,097	Loans receivable	5	30,990	39,539
324	Prepayments	2	57,998	-
29,900	Property, plant and equipment	6	39,000	29,900
15,559	Investment in Crown Entity		229,882	250,923
67,880	Total non-current assets		357,870	320,362
766,792	Total non-departmental assets		1,219,454	1,322,082

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

The Ministry monitors two Crown entities:

- Kāinga Ora – Homes and Communities (previously known as Housing New Zealand Corporation). The Crown's investment in the entity is consolidated in the Financial Statements of the Government on a line-by-line basis. The net investment in this entity is included in this schedule
- Tāmaki Regeneration Company. The Crown's investment in the entity is consolidated in the Financial Statements of the Government on a line-by-line basis. Previously the appropriation for equity injections to the Tāmaki Regeneration Company was administered by Vote Finance. From 1 July 2023 the equity injections to the Tāmaki Regeneration Company are now administered by Vote Housing and Urban Development, and a new appropriation within this Vote has been set up accordingly. The net investment in this entity will be included in this schedule from 1 July 2023.

Explanations of significant variances against budget are provided in Note 11.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

The accompanying notes form part of the non-departmental schedules.

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES

As at 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Budget* 2022 \$000
	Current liabilities			
297,755	Trade and other payables	7	147,440	245,214
15,193	Deferred revenue		7,796	5,643
-	Loan commitments		875	14,997
312,948	Total current liabilities		156,111	265,854
	Non-current liabilities			
25,364	Loan commitments	8	155,720	147,440
25,364	Total non-current liabilities		155,720	147,440
338,312	Total non-departmental liabilities		311,831	413,294

*The Statement of Accounting Policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against budget are provided in Note 11.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

The accompanying notes form part of the non-departmental schedules.

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS

As at 30 June 2023

The Ministry, on behalf of the Crown, has the following commitments:

Actual 2022 \$000		Actual 2023 \$000
	Non-cancellable operating lease commitments	
7,726	Not later than one year	7,092
-	Later than one year and not later than five years	-
-	Later than five years	-
7,726	Total non-cancellable operating lease commitments	7,092

Capital commitments

The Ministry, on behalf of the Crown, has no non-cancellable capital commitments as at 30 June 2023 (2022: \$nil).

Contingent rents

During the 2022/23 year, the Ministry on behalf of the Crown paid \$81.7 million in contingent rents (2022: \$62.4 million), relating to contractual arrangements with social housing providers to provide income related rent subsidies. These are considered contingent rents on the basis that there are many uncertain factors that affects the amount of subsidy that the Crown contributes, and these factors depend on the clients' personal situation at any point in time including their income, employment and living situation.

The Ministry on behalf of the Crown has a right to renewal in its social housing contracts to up to the terms dictated in the contract, and at this time if a new contract/extension is not entered into, then the services are no longer to be provided and payments will cease.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

The accompanying notes form part of the non-departmental schedules.

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2023

Unquantified contingent liabilities

The Ministry, on behalf of the Crown, has no unquantifiable contingent liabilities (2022: \$nil).

Contingent liabilities

The Ministry, on behalf of the Crown, has no quantifiable contingent liabilities (2022: \$nil).

Contingent assets

The Ministry, on behalf of the Crown, has no contingent assets (2022: \$nil).

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

The accompanying notes form part of the non-departmental schedules.

NOTES TO THE NON-DEPARTMENTAL STATEMENTS AND SCHEDULES

For the year ended 30 June 2023

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NOTES TO THE NON-DEPARTMENTAL SCHEDULES

1. Statement of accounting policies

Reporting entity

These non-departmental schedules and statements present financial information on public funds that the Ministry manages on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2023. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government for the year ended 30 June 2023.

Basis of preparation

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the consolidated Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with generally accepted accounting practice (Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency of the Ministry of Housing and Urban Development is New Zealand dollars.

New amendment adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 *Financial Instruments*, which supersedes both PBE IFRS 9 *Financial Instruments* and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. The Ministry has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9.

Other changes in accounting policies

There have been no other changes in the Institute's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Ministry are:

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

PBE IPSAS 16 Investment Property

The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.

PBE IPSAS 17 Property, Plant and Equipment

The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.

PBE IPSAS 30 Financial Instruments: Disclosures

The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.

PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets

The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

The Ministry has not yet assessed in detail the impact of these amendments and the new standard.

Summary of Significant Accounting Policies

Significant accounting policies are included in the notes that they relate to.

Significant accounting policies that do not relate to a specific note are outlined below.

Revenue***Revenue from sales of land not designated for First Home Buyers***

Revenue is measured at the fair value of consideration received and receivable. Exchange revenue is comprised mainly of sales of KiwiBuild properties designated for first home buyers and are recognised at the point where all the conditions of the sale have been satisfied.

For land not designated for KiwiBuild first home buyers, revenue is recognised at the time the title transfers to the developer as this is when all conditions have been met.

Revenue from sales of land and dwellings designated for KiwiBuild properties

Revenue is measured at the fair value of consideration received and receivable. Exchange revenue is comprised mainly of KiwiBuild land and dwellings which are recognised at the point where all the conditions of the sale have been satisfied. For land designated for KiwiBuild properties, the final condition is the act of on selling a KiwiBuild property to a first home buyer, and only then can the land be recognised as revenue.

Penalties

Revenue from penalties is recognised when invoices are issued. Revenue is measured at fair value. Fair value is determined using a model that uses past experience to forecast the expected collectability of penalties and timing of receipts, and discounts these to present value using an appropriate discount rate.

Interest unwind

The interest unwind reflects the increase in the present value of loans and other receivables as the period to expected repayment reduces. The interest unwind is calculated using the discount rate at the start of the financial year.

Grant expenditure***Non-discretionary grants***

These grants are awarded if the grant application meets the specified criteria. They are recognised as an expense when an application that meets the specified criteria for the grant has been received. The Ministry's non-discretionary grants have no substantive conditions (that is, use for restricted purposes or repay).

Discretionary grants

These are grants where the Ministry has no obligation to award on receipt of the grant application.

For discretionary grants without substantive conditions, the total committed funding over the life of the funding agreement is recognised as an expense when the grant is approved and the approval has been communicated to the applicant.

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when the grant conditions have been satisfied.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit and funds held in bank accounts administered by the Ministry. All cash held in bank accounts is held in on demand accounts and no interest is payable to the Ministry.

Commitments

As part of delivering public housing activity the Crown enters into arrangements with Community Housing Providers (CHPs) for long term arrangements to use properties for public housing purposes and these are deemed to be operating leases under PBE IPSAS 13 *Leases* as they are cancellable and contingent on future events.

The payment to CHPs is made up of Income Related Rent Subsidy which has been deemed to be contingent rents as the future obligating event is the property being occupied by a suitable tenant and therefore it is not included in the calculation of the minimum lease payments within PBE IPSAS 13.

Future expenses and liabilities to be incurred on non-cancellable contracts that have been entered into at balance date are disclosed as commitments to the extent there are equally unperformed obligations.

In addition, the contracts do not include any right to purchase the properties upon completion of the contract terms.

The upfront development contributions paid to the CHP in certain circumstances have been recognised as prepayments and are to be amortised over the life of the contract beginning on the date the property is first tenanted.

Goods and Services Tax (GST)

All items in the non-departmental statements and schedules, including Appropriation Statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense in the Schedule of Non-departmental Expenses and is eliminated against GST revenue on consolidation of the Financial Statements of Government.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Loans receivables - Land for Housing Loans and CHP Loans (see Note 5).

Budget figures

The 2023 budget figures are for the year ending 30 June 2023 and are consistent with the best estimate financial information submitted to the Treasury for the BEFU for the year ending 30 June 2023.

2. Prepayments

Accounting policy

Prepayments are recorded at the amount paid by the Ministry to service providers, recognising that such payments convey obligations that span up to 25 years. The prepayments are amortised over the term of the obligations.

Breakdown of prepayments and further information

Actual 2022 \$000		Actual 2023 \$000
97,025	Public housing prepayments	85,517
-	Upfront payments - current	23,104
324	Upfront payments - non current	57,998
97,349	Total prepayments	166,619

3. Trade and Other Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Ministry applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. Impairment of a receivable is established where there is objective evidence that the Crown will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, the probability that the debtor will enter into insolvency, bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted using the Treasury discount rates. The carrying amount is reduced through the use of a provision for doubtful debts account, and the amount of the loss is recognised in the Schedule of Non-Departmental Expenses.

When a debt is uncollectable, it is written off against the provision for doubtful debts. Overdue receivables that are renegotiated are reclassified as current (i.e. not past due).

The carrying value of debtors and other receivables approximates their fair value.

Breakdown of trade receivables and further information

Actual 2022 \$000		Actual 2023 \$000
1,053	Debtors from non-related parties	16,834
1,053	Total trade and other receivables	16,834

4. Inventory

Accounting policy

These parcels of land are deemed current assets on the basis that they are anticipated to be bought and sold within 12 months. Land is usually held as property plant and equipment until the land is able to be sold, then it is transferred to inventory. Inventories are measured at the lower of cost and net realisable value.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the year of the write-down.

Revaluations

The Ministry reviews the carrying amount of its inventory annually, to ensure that it does not differ materially from its net realisable value. If there is a material difference, then its carrying amount is adjusted accordingly.

Land which is subject to a signed development agreement, is not reassessed as its purchase price is deemed its fair value. Additions between revaluations are initially recorded at cost.

The frequency of valuations, unless indicators suggests there has been significant movement in the market, are largely driven by the last valuation date:

- if the last valuation was performed 12 months or less a desktop valuation is required;
- if the last valuation performed was between 13 -35 months, a desktop valuation is required; and
- a full valuation is required if the last valuation date was 36 months or more.

However, if market indicators suggest the market has moved significantly then the Ministry on behalf of the Crown will perform an out of cycle revaluation.

Breakdown of inventories and further information

Actual 2022 \$000		Actual 2023 \$000
502,155	Land intended for sale	477,622
502,155	Total inventory	477,622

The Ministry has acquired development sites, all of which have been gazetted under section 2A of the Housing Act 1955 for the relevant financial year. No inventories are pledged as security for liabilities. There were write-downs of inventories of \$57.4 million during the period (2022: \$nil) and there were no reversals of write-downs (2022: \$nil).

The total amount of inventories recognised as an expense during the period was \$86.1 million, including the write down above (2022: \$10.8 million).

As at 30 June 2023, no inventories are pledged as security for liabilities (2022: \$nil).

5. Loans Receivable

Accounting policy

Loans offered at nil, or below-market, interest rates are initially recognised at the present value of their expected future cash flows, discounted using a rate for loans of a similar term and credit risk.

They are subsequently measured at fair value through the profit and loss.

Critical judgements in applying accounting policies

The measurement of these loans requires significant estimates of when the loan proceeds are expected to be collected, the amount that will be collected, and the discount rate to apply to the initial measurement of the receivable. The Ministry considers the contractual terms of the loans and past collection experience in estimating the recoverability of the loans.

Breakdown of loans receivables and further information

Actual 2022 \$000		Actual 2023 \$000
25,540	Nominal value	31,938
(3,443)	Write-down on initial recognition, impairment, and other fair value changes	(948)
22,097	Total loans	30,990
	By maturity	
-	Expected to be repaid within one year	-
22,097	Expected to be outstanding for more than one year	30,990
22,097	Total loans	30,990
	Movement during the year	
-	Opening balance	22,097
20,461	Initial write-down to fair value	11,185
-	Repayments	(737)
1,636	Interest unwind	-
-	Adjustment to face value of drawdowns	(1,556)
22,097	Closing balance loans	30,990

To assist with the impacts of COVID-19, the Crown lends funds to iwi and private developers to facilitate the first stages of land development under the Land for Housing Programme.

At 30 June 2023, there were three signed loan agreements against three Auckland based developments at Wirihana, Kerrs Road and Hospital Road.

These Land for Housing loans are offered, at interest free terms between three and nine years. Upon settlement, the loans will be repaid in full through the sales price of the land.

On day one, when both parties sign the loan agreements, these loans are immediately written down to its fair value. They are subsequently measured at fair value using amortised cost through profit and loss.

Fair value is the amount for which the loans could be exchanged between knowledgeable, willing parties on an arm's-length basis.

Fair value on initial recognition of these loans is determined by projecting forward estimated repayments from borrowers under the scheme and discounting them back at an appropriate discount rate.

Sensitivity analysis

The next table outlines the sensitivity of loans fair value to discount rates.

Actual 2022 \$000		Actual 2023 \$000
2,175	Impact on fair value of a 1% increase in discount rate	121
(2,768)	Impact on fair value of a 1% decrease in discount rate	(121)

6. Property, Plant and Equipment

Accounting policy

Property, plant and equipment consists entirely of land held by the Crown that is not intended for immediate sale as inventory. Land is measured at fair value which includes all incumbrances over land that is held by the Crown.

Individual assets or groups of assets are capitalised if their cost is greater than \$5,000.

Revaluations

Land is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then the off-cycle asset classes are revalued. For land, fair value is determined on a class of asset basis. Additions between revaluations are initially recorded at cost.

If market indicators suggest the market has moved significantly then the Ministry on behalf of the Crown will perform an out of cycle revaluation.

The net revaluation results are accumulated to an asset revaluation reserve in equity for that class of asset.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Crown and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Depreciation

There is currently no depreciation charged on property, plant and equipment as the entire balance consists of land.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

Impairment

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

For revalued assets, the impairment loss is recognised in the Schedule of Non-departmental Expenses and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on a revalued asset is recognised in the Schedule of Non-departmental Revenue and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Breakdown of property, plant and equipment and further information

	Land \$000	Actual \$000
Cost or valuation		
Balance as at 30 June 2021	29,900	29,900
Additions	-	-
Disposals	9,100	9,100
Balance as at 30 June 2023	39,000	39,000
Accumulated depreciation		
Balance as at 30 June 2021	-	-
Depreciation charge for the year	-	-
Eliminate on disposal	-	-
Balance as at 30 June 2022	-	-
Carrying amounts		
As at 30 June 2021	29,900	29,900
As at 30 June 2022	39,000	39,000

The sole item of property, plant and equipment is the land at 545-561 Oruarangi Road, Mangere, Auckland (Ihumātao).

Impairment

There has been no impairment to property, plant and equipment during the financial year.

The most recent valuation of land and buildings was performed by an independent registered valuer, Extensor Advisory Ltd. The valuation is effective as at 30 June 2023. PBE IPSAS 1.92(c) land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land, or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. Restrictions on the Ministry's ability to sell land would normally not impair the value of the land because the Ministry has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

7. Trade and Other Payables

Accounting policy

Short-term payables are measured at the amount payable. Payables are not discounted due to the short-term nature of the balance.

Breakdown of trade and other payables

	Actual 2022 \$000	Actual 2023 \$000
Payables under exchange transactions		
7,425	Trade payables	3,541
288,112	Accrued expenses	142,467
Payables under non-exchange transactions		
2,218	GST payable	1,432
297,755	Total payables	147,440

Trade payables and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of trade and other payables approximates their fair value.

8. Loan Commitments

Accounting policy

Loan commitments relate to the initial write down of the Ministry's interest concession loans, which are non-interest bearing and are repaid within 20 years. They are measured at fair value upon initial recognition in accordance with PBE IPSAS 41.

They are subsequently measured at fair value through profit and loss.

Breakdown of loan commitments

Actual 2022 \$000		Actual 2023 \$000
21,986	Progressive Home Ownership loans	61,492
3,378	Land for Housing loans	875
-	Housing Infrastructure Fund Loans	94,228
25,364	Total loan commitments	156,595

9. Events After Balance Date

There are no significant events after balance date.

10. Financial instruments

10A. Financial instrument categories

The carrying amounts of financial assets and financial liabilities in each of the PBE IPSAS 41 categories are as follows:

Actual 2022 \$000		Notes	Actual 2023 \$000
Financial assets measured at amortised cost			
98,679	Cash and cash equivalents		258,507
1,053	Trade and other receivables	3	16,834
22,097	Loans receivables	4	30,990
121,829	Total		306,332
Financial liabilities measured at amortised cost			
295,537	Trade and other payables	7	146,008
25,364	Loan commitments	8	156,595
320,901	Total		302,603

10B. Fair value hierarchy

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- quoted market price (level 1) – financial instruments with quoted prices for identical instruments in active markets
- valuation technique using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where significant inputs are observable
- valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

There were no transfers between the different levels of the fair value hierarchy.

10C. Financial instruments risks

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Ministry has no assets or liabilities that are denominated in foreign currency at balance date.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument or the cash flows from a financial instrument will fluctuate due to changes in market interest rates.

The Ministry has no exposure to interest rate risk because it has no interest-bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligations causing the Ministry to incur a loss.

In the normal course of our business, the Ministry incurs credit risk from trade debtors and transactions with financial institutions.

These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables. There is no collateral held as security against these financial instruments.

Although cash and cash equivalents as at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

The Ministry is permitted to deposit funds only with Westpac (a Standard & Poor's credit rating of AA-), a registered bank. This entity has a high credit rating.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

As part of meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Ministry maintains a target level of available cash to meet liquidity requirements.

Contractual maturity analysis of financial liabilities

The table below analyses the Ministry's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
146,008				
Trade and other receivables (see Note 3)	1,053	-	-	-
Loans receivable (see Note 5)	-	-	4,274	17,823
Trade and other payables (see Note 7)	295,537	-	-	-
Loan Commitments (see Note 8)	-	-	276	25,088
2023				
Trade and other receivables (see Note 3)	16,834	-	-	-
Loans receivable (see Note 5)	-	-	22,080	8,910
Trade and other payables (see Note 7)	146,008	-	-	-
Loan Commitments (see Note 8)	-	-	875	155,720

11. Explanation of Major Variances to Budget

Explanations for major variance from the non-departmental budget figures are as follows:

KiwiBuild property sales and expenses

KiwiBuild property sales revenue was under budget by \$167.9 million due to recent external market conditions. KiwiBuild has been finding it increasingly difficult to secure new development deals as the current price caps are significantly under what is required to galvanise interest with third party developers.

This has also resulted in an underspend in Land for Housing expenses of \$130 million.

Public housing expenses

Was underspent by \$93.7 million compared with Budget. Market rents were lower than forecast, resulting in less rent subsidies needing to be paid.

Transitional housing expenses

Was underspent by \$146.4 million compared with Budget. The funding required to cover the costs of putting people into transitional housing places is dependent on various factors such as market accommodation, as well as the number of clients at a point in time. Estimates at Budget 2022 were based on the best information on the day but costs are completely demand driven and therefore outside of the Ministry's control.

Other operating expenses

Was underspent by \$222.6 million compared with Budget. Funding for the Housing Acceleration Fund operating expenditure reduced by \$398.9 million during the year mainly due to the transfer of funding from 2022/23 to 2023/24 and outyears, to align expenditure with forecasted programme delivery.

This underspend was partly offset by an expense recorded of \$114.4 million to recognise the transfer of Housing Infrastructure Fund loan commitments from Capital Markets to the Ministry as at 1 October 2022.

GST input expense

Was underspent by \$125.1 million directly related to the underspends identified above.

First Home Grants

Was underspent by \$75.8 million compared with Budget. The uptake for these grants from the public has been lower than expected. Although eligibility for this scheme has widened for first home buyers, less favourable market conditions have seen less uptake than expected.

Shovel-Ready Projects

Was underspent by \$52.2 million compared with Budget. Funding decreased by \$34.6 million during the year mainly due to the transfer of funding from 2022/23 to 2023/24, to align expenditure with forecasted work programme delivery.

Affordable Housing Fund

Was underspent by \$96 million compared with Budget. Funding decreased by \$96 million during the year mainly due to the transfer of funding from 2022/23 to 2023/24 and outyears, to align expenditure with the forecasted allocation of the fund.

Trade and other receivables

As at 30 June 2023, trade and other receivables were \$48.2 million less than budgeted, due to lower than expected deferred settlements.

Inventory

As at 30 June 2023, inventory was \$81.7 million lower than budgeted, due to net purchases/sales being \$24.3 million less than budgeted and the write down of inventory of \$57.4 million at year end.

Trade and other payables

As at 30 June 2023, trade and other payables were \$97.8 million less than budgeted, due to the underspends identified above.

Appropriation Statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation that the Ministry administers for the year ended 30 June 2023. They are prepared on a GST-exclusive basis.

Statement of Cost Accounting Policies

The Ministry has determined the cost of outputs using the cost allocation system outlined below.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Departmental costs

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner. Direct costs are those costs directly attributed to an output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

Non-departmental costs

All non-departmental costs are direct costs.

STATEMENT OF BUDGETED AND ACTUAL EXPENSES AND CAPITAL EXPENDITURE INCURRED AGAINST APPROPRIATIONS

For the year ended 30 June 2023

Annual and permanent appropriations for the Ministry of Housing and Urban Development

Actual 2022 \$000		Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance Information*
Vote Housing and Urban Development				
Multi-category appropriations				
74,536	Managing the Housing and Urban Development Portfolio MCA	81,603	78,171	1
41,730	- Policy Advice & Ministerial Servicing	48,817	44,438	1
27,104	- Management of Housing Provision and Services	26,214	27,085	1
5,702	- Facilitating the Purchase and Redevelopment of Land for Housing Purposes	6,572	6,648	1
74,536	Total departmental output expenses	81,603	78,171	
787	Capital expenditure PLA	1,200	3,409	1
787	Total departmental capital expenditure PLA	1,200	3,409	
Non-departmental output expenses				
55,785	Kāinga Ora – Homes and Communities	100,961	79,227	3
1,850	KiwiBuild Operations	-	-	
40,859	He Kuku Ki Te Kainga – Increasing Māori Housing Supply	-	-	
2,355	He Taupua – Increasing Māori Housing Provider Capability	-	-	
1,008	He Taupae – Building Māori housing capability across the Māori housing continuum	-	-	
28,409	Contracted Emergency Housing accommodation and services	32,540	29,153	2
1,925	Local Innovations and Partnerships	4,848	2,285	2
147	Support Services to increase home ownership	7,511	400	2
-	Management of Crown Properties held under the Housing Act 1955	8	8	4
132,338	Total non-departmental output expenses	145,868	111,073	
Benefits or related expenses				
39,247	First Home Grants	137,735	61,970	3
39,247	Total benefits or related expenses	137,735	61,970	
Non-departmental other expenses				
178	Housing Assistance	789	232	2
236	Social Housing Provider Development	-	-	

Actual 2022 \$000		Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance Information*
12,981	Sale of Land and Dwellings – Costs	-	-	
13,395	Total non-departmental other expenses	789	232	
	Non-departmental capital expenditure			
95,000	Refinancing of Crown loans to Kāinga Ora – Homes and Communities	23,349	23,349	4
95,000	Total non-departmental capital expenditure	23,349	23,349	
-	<i>Amortisation of Upfront Payments MCA</i>	32,261	11,098	2
	Non-departmental other expenses			
-	Amortisation of Upfront Payments – Affordable Housing Fund	32	-	4
-	Amortisation of Upfront Payments – Community Housing Providers – Early Stage Operating Supplement	188	16	4
-	Amortisation of Upfront Payments – He Kūkū ki te Kāinga	13,754	5,399	4
-	Amortisation of Upfront Payments – Māori Infrastructure Fund	4,475	198	4
-	Amortisation of Upfront Payments – Progressing the Pipeline of Māori Housing	9,702	1,446	4
-	Amortisation of Upfront Payments – Public Housing Upfront Capital Payments	4,110	4,039	4
23,322	<i>Community Group Housing MCA</i>	23,795	23,231	3
	Non-departmental output expenses			
13,891	Community Group Housing Market Rent Top-Up	13,891	13,891	3
	Non-departmental other expenses			
3,631	Community Housing Rent Relief	4,104	3,540	3
	Non-departmental capital expenditure			
5,800	Acquisition and Improvement of Community Group Housing Properties	5,800	5,800	3
-	<i>Housing Programme Fair Value Impairment Loss and Inventory Disposal MCA</i>	263,279	146,743	2
	Non-departmental other expenses			
-	Fair Value Impairment Loss – Affordable Housing Fund	-	-	4
-	Fair Value Impairment Loss – Housing Infrastructure Fund	27,698	20,465	4
-	Fair Value Impairment Loss – Progressive Home Ownership Loans	103,722	80,921	4
-	Sale of Developments Underwritten – Costs	-	-	4
-	Sale of Land and Dwellings – Costs	66,669	28,771	4
	Non-departmental capital expenditure			
-	Land for Housing – Deferred Settlements	69,190	16,586	4

Actual 2022 \$000		Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance Information*
1,405,544	<i>Public Housing MCA</i>	1,554,481	1,467,476	1
	Non-departmental output expenses			
1,323,430	Purchase of Public Housing Provision	1,461,450	1,391,486	1
67,269	Services for People in Need of or at Risk of Needing Public Housing	92,731	75,769	1
11,505	Services Related to the Provision of Public Housing	300	221	4
	Non-departmental other expenses			
3,340	Support for the Provision of Public Housing Supply	-	-	4
324,199	<i>Transitional Housing MCA</i>	466,443	319,734	1
	Non-departmental output expenses			
198,041	Provision of Transitional Housing Places	240,960	186,440	1
126,158	Transitional Housing Services	225,483	133,294	1
-	<i>Upfront Payments MCA</i>	156,482	87,769	2
	Non-departmental capital expenditure			
-	Affordable Housing Fund – Prepayment of Grants	50,000	-	2
-	Community Housing Providers – Early Stage Operating Supplement	13,569	4,461	2
-	He Kūkū ki te Kāinga - Increasing Māori Housing Supply – Prepayment of Upfront Funds	49,536	40,566	2
-	Māori Infrastructure Projects – Prepayment of Upfront Funds	19,804	34,024	2
-	Progressing the Pipeline of Māori Housing – Prepayment of Upfront Funds	13,569	8,718	2
-	Progressive Home Ownership – Prepayment of Grants	1,983	-	2
-	Transitional Housing Providers – Prepayment of Upfront Funds	8,021	-	2
1,827,601	Total multi-category expense and capital expenditure	2,578,344	2,134,222	
2,108,368	Total annual and permanent appropriations	2,887,285	2,334,255	

* The numbers in this column represent where the end of year performance information has been reported for each appropriate administered by the Ministry, as detailed below:

1. The Ministry's Annual Report.
2. Minister of Housing and Urban Development in the Vote Housing and Urban Development Non-Departmental Appropriations Report.
3. Reported in the Kāinga Ora – Homes and Communities Annual Report.
4. No reporting due to an exemption under section 15D of the Public Finance Act 1989.

DETAILS OF MULTI-YEAR APPROPRIATIONS (MYA)

KiwiBuild Housing MYA

On 1 October 2018, a multi-year appropriation, KiwiBuild Housing was established in Vote Housing and Urban Development, non-departmental output expenses for the acquisition, construction and provision of KiwiBuild dwellings. This appropriation expired on 30 June 2022. Funds were transferred to two new multi-year appropriations that commenced on 1 July 2022 at the 2022 October Baseline Update (Land for Housing Programme MYA and Buying Off the Plans Programme MYA).

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
KiwiBuild Housing			
Opening appropriation	2,039,923	2,039,923	
Adjustment to appropriation	(1,329,595)	(1,329,595)	
Adjusted total appropriation	710,328	710,328	
Cumulative actual expenditure as at 1 July	710,328	710,328	
Current year actual expense	-	-	
Cumulative actual expenditure as at 30 June	710,328	710,328	
Appropriation remaining as at 30 June	-	-	

Land for Housing Programme MYA

On 1 July 2022, a multi-year appropriation, Land for Housing Programme was established in Vote Housing and Urban Development, non-departmental output expenses for the development of affordable homes through the acquisition and provision of land. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Land for Housing Programme			
Opening appropriation	294,218	294,218	
Adjustment to appropriation	141,781	141,781	
Adjusted total appropriation	435,999	435,999	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	105,999	47,118	2
Cumulative actual expenditure as at 30 June	105,999	47,118	
Appropriation remaining as at 30 June	330,000	388,881	

Operating the Land for Housing Programme MYA

On 1 July 2022, a multi-year appropriation, Operating the Land for Housing Programme was established in Vote Housing and Urban Development, non-departmental output expenses to cover holding costs incurred as a result of the land held during the development of affordable homes under the Land for Housing Programme. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Operating the Land for Housing Programme			
Opening appropriation	7,000	7,000	
Adjustment to appropriation	11,746	11,746	
Adjusted total appropriation	18,746	18,746	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	6,778	3,906	4
Cumulative actual expenditure as at 30 June	6,778	3,906	
Appropriation remaining as at 30 June	11,968	14,840	

Land for Housing Operations MYA

On 1 July 2021, a multi-year appropriation, Land for Housing Operations was established in Vote Housing and Urban Development, non-departmental other expenses for operating expenditure incurred in the facilitation, acquisition, and development of land and residential properties, through the Land for Housing Programme. This appropriation expires on 30 June 2026.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental other expense:			
Land for Housing Operations			
Opening appropriation	50,000	50,000	
Adjustment to appropriation	15,000	15,000	
Adjusted total appropriation	65,000	65,000	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	15,000	57,358	4
Cumulative actual expenditure as at 30 June	15,000	57,358	
Appropriation remaining as at 30 June	50,000	7,642	

Land for Housing Programme – developers' loan payments MYA

On 1 September 2021, a multi-year appropriation, Land for Housing Programme - developers' loan payments was established in Vote Housing and Urban Development, non-departmental capital expenditure to facilitate interest-free loans related to development payments to developers under the Land for Housing Programme. This appropriation expires on 30 June 2025.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Land for Housing Programme - developers' loan payments			
Opening appropriation	42,500	42,500	
Adjustment to appropriation	100	100	
Adjusted total appropriation	42,600	42,600	
Cumulative actual expenditure as at 1 July	25,540	25,540	
Current year actual expense	13,620	12,133	4
Cumulative actual expenditure as at 30 June	39,160	37,673	
Appropriation remaining as at 30 June	3,440	4,927	

Land for Housing Programme – developers' loans – Fair value write down MYA

On 1 September 2021, a multi-year appropriation, Land for Housing Programme – developers' loans – Fair value write down was established in Vote Housing and Urban Development, non-departmental other expenses for expense incurred in the fair-value write down of interest-free loans offered to developers under the Land for Housing Programme. However a new multi-class appropriation called Housing Programme Fair Value Impairment Loss and Inventory Disposal was set up during the year, and any remaining funds were transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expires on 30 June 2025.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental other expense:			
Land for Housing Programme - developers' loans - Fair value write down			
Opening appropriation	11,700	11,700	
Adjustment to appropriation	(3,242)	(3,242)	
Adjusted total appropriation	8,458	8,458	
Cumulative actual expenditure as at 1 July	8,458	8,458	
Current year actual expense	-	-	
Cumulative actual expenditure as at 30 June	8,458	8,458	
Appropriation remaining as at 30 June	-	-	

Buying off the Plans Programme MYA

On 1 July 2022, a multi-year appropriation, Buying off the Plans Programme was established in Vote Housing and Urban Development, non-departmental output expenses for the development of affordable homes. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Buying off the Plans Programme			
Opening appropriation	271,500	271,500	
Adjustment to appropriation	-	-	
Adjusted total appropriation	271,500	271,500	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	-	-	3
Cumulative actual expenditure as at 30 June	-	-	
Appropriation remaining as at 30 June	271,500	271,500	

Operating the Buying Off the Plans Programme MYA

On 1 July 2022, a multi-year appropriation, Operating the Buying Off the Plans Programme was established in Vote Housing and Urban Development, non-departmental output expenses to facilitate the development of affordable homes. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Operating the Buying Off the Plans Programme			
Opening appropriation	3,000	3,000	
Adjustment to appropriation	5,000	5,000	
Adjusted total appropriation	8,000	8,000	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	100	96	3
Cumulative actual expenditure as at 30 June	100	96	
Appropriation remaining as at 30 June	7,900	7,904	

Residential Development Supply MYA

On 1 September 2020, a multi-year appropriation, Residential Development Supply was established in Vote Housing and Urban Development, non-departmental output expenses for payments to assist with the acquisition, construction and provision of residential development. This appropriation expired on 30 June 2023. A new multi-year appropriation called the Affordable Housing Fund was established from 1 July 2022 and funds were transferred to this new appropriation from Budget 2022 decisions.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Residential Development Supply			
Opening appropriation	344,000	344,000	
Adjustment to appropriation	(344,000)	(344,000)	
Adjusted total appropriation	-	-	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	-	-	
Cumulative actual expenditure as at 30 June	-	-	
Appropriation remaining as at 30 June	-	-	

Affordable Housing Fund MYA

On 1 July 2022, a multi-year appropriation, Affordable Housing Fund was established in Vote Housing and Urban Development, non-departmental output expenses to achieve the provision of affordable housing. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Affordable Housing Fund			
Opening appropriation	294,000	294,000	
Adjustment to appropriation	(50,000)	(50,000)	
Adjusted total appropriation	244,000	244,000	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	32	-	2
Cumulative actual expenditure as at 30 June	32	-	
Appropriation remaining as at 30 June	243,968	244,000	

Affordable Housing Fund – Capital Funding MYA

On 1 July 2022, a multi-year appropriation, Affordable Housing Fund – Capital Funding was established in Vote Housing and Urban Development, non-departmental capital expenditure to achieve the provision of affordable housing. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Affordable Housing Fund - Capital Funding			
Opening appropriation	50,000	50,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	50,000	50,000	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	-	-	2
Cumulative actual expenditure as at 30 June	-	-	
Appropriation remaining as at 30 June	50,000	50,000	

He Kūkū ki te Kāinga – Increasing Māori Housing Supply MYA

On 1 July 2022, a multi-year appropriation, He Kūkū ki te Kāinga – Increasing Māori Housing Supply was established in Vote Housing and Urban Development, non-departmental output expenses for increasing the housing supply provided by Māori service providers. This appropriation expires on 30 June 2025.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
He Kūkū ki te Kāinga - Increasing Māori Housing Supply			
Opening appropriation	190,550	190,550	
Adjustment to appropriation	(47,048)	(47,048)	
Adjusted total appropriation	143,502	143,502	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	67,841	7,282	2
Cumulative actual expenditure as at 30 June	67,841	7,282	
Appropriation remaining as at 30 June	75,661	136,220	

Progressing the Pipeline of Māori Housing 2022-2025 MYA

On 1 July 2022 a multi-year appropriation, Progressing the Pipeline of Māori Housing 2022-2025 was established in Vote Housing and Urban Development, non-departmental output expenses to increase the capability and capacity of Māori housing providers to deliver targeted Māori housing solutions and contribute to homelessness prevention. This appropriation expires on 30 June 2025.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Progressing the Pipeline of Māori Housing 2022-2025			
Opening appropriation	24,000	24,000	
Adjustment to appropriation	(19,791)	(19,791)	
Adjusted total appropriation	4,209	4,209	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	4,209	1,741	2
Cumulative actual expenditure as at 30 June	4,209	1,741	
Appropriation remaining as at 30 June	-	2,468	

Housing Infrastructure Fund Loans MYA

On 1 October 2018, a multi-year appropriation, Housing Infrastructure Fund Loans was established in Vote Housing and Urban Development, non-departmental capital expenditure for interest-free loans of a duration of ten years (or less) to Territorial Local Authorities to finance the infrastructure needed to unlock residential development. This appropriation expired on 30 June 2023, and the remaining funds will be transferred to a new multi-year appropriation (effective from 1 July 2023) at the 2023 October Baseline Update.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Housing Infrastructure Fund Loans			
Opening appropriation	642,824	642,824	
Adjustment to appropriation	(246,528)	(246,528)	
Adjusted total appropriation	396,296	396,296	
Cumulative actual expenditure as at 1 July	203,055	203,055	
Current year actual expense	193,241	93,813	2
Cumulative actual expenditure as at 30 June	396,296	296,868	
Appropriation remaining as at 30 June	-	99,428	

Housing Infrastructure Fund – Fair Value Write Down MYA

On 1 October 2018, a multi-year appropriation, Housing Infrastructure Fund – Fair Value Write Down was established in Vote Housing and Urban Development, non-departmental other expense for the fair-value write down of interest-free loans from the Housing Infrastructure Fund to Territorial Local Authorities. A new multi-class appropriation called Housing Programme Fair Value Impairment Loss and Inventory Disposal was set up during the year and the remaining funds from 2020/21 were transferred across to this new appropriation. This appropriation expired on 30 June 2023.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental other expense:			
Housing Infrastructure Fund - Fair Value Write Down			
Opening appropriation	190,791	190,791	
Adjustment to appropriation	(184,952)	(184,952)	
Adjusted total appropriation	5,839	5,839	
Cumulative actual expenditure as at 1 July	5,839	5,839	
Current year actual expense	-	-	
Cumulative actual expenditure as at 30 June	5,839	5,839	
Appropriation remaining as at 30 June	-	-	

Progressive Home Ownership Fund MYA

On 1 February 2020, a multi-year appropriation, Progressive Home Ownership Fund was established in Vote Housing and Urban Development, non-departmental capital expenditure to assist access to home ownership through progressive home ownership schemes. This appropriation expires on 30 June 2024.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Progressive Home Ownership Fund			
Opening appropriation	400,000	400,000	
Adjustment to appropriation	3,021	3,021	
Adjusted total appropriation	403,021	403,021	
Cumulative actual expenditure as at 1 July	18,162	18,162	
Current year actual expense	87,091	70,686	2
Cumulative actual expenditure as at 30 June	105,253	88,848	
Appropriation remaining as at 30 June	297,768	314,173	

Progressive Home Ownership – Prepayment of Grants MYA

On 1 July 2020, a multi-year appropriation, Progressive Home Ownership – Prepayment of Grants was established in Vote Housing and Urban Development, non-departmental capital expenditure to facilitate the prepayment of grants associated with Progressive Home Ownership loans. A new multi-class appropriation called Upfront Payments was set up during 2022/23 and any remaining funds were transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expired on 30 June 2023.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Progressive Home Ownership - Prepayment of Grants			
Opening appropriation	2,500	2,500	
Adjustment to appropriation	(1,983)	(1,983)	
Adjusted total appropriation	517	517	
Cumulative actual expenditure as at 1 July	517	517	
Current year actual expense	-	-	
Cumulative actual expenditure as at 30 June	517	517	
Appropriation remaining as at 30 June	-	-	

Write Down and Write off of Progressive Home Ownership Loans MYA

On 1 April 2020, a multi-year appropriation, Write down and Write off of Progressive Home Ownership Loans was established in Vote Housing and Urban Development, non-departmental other expense for the fair-value write down of interest-free loans to suppliers of Progressive Home Ownership schemes and the write off of any potential bad debts associated with such loans. A new multi-class appropriation called Housing Programme Fair Value Impairment Loss and Inventory Disposal was set up during the year, and any remaining funds were transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expires on 30 June 2024.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental other expense:			
Write Down and Write off of Progressive Home Ownership Loans			
Opening appropriation	286,755	286,755	
Adjustment to appropriation	(260,619)	(260,619)	
Adjusted total appropriation	26,136	26,136	
Cumulative actual expenditure as at 1 July	26,136	26,136	
Current year actual expense	-	-	
Cumulative actual expenditure as at 30 June	26,136	26,136	
Appropriation remaining as at 30 June	-	-	

Infrastructure Investment to Progress Urban Development MYA

On 1 August 2020, a multi-year appropriation, Infrastructure Investment to Progress Urban Development was established in Vote Housing and Urban Development, non-departmental output expenses for investment into shovel-ready housing and infrastructure projects to enable urban development, regeneration and housing outcomes. This appropriation expires on 30 June 2024.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental output expense:			
Infrastructure Investment to Progress Urban Development			
Opening appropriation	271,670	271,670	
Adjustment to appropriation	5,200	5,200	
Adjusted total appropriation	276,870	276,870	
Cumulative actual expenditure as at 1 July	80,590	80,590	
Current year actual expense	56,396	38,773	2
Cumulative actual expenditure as at 30 June	136,986	119,363	
Appropriation remaining as at 30 June	139,884	157,507	

Kāinga Ora Land Programme MYA

On 1 July 2021, a multi-year appropriation, Kāinga Ora Land Programme was established in Vote Housing and Urban Development, non-departmental other expenses for operating expenditure including write downs incurred in the facilitation, acquisition, and the development of land and residential properties through Kāinga Ora. This appropriation expires on 30 June 2026.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental other expense:			
Kāinga Ora Land Programme			
Opening appropriation	230,000	230,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	230,000	230,000	
Cumulative actual expenditure as at 1 July	1,880	1,880	
Current year actual expense	2,830	-	3
Cumulative actual expenditure as at 30 June	4,710	1,880	
Appropriation remaining as at 30 June	225,290	228,120	

Kāinga Ora – Homes and Communities Crown Lending Facility MYA

On 1 October 2022, a multi-year appropriation, Kāinga Ora – Homes and Communities Crown Lending Facility was established in Vote Housing and Urban Development, non-departmental capital expenditure to provide lending to Kāinga Ora – Homes and Communities (and any of its subsidiaries) to meet its cashflow requirements to deliver its share of the government's housing commitments. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Kāinga Ora - Homes and Communities Crown Lending Facility			
Opening appropriation	12,724,000	12,724,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	12,724,000	12,724,000	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	2,750,000	2,150,000	2
Cumulative actual expenditure as at 30 June	2,750,000	2,150,000	
Appropriation remaining as at 30 June	9,974,000	10,574,000	

Kāinga Ora – Homes and Communities Private Debt Refinancing Facility MYA

On 1 October 2022, a multi-year appropriation, Kāinga Ora – Homes and Communities Private Debt Refinancing Facility was established in Vote Housing and Urban Development, non-departmental capital expenditure to enable Kāinga Ora – Homes and Communities (and any of its subsidiaries) to meet its refinancing commitments of bonds on issue. This appropriation expires on 30 June 2027.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Kāinga Ora - Homes and Communities Private Debt Refinancing Facility			
Opening appropriation	450,000	450,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	450,000	450,000	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	450,000	450,000	2
Cumulative actual expenditure as at 30 June	450,000	450,000	
Appropriation remaining as at 30 June	-	-	

Kāinga Ora – Homes and Communities Standby Credit Facility MYA

On 1 May 2020, a multi-year appropriation, Kāinga Ora – Homes and Communities Standby Credit Facility was established in Vote Housing and Urban Development, non-departmental capital expenditure to assist Kāinga Ora - Homes and Communities with short-term liquidity requirements in exceptional and temporary circumstances. This appropriation expired on 30 June 2023 and any remaining funds were transferred to the two new multi-year appropriations: Kāinga Ora – Homes and Communities Crown Lending Facility and Kāinga Ora – Homes and Communities Private Debt Refinancing Facility.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Appropriation for non-departmental capital expenditure:			
Kāinga Ora - Homes and Communities Standby Credit Facility			
Opening appropriation	1,000,000	1,000,000	
Adjustment to appropriation	(1,000,000)	(1,000,000)	
Adjusted total appropriation	-	-	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	-	-	
Cumulative actual expenditure as at 30 June	-	-	
Appropriation remaining as at 30 June	-	-	

DETAILS OF MULTI-YEAR MULTI-CATEGORY APPROPRIATIONS

Housing Acceleration Fund

On 1 July 2022, a multi-year multi-category appropriation, Housing Acceleration Fund, was established in Vote Housing and Urban Development, to achieve the outcome of advancing housing supply through the provision of infrastructure investment. This appropriation expires on 30 June 2026.

There are two categories in this appropriation:

- Investment in Crown-owned Entities to Advance Development-Ready Land (non-departmental capital expenditure) for investments in Crown-owned entities to increase the amount of development-ready land
- Investment in Infrastructure to Advance Development-Ready Land (non-departmental other expenses) for contributions for infrastructure projects to advance development-ready land.

	Approved appropriation 2023 \$000	Actual 2023 \$000	Location of performance information
Housing Acceleration Fund			
Non-departmental capital expenditure:			
<i>Investment in Crown-owned Entities to Advance Development-Ready Land</i>			
Opening appropriation	1,682,000	1,682,000	
Adjustment to appropriation	223,281	223,281	
Adjusted total appropriation	1,905,281	1,905,281	
Cumulative actual expenditure as at 1 July	-	-	
Current year actual expense	431,000	210,840	1
Cumulative actual expenditure as at 30 June	431,000	210,840	
Appropriation remaining as at 30 June	1,474,281	1,694,441	
Non-departmental Other Expenses:			
<i>Investment in Infrastructure to Advance Development-Ready Land</i>			
Opening appropriation	2,047,000	2,047,000	
Adjustment to appropriation	(292,450)	(292,450)	
Adjusted total appropriation	1,754,550	1,754,550	
Cumulative actual expenditure as at 1 July	21,563	21,563	
Current year actual expense	70,083	29,781	1
Cumulative actual expenditure as at 30 June	70,083	29,781	
Appropriation remaining as at 30 June	1,684,467	1,724,769	
Total			

Opening appropriation	3,729,000	3,729,000	
Adjustment to appropriation	(69,169)	(69,169)	
Adjusted total appropriation	3,659,831	3,659,831	
Cumulative actual expenditure as at 1 July	21,563	21,563	
Current year actual expense	501,083	240,621	1
Cumulative actual expenditure as at 30 June	522,646	240,621	
Appropriation remaining as at 30 June	3,137,185	3,419,210	

Note that Kāinga Ora spent \$569 million on capital expenditure during 2022/23. The reimbursement to Kāinga Ora will be recognised as a cash capital injection into this Crown entity, which will not be recognised in the Ministry's financial statements and recorded against this appropriation until the cash is actually paid.

Vote Housing and Urban Development

	Approved appropriation 2023 \$000	Actual 2023 \$000
Total annual and permanent appropriations	2,887,285	2,334,255
Total multi-year appropriations	4,254,220	3,173,527
Total Vote Housing and Urban Development	7,141,505	5,507,782

STATEMENT OF EXPENSES AND CAPITAL EXPENDITURE INCURRED WITHOUT, OR IN EXCESS OF, APPROPRIATION OR OTHER AUTHORITY

For the year ended 30 June 2023

Departmental expenditure

There was no unappropriated departmental expenditure incurred during the year.

Non-departmental expenditure

There was no unappropriated non-departmental expenditure incurred during the year.

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS

For the year ended 30 June 2023

The Ministry has not received any capital injections during the year (2022: \$nil).

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS WITHOUT, OR IN EXCESS OF, AUTHORITY

For the year ended 30 June 2023

The Ministry has not received any capital injections during the year without, or in excess of, authority.



Te Kāwanatanga o Aotearoa
New Zealand Government