

ANNUAL REPORT 2021/22





Photo: Kāinga Ora



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Ministry of Housing and Urban Development
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Te Kāwanatanga o Aotearoa
New Zealand Government

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Kaiwahakahaere Matua

Chief Executive's Foreword

Tēnā koutou

Kua tawhiti te haere o Te Tūāpapa Kura Kāinga nō tana whakatūnga i te tau 2018. Kua tipu, kua whanake tonu mātau mā te mahi me ētahi atu ki te panoni nui i te pūnaha whakawhanake whare, tāone anō hoki.

Ko tā mātau he whakaū i te tika o te pūnaha mō Aotearoa, he tuku putanga e hiahia nei mātau ki te kite, arā, he wāhi e taea ai e te tangata te kī he kāinga tōna i tētahi hapori ora. Kua urupare, kua mahuta hoki tō mātau whakahaeretanga, ko te keonga me te whānuitanga o ō mātau haepapa kua panoni i te haerenga. Kua nui atu tā mātau whakatinana, ā, kua haepapatia mātau ki tētahi tahua nui nō waho i te tari mā roto i ngā tahua ka whakahaeretia e mātau.

Mō te wā tuatahi kua whai rautaki tuari mātau ka tohu i te ahunga mō te pūnaha. Ko te Government Policy Statement (GPS) me te MAIHI Ka Ora ka whakaatu i te anamata. Ko ā mātau mahi, ngā mahi a ngā tari kāwanatanga, ngā mahi a ō mātau hoa kōtui, ngā mahi puta noa i te pūnaha whakawhanake whare, tāone hoki he manapou ki te whakahoutanga o te pūnaha whakawhanake whare, tāone hoki. Ka āwhina mātau kia tika te haere o te pūnaha whakawhanake whare, tāone hoki, ā, kei te tutuki ngā putanga mā te mahi ngātahi ki ētahi atu puta noa i te pūnaha.



Tēnā koutou

Te Tūāpapa Kura Kāinga has come a long way since it was established in 2018. We've continued to grow and develop while working with others to drive significant change across the housing and urban development system.

Our role is to ensure that the system is working for Aotearoa New Zealand, delivering the outcomes that we want to see where everyone does have a place to call home in a thriving community. We've responded and stepped up as an organisation, with the scope and breadth of our responsibilities changing along the way. We have a bigger implementation role and we are now responsible for a significant non-department budget through the funds we administer.

For the first time we now have a shared strategy that sets out direction for the system. The Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora paint the picture for the future. Our work, the work of other government agencies, the work of our partners, the work of all across the housing and urban development system is critical in transforming the housing and urban development system. We help ensure all parts of the housing and urban development system are working well and that outcomes are being realised by joining up with others across the system.

Kua whakauru tonu mātau i te MAIHI me ngā huarahi ā-wahi ka kite, ka tautoko hoki i te āhua o ā mātau urupare ki ngā wero rerekē me ngā huarahi mō ngā hapori puta noa i a Aotearoa. Kua waitohu mātau i te Upoko Whakaae me te tokotoru o ngā hoa kōtui e whā ki te tuku i te 500 kāinga i raro i ngā kaupapa Whai Kāinga Whai Oranga. 10 ngā wāhi e mahitahi nei mātau i ngā rohe kia mārara ai ō rātau raru whakawhanake whare, tāone hoki, hei urupare ki ngā hiahia ohotata o ō rātau hapori me te whakamahere mō ngā tāone wātea, manawaroa, nui atu ngā āheinga me ngā kōwhiringa whare ki te anamata. Ka whai wāhi mai e ono ngā mahitahitanga whakatipu tāone, e whā ngā wāhi whakaarotau pēnei i Te Tai Tokerau, Rotorua, Tairāwhiti me Heretaunga.

Kua urupare hoki mātau ki ngā raru ohotata pēnei i ngā here ki ngā whare hou. Hei tauira, e ono ngā panonitanga kua oti i a mātau ki ngā ritenga o ngā nama o ngā kaupapa whare, pēnei i a KiwiBuild me ngā Rawa Kāinga Tuatahi. Kua whakawhanake hoki mātau i te Affordable Housing Fund. Ko te tahua nei ka tuku \$350 miriona pūtea tautoko ki te whakawhanake i ngā kāinga utu pai. I te whakakotahitanga ko ngā kaupapa nei ka āwhina i te au o te putunga o ngā whare utu pai mō te rēti me te hoko.

Arahina a rau ringa e tutuki ai te whāinga – mā te ārahi i te pūnaha ka tutuki ō mātau aronga – he hapori ora e taea ai e te tangata te kī he kāinga tōna.

We have continued to embed MAIHI and place-based approaches that recognise and help shape our responses to the different challenges and opportunities of communities around Aotearoa New Zealand. We have signed Heads of Agreement with three of our four partners who will deliver up to 500 homes under Whai Kāinga Whai Oranga prototypes. There are now 10 places where we are partnering locally to understand their housing and urban development issues, to 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. This includes six urban growth partnerships and four priority places, including Te Tai Tokerau, Rotorua, Tairāwhiti and Hastings.

We have also continued to respond to emerging issues such as the constraints facing new housing supply. For example, we have made changes to the settings of a number of housing programmes, such as KiwiBuild and First Home Products. We also developed the Affordable Housing Fund. This Fund will provide \$350 million in financial support for the development of new affordable homes. Combined, these programmes will help keep momentum in the supply of more affordable homes for rent and home ownership.

Arahina a rau ringa e tutuki ai te whāinga – it is through guiding the system that we achieve our purpose – thriving communities where everyone has a place to call home.

Nāku noa, nā

Andrew Crisp

Chief Executive – Tumu Whakarae
Te Tūāpapa Kura Kāinga



Te arotakenga o te tau

Our year in review

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development envisages a country with thriving communities, where everyone has a place to call home. We are responsible for strategy, policy, funding, monitoring and regulation of Aotearoa New Zealand’s housing and urban development system.

Our approach is to work with partners across the housing system, in places where housing needs are greatest, helping people and communities with their immediate needs, while setting up for the future so the system can sustainably deliver for generations to come.

We have a growing implementation role and are now responsible for billions of dollars through the various funds we administer.

Our focus this year included:

Kia hangaia ētahi atu kāinga utu pai

Ensuring more affordable homes are built

- We are ramping up our direct investment in infrastructure, government-led development, and partnerships to deliver more affordable homes. This includes the:
 - **\$3.8 billion** Housing Acceleration Fund
 - **\$2 billion** Kāinga Ora Land Programme
 - **\$975.35 million** Land for Housing Programme
 - **\$730 million** to unlock a wider range of Māori-led housing projects and build Māori housing capacity and capability through Whai Kāinga Whai Oranga.
- A particular area of focus over the last year has been the development of the Affordable Housing Fund. This Fund will provide **\$350 million in 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.
- Announced **increases to the income and price caps for First Home Loans and Grants** to better reflect the housing market, with the aim of increasing the delivery of new homes for first time buyers.
- We have allocated \$1.996 billion for Large Scale Projects across Auckland that will help create **build-ready land for up to 17,800 new public, affordable or market homes** over the next five to 16 years. A \$136 million investment in the Eastern Porirua Large Scale Project was also announced. This will unlock capacity for up to 2,000 additional homes on private and government-owned land.





Kia tutuki i ngā whare ngā hiahia

Ensuring houses meet needs

- Aotearoa New Zealand doesn't have the variety or quality of housing to support the wellbeing of all people. We need to ensure that the houses we are building are resilient (including climate resilient), healthy, universally designed and accessible. They should be adaptable, resource efficient and affordable to run.
- This year we contributed to the National Adaptation Plan, with a focus on increasing the resilience to climate change of our homes, building and places. The proposed objectives for homes, buildings and places are:
 - They are climate-resilient and meet social and cultural needs
 - New and existing towns and cities are planned and managed to minimise risks to communities from climate change
 - Māori connections to whenua and places of cultural value are strengthened through partnerships, and threats to cultural heritage from climate change are understood and the impacts are minimised.
- We changed KiwiBuild settings to allow exemptions to price caps for homes that meet accessibility or universal design standards to encourage the delivery of more of these homes.

Kia uru ngā tāngata ki ngā kāinga pūmau, utu pai hoki

Enabling people into stable, affordable homes

- In the year to June 2022, the number of public homes increased by 1,683 to 76,271 and the number of transitional housing places rose 1,088 to 5,520. The number of public homes offered by registered community housing providers rose 1,019 to 11,401 from a year earlier.
- The Progressive Home Ownership Fund helps families and whānau, who might otherwise not be able to buy their own home, step into home ownership. As at 30 June 2022, 260 houses have been contracted through the Progressive Home Ownership Fund, including homes that have already been delivered.
- An 18-month review into the Aotearoa Homelessness Action Plan showed good progress has been made in ensuring people who are experiencing homelessness have access to warm, dry, safe housing.

Kia tautoko i ngā whānau kia whai whare haumaru, utu pai kia tāmau te noho

Supporting whānau to have safe, healthy affordable homes with secure tenure

- MAIHI Ka Ora – the National Māori Housing Strategy was created in partnership between the Crown and Māori and was launched in September 2021. MAIHI Ka Ora elevates the Māori and Iwi Housing Innovation (MAIHI) Framework for Action and provides a strategic direction that puts Māori at the heart of Aotearoa New Zealand's housing system.
- The MAIHI Ka Ora implementation plan sets out how we will work towards achieving the strategic vision and goals set out in MAIHI Ka Ora. The implementation plan was launched at Te MAIHI Wānanga on 11 March 2022.
- Whai Kāinga Whai Oranga is a four year \$730m commitment to speed up the delivery of Māori-led housing. Jointly administered with Te Puni Kōkiri, the \$380 million is targeted to towards increasing housing supply, papakāinga, and attending to housing repairs. An additional \$350million (set aside the Infrastructure Acceleration Fund) supports the Māori Infrastructure Fund. This is the single biggest investment by government to support Māori to lead and deliver housing to whānau, hapū and iwi in their own communities.
- We are reviewing the barriers to building homes on Māori whenua. Meaningful system changes would mean more Māori could build homes on their whenua, improving housing outcomes for Māori and creating intergenerational housing changes.
- In Budget 2022 it was announced that the loan cap for the Kāinga Whenua Loan Scheme will increase from \$200,000 to \$500,000
- We are leading the Crown response to the Wai 2750 Kaupapa Inquiry into Māori housing policy and services, which is an opportunity to explore how we reset the housing system in partnership with Māori. Stage One of the Inquiry, which heard claims concerning Māori homelessness from 2009 to the present day, concluded in late 2021. Stage Two of the Inquiry will take place in 2022-2023.



Te whakarite anō i te tūranga matua o ngā whare hei kāinga kua hei rawa pūtea

Re-establishing housing's primary role as a home rather than a financial asset

- Reducing speculative investment in existing housing stock will support more people to have and keep a stable home – both in terms of home ownership and the security it affords and contributing to more security in the rental market.
- Government will continue to review policy and regulatory settings, including tax and fiscal settings, to understand what is driving investment behaviour across the housing market and what needs to change to support better housing outcomes for more of Aotearoa New Zealand.

Te whakamahere me te whakangao i ō mātau wāhi

Planning and investing in our places

- Every community has their own housing and urban development challenges and aspirations. Through our MAIHI and place-based approaches, we work with Māori organisations, iwi, local councils and regional Crown agencies to gain a local understanding of a place, its people and their needs. This enables us to better review what is driving housing and urban outcomes in different places.
- We published the Government Policy Statement on Housing and Urban Development (GPS-HUD) in September 2021. The GPS-HUD was developed alongside MAIHI Ka Ora and provides a long-term strategic vision for the housing and urban development system. It states the Government's long-term focus and provides specific direction and support for Kāinga Ora and other agencies.

- Alongside the Ministry for the Environment, we supported the Government in resource management reforms. The Resource Management Act 1991 is being replaced with three new pieces of legislation that are designed to speed up and simplify planning processes, reduce costs and deliver better outcomes for people and the environment.
- We supported the enactment of the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act. The Act requires councils in our largest urban areas to increase housing supply and allow a wider variety of homes to be built. Medium density residential standards in the Act mean that up to three dwellings of three storeys can be built on most residential sites in New Zealand's largest cities without the need for a resource consent.
- Through our Urban Growth Partnerships with other government agencies, local government and iwi we have improved the co-ordination and alignment between central and local government and mana whenua in New Zealand's high urban growth areas. Seven urban growth partnerships have been established or are under development. They are in: Auckland, the Hamilton-Auckland corridor, Tauranga-Western Bay of Plenty, Wellington-Horowhenua, Queenstown Lakes, Greater Christchurch, and the Northland-Auckland Corridor.



Photo: Kāinga Ora

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

Our role leading the housing and urban development system



Kua pai ō mātau whanaketanga heoi he nui tonu ngā mahi hei mahi

We've made good progress but there is still much that needs to be done

Our cities and towns have been poorly planned and haven't responded to population growth and demographic changes. We haven't built enough houses that are well connected to jobs, schools and health services.

A lack of investment in new infrastructure to support new housing development has meant that housing supply has not kept up with demand.

This lack of housing supply has meant house prices and rents have increased. Rising house prices, low interest rates, and tax settings have encouraged people to treat housing as a profit-making investment. As a result, housing has become unaffordable for many New Zealanders.

We're seeing deepening inequalities – particularly for Māori, Pacific peoples, and young people - and too many people are living in crowded homes, experiencing homelessness, and in need of support.

Without a place to call home, people find it hard to deal with life, to regularly attend school, get and keep a job, or develop and maintain a connection to their community.

Kua mārama ake ki a mātau ngā wero mō te pūnaha whare, ā, kua tīmata kē ngā panonitanga

We have a better understanding of the challenges facing the housing system and we are already leading change

For the first time we have a long-term plan. The Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora - the National Māori Housing Strategy together provide a shared vision and direction for housing in Aotearoa New Zealand.

We know that a one-size-fits-all approach to housing and urban development doesn't work, we need tailored solutions.

Māori are disproportionately affected by the housing crisis, so we're partnering with iwi and Māori to support 'by Māori, for 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.

Kei te āwhina mātau i ngā tāngata ināianeia kia ea ai ngā hiahia ohotata mō ngā whare mahana, maroke, utu pai hoki

We're helping people now to meet their immediate pressing need for a warm, dry, affordable home

We have the biggest public and transitional housing programme in decades with over 18,000 additional public homes and transitional housing places to be delivered by the end of June 2024. There were more than 76,000 public homes at the end of June 2022 and more than 5,500 transitional housing places.

We have progressed the Homelessness Action Plan and continued the roll out of the Housing First programme to help people at risk of, or experiencing, homelessness.



Te ara i waihanga ai mātau i te pūnaha

How we've shaped the system

We're making it easier to build more homes connected to transport, jobs, and schools, by speeding up the implementation of the National Policy Statement on Urban Development and introducing new medium density residential standards that allow you to build up to three units of three storeys per site in our main urban centres, without resource consent.

We're delivering on the promises made in MAIHI Ka Ora with an implementation plan that sets out how we will work toward achieving safe, healthy, affordable homes with secure tenure, for whānau across the Māori housing continuum.

We have invested almost \$2 billion for Large Scale Projects across Auckland that will help create build-ready land to enable up to 17,800 new public, affordable, and market-priced homes over the next five to sixteen years.

Across the country, we are ramping up our direct investment in infrastructure provision, government-led development, and partnerships to deliver more affordable homes. This includes the:

- \$3.8 billion Housing Acceleration Fund
- \$2 billion Kāinga Ora Land Programme
- \$975 million Land for Housing Programme
- \$730 million to unlock a wider range of Māori-led housing projects and build Māori housing capacity and capability through Whai Kāinga Whai Oranga
- \$350 million Affordable Housing Fund
- Funding for over 18,000 public and transitional housing places by 2024
- Changes to KiwiBuild settings, including price caps, to support ongoing provision of affordable homes in both public and private sector led developments.

Te ara i āwhina hapori ai mātau

How we've helped communities

As detailed on page 25, we have worked with central and local government, and iwi, to improve housing in Rotorua, including Te Pokapū – a housing hub, which takes a kaupapa Māori approach to providing social and housing support.

The Progressive Home Ownership Fund has already helped 120 families and whanau, who would otherwise be unable to get into their first home, move into ownership of a newly-built home. Further homes are contracted.

We collaborated with Te Whānau a Maruhaeremuri Trust and Maru Ora Ltd, Hikina Whakatutuki - Ministry of Business, Innovation and Employment (MBIE), and Te Puni Kōkiri to build new, warm, dry, energy-efficient homes in Raukokore, a remote community in the Bay of Plenty.

We have worked in partnership with Te Puni Kōkiri and local government to support Ngāti Whātua Ōrakei in the continued revitalisation of their papakāinga and healthy, warm, dry homes for kaumātua. The 10 homes will also be managed by Whai Māia (the social and cultural development arm of Ngāti Whātua Ōrakei) a registered Māori Community Housing Provider.

The number of public homes offered by registered CHPs increased to 11,401, up from 10,382 a year earlier, an increase of 10 per cent. The sector continues to have a strong pipeline of projects planned or under construction to add additional affordable housing supply in areas of need.

We supported the establishment of the National Alternative Accommodation Service (NAAS), which provides access to accommodation for COVID-19 cases who cannot safely self-isolate at home. The service supports the Care in the Community model led by Manatū Hauora - Ministry of Health and the welfare model led by Te Manatū Whakahiato Ora - Ministry of Social Development.



Ngā āhuatanga e tū nei mātau

Our operating context



Ngā taipitopito mō mātau me ā mātau mahi

Who we are and what we do

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development was established to lead cross housing and urban development system priorities and provide a joined-up response to complex, long-term challenges. In this section we set out the context that we operate in, which informs the development of our strategic direction.

We lead the housing and urban development work programme in Aotearoa New Zealand. We are responsible for strategy, policy, funding, monitoring and regulation of New Zealand’s housing and urban development system.

We are here to ensure all parts of the housing and urban development system are working well and outcomes are being realised by working with others across the system to enable, catalyse and deliver change.

We envisage a country with thriving communities where everyone has a place to call home.

To achieve this, we grow understanding of the system, understand what’s happening now and identify future trends, help focus effort across the system, ensure the right settings, tools and funding are in place, enable and ensure delivery to drive action through collaboration and partnership.

We partner with iwi and Māori to address the longstanding challenges in Māori housing and ensure that all whānau have safe, healthy affordable homes with secure tenure.

Te Tūāpapa Kura Kāinga

The story of our name

Te Tūāpapa Kura Kāinga translates to ‘the foundation for a treasured home’.

The name comes from the proverb ‘he kura Kāinga e hokia, he kura tangata e kore e hokia’, or a treasured home will endure, not so a treasured person’.

It carries a strong connection to our purpose: he kāinga ora, he hāpori ora – thriving communities where everyone has a place to call home.

It speaks to the importance of ensuring the wellbeing of people within the home, our connection with the land – acknowledging the generations of people who have always called this place ‘home’ – and our commitment to delivering for future generations.

The name was gifted to us by Kingi Kiriona, a passionate advocate for te reo Māori.



Ben Dalton

Kararaina Calcott-Cribb

Andrew Crisp

Anne Shaw

Brad Ward

Te hanganga o te rōpū whakahaere

Our organisational structure

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.

HUD has six business groups, led by five Deputy Chief Executives and the Director of the Office of the Chief Executive.

Solutions Design and Implementation
Deputy Chief Executive - Anne Shaw

Solutions Design and Implementation designs the detailed policy, legislation and funding settings and tools needed to achieve our system priorities. Where HUD has an implementation role, Solutions Design and Implementation is also responsible for this, including setting up any new functions that are needed.

This group also maintains and reviews legislation, regulation and settings for specific tools and products.

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

Te Kāhui - Māori Housing
Deputy Chief Executive - Kararaina Calcott-Cribb

Te Kāhui - Māori Housing ensures that we have the dedicated capability and capacity to boost housing and urban development system outcomes for Māori so that whānau can live in a way that connects them to their identity, language and culture, their whenua and whakapapa.

The genesis of this work has been the development of the MAIHI - Framework for Action and the MAIHI Partnerships Programme, followed by MAIHI Ka Ora – the National Māori Housing Strategy and the Progressive Home Ownership programme which was established alongside the Government’s Policy Statement on Housing and Urban Development (GPS-HUD).

Te Maihi o te Whare Māori – Māori and Iwi Housing Innovation (MAIHI) puts Māori at the heart of the Aotearoa New Zealand’s housing narrative, acknowledging the history of Māori housing to respond to these needs through kaupapa Māori approaches, and pivot the system to review and reset.

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.

System Delivery and Performance
Deputy Chief Executive - Ben Dalton

System Delivery and Performance is responsible for managing and monitoring delivery, in conjunction with Te Kāhui – Māori Housing Solutions.

This group brings together delivery and supply functions, land acquisition and development, and the performance management of our contracts. It also leads procurement for the organisation.

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



Photo: Whāinga Ora

Organisational Performance
Deputy Chief Executive - Brad Ward

Organisational Performance supports the whole of HUD to drive efficiency and effectiveness and contributes to the overall performance of the organisation.

Teams includes Finance, Legal, People and Community, Communications and Engagement, Ministerial Services, and Crown Entity Monitoring.

Intelligence and System Direction
Acting Deputy Chief Executive – Jo Hughes

Intelligence and System Direction takes a systematic approach to understanding what is happening across the housing and urban development system, what is needed now and in the future, and who needs to play what roles.

The group is focused on:

- The system as a whole, in the medium- to long-term

- The policy settings and key work programmes that are needed to achieve our priorities
- Embedding our system response in places.

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

Office of the Chief Executive
Director - Jo Hogg

The Office of the Chief Executive provides advice and support to the Chief Executive.

This group also supports our governance arrangements and risk management practices and manages our organisational change implementation.

Teams includes Advisory Risk & Assurance, and Business Transformation.

Te Tūāpapa Kura Kāinga at a glance

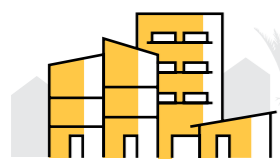
We serve three Ministers:



- Minister of Housing
- Associate Minister of Housing (Māori Housing)
- Associate Minister of Housing (Homelessness)

We partner and collaborate with critical groups across the system:

- Iwi and Māori, who are best placed to deliver effective housing and urban solutions for Māori communities.
- Community Housing Providers, who play an important role in delivering long-term affordable housing through rental, mixed-tenure or progressive home ownership solutions.
- Social sector organisations, which support government to prevent and respond to homelessness and provide community support services.
- Local Government, which promotes the social, economic, environmental and cultural wellbeing of their communities now and into the future.
- The private sector, which plays the largest role in funding, financing, designing constructing, delivering and maintaining the built environment.



We work with other Ministries and Departments to ensure that we are working together across government in a coordinated way.

We are committed to improving housing and urban development outcomes for Māori, including through the implementation of MAIHI Ka Ora, delivering and governing Whai Kāinga Whai Oranga with Te Puni Kōkiri, and implementing Te Maihi o Te Whare Māori

– Māori and Iwi Housing Innovation (MAIHI) practices across the organisation.

We help prevent and reduce homelessness by implementation actions in the Aotearoa Homelessness Action Plan and by partnering with other agencies to increase the supply of public and transitional housing.

We are responsible for 12 Acts of Parliament. Our policy and legislation function designs and develops policy and maintains and reviews legislation, regulations and settings across the housing and urban development system.



We have an expanding role providing investment programme assurance, including across Large Scale Projects, and the Kāinga Ora land programme and build programme. Our Crown entity monitoring team also monitors Kāinga Ora – Homes and Communities and Tāmaki Redevelopment Company Ltd.

We fund and regulate Community Housing Providers (CHPs) to increase the supply of new public homes, particularly in regional areas, and provide assurance to government that CHPs are well governed and provide appropriate housing services to their tenants.

We administered the following appropriations in 2021/22*

- Departmental total appropriations - \$80.983 million
- Non-departmental total appropriations - \$5.175 billion
- At 30 June 2022, we had 329 employees in our Wellington and Auckland offices and across Aotearoa.

*As at 2021/22 October Baseline Update.

MAIHI me ngā mahitahitanga ā-wāhi MAIHI and place-based partnerships

MAIHI me ngā mahitahitanga ā-wāhi.
- Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework ka whakatau i ngā whānau ki te pūtahi o ā mātau urupare whare, ka whakaurua ko ngā mātāpono kaupapa Māori me te koke i ā mātau ratonga mā te mahitahi ki ngā iwi me ngā Māori.

Ka whai wāhi ki te MAIHI ko ngā urupare paetata, paetawhiti hoki ki ngā āputa mō te Māori i ngā rongoā whare auraki. Ko ngā aumahi e toru matua ko:

- Urupare. Me mātua noho tika te pūnaha kia urupare ki ngā hiahia ohotata, te aro ki: te whakaheke i te kāinga koretanga, te whakapiki i te nui o ngā whare, te hoahoa tahi i ngā rongoā ā-wāhi me ngā Māori e tino matenui ana, te whakateri i te hokonga whare me ngā kaupapa whare, papakāinga ā-hapori nā te Māori.
- Arotake. Te arotake i ngā ritenga pūnaha e kitea ana ngā taunahua i ngā kaupapa here, hōtaka Karauna hoki o te wā (me ngā waeture), matai i ngā urunga (kia mōhio ai kāore i te puta he āhua tōtaro), me te aromatawai pū i ngā raru pūnaha i hua ai te raru whare mō te Māori.
- Tautuhi Anō: Te tautuhi anō i ngā pūnaha me ngā hātepe ki tōna pūtahi kia tuku te pūnaha whare i ngā putanga taurite mō ngā Māori, ko Māori e mahitahi ana i te hoahoatanga me te whakatinanatanga o ngā rongoā, ko ngā haepapa Tiriti o Waitangi me ngā whakataunga ka whakamanatia, me ngā makihuhunutanga kāore e tōaitia, ā, he mahitahitanga Te Tiriti hou ka whakatūria kia taea e ngā Māori te ārahi i ō rātau ake rongoā whare ki anamata.

Ka tautoko a MAIHI i tētahi huarahi Karauna ngātahi, ā, ka tō i ngā pūkenga ngātahi o ngā tari kāwanatanga me ngā tāngata katoa kei roto i 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'.

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 includes urgent and long-term system responses to critical gaps for Māori in mainstream housing solutions. The three key workstreams are:

- Respond. Ensuring that the system is positioned to respond to immediate needs, focusing on: reducing homelessness, increasing housing stock, co-designing place-based solutions with Māori in critical need, accelerating home ownership, and Māori-led community-based housing projects and papakāinga.
- Review. Reviewing the system settings where current Crown policies and programmes cause barriers (including regulatory), assessing interventions (to ensure no unintended negative consequences), and fully examining the systemic issues that have led to the housing crisis for Māori.
- Reset: Fundamentally resetting systems and processes so that the housing system provides equitable solutions for Māori, Māori are partnering in the design and implementation of solutions, Te Tiriti o Waitangi obligations and settlements are upheld and injustices are not repeated, and a new contemporary Treaty partnership is established that enables Māori to lead their housing solutions in the future.

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

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 ārahina 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, ā, kua kirimanatia ngā kāinga e 62 hei tuku ā mohoa nei.

E whai nei mātau kia mahi puta noa i te pūnaha whanaketanga whare, tāone anō hoki, me te āki i ngā putanga whare mō ngā tāngata me ngā hapori. E whai nei mātau i te tukanga ā-wāhi hei mahi me ngā hapori mā te aro ki ngā raru whare hāngai me ngā huarahi i ngā wāhi.

Ehara i te mea me whai ngā hapori katoa i te momo whakapātanga ōrite. I ētahi wāhi, ko ngā kaiārahi ā-rohe me ngā mahi ka tika hei tuku i ngā putanga pai ake mō ngā tāngata. I ētahi atu wāhi, ka mahi tata mātau me ngā iwi/Māori, kaunihera, kaiwhakawhanake me ētahi atu tari kāwanatanga ā-motu (pēnei i a Kāinga Ora me Waka Kotahi) me ētahi atu rōpū hapori ki te whakawhanake me te whakatinana i ngā rongoā ā-rohe kia hua ētahi panonitanga.

Ko ā mātau mahitahitanga me ngā hapori ā-rohe ka whai ki te tautoko i ngā whāinga o Maihi Ka Ora, te Rautaki Whare Māori ā-Motu, ki te whakatere i ngā putanga whare Māori, toiora hoki. Kua whakarenarena whanaungatanga mātau me ngā iwi, ā, ka tautoko hoki i ngā rongoā nā te Māori pēnei i ngā whanaketanga papakāinga i ngā whenua Māori.

I whakamuramura mātau i a Heretaunga hei wāhi whakamātautau i te ritenga ā-wāhi i te Aperira 2019 nā te nui o te hiahia mō ngā whare, me te minamina o te Kaunihera ā-Rohe o Heretaunga (HDC) ki te toro ki ētahi atu huarahi mahi me te kāwanatanga ā-motu me ngā iwi.

The MAIHI Partnership 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 has contracted 62 homes to be delivered to date.

We aim to work across the whole housing and urban development system and drive better housing outcomes for people and communities. We take a place-based approach to working with communities by focusing on the specific housing issues and opportunities in places.

Not every community requires the same level of engagement. In some places, local leadership and action will be sufficient to deliver better outcomes for people. In other places, we work closely with iwi/Māori, councils, developers, other central government agencies (including Kāinga Ora and Waka Kotahi) and other community groups to develop and implement local solutions to bring about change.

Our partnerships with local communities work to support the goals of MAIHI Ka Ora the National Māori Housing Strategy, to accelerate Māori housing and wellbeing outcomes. We have developed strong relationships with iwi and support Māori-led local solutions, including papakāinga developments on whenua Māori.

We identified Hastings as a first trial for a place-based approach in April 2019 because of the high level of housing need, and the willingness of Hastings District Council (HDC) to explore a different way of working with central government and iwi.

Ko ngā akoranga kua akohia e mātau i Heretaunga kua whakamōhio i ētahi atu mahi ā-wāhi i Rotorua, Te Tai Rāwhiti me Te Tai Tokerau. Ko ngā akoranga mai i ngā mahitahitanga ā-wāhi ka āwhina inā rā ko ētahi Mahitahitanga Whakatipu Tāone kua tīmata te toro ki ngā mahi whakamahere whaitua hei aro pū ki ngā tukunga whare (pēnei i ngā wāhi whanake matua i Kirikiriroa/Waikato me Tauranga/Te Waiariki). Ko ērā atu mahitahitanga kei te whanake (Tāmaki, Te Whanganui a Tara Whānui, Ōtautahi Whānui, Ngā Roto o Tāhuna). Ko ā mātau mahi ka rerekē i ngā wāhi rerekē i ngā mahitahitanga ka whanake tonu. I ngā wāhi ka taea, ka whakatika mātau ki te tautoko me te whakakaha i ngā kaiārahi ā-rohe.

Ko ngā wheako kua pahawa i te MAIHI me ngā mahitahitanga ā-wāhi kua whakamōhio i te whanaketanga o ētahi atu hangarau i ngā tau e rua kua pahure (hei tauira, te Tahua Whakatere Hanganga, Progressive Home Ownership, Whai Kāinga Whai Oranga me te Tahua Whare Utu Pai) me ngā tono whakapai ake ki ētahi atu hangarau (hei tauira Whenua mō ngā Whare, rawa Tautoko Kāinga Tuatahi). Ko ō mātau wheako kua whakamōhio i te whanaketanga me te whakatinanatanga o ētahi atu hangarau whakariterite (pēnei i te Medium Density Residential Standards me te whakahoutanga Ture Tiaki Taiao). Mā ngā hangarau nei e āhei ai mātau te mahi me ngā hoa kōtui, ngā kaiwhakawhanake hoki puta noa i a Aotearoa hei whakatere i ngā putanga whare, ka mātau ko ngā whare utu pai hei hoko, hei rēti hoki.

The lessons we have learned from Hastings have subsequently informed our other place-based work in Rotorua, Tairāwhiti, and Te Tai Tokerau. Lessons from the place-based partnerships are useful as some Urban Growth Partnerships have started to expand on spatial planning work to focus more explicitly on housing delivery (such as the priority development areas in Hamilton/Waikato and Tauranga/Western Bay of Plenty). The other partnerships are also progressing (Auckland, Greater Wellington, Greater Christchurch, Queenstown-Lakes). Our role will vary between places and over time, as partnerships continue to evolve. Wherever possible, we endeavour to support and strengthen local leadership.

The experience we have gained from the MAIHI and place-based partnerships has informed the development of additional tools over the last two years (e.g. the Infrastructure Acceleration Fund, Progressive Home Ownership, Whai Kāinga Whai Oranga, the Affordable Housing Fund) and proposed improvements to other tools (e.g. Land for Housing, First Home Support products). Our experience has also informed the development and implementation of other regulatory tools (such as Medium Density Residential Standards and Resource Management Act reform). These tools will allow us to work with partners and developers across New Zealand to accelerate housing supply, particularly affordable housing for ownership and rental.

Ko ngā whakamuramuratanga ā-wāhi matua mō te tau 2021/2022

Key place-based highlights for the 2021/22 year

Partnership	Highlights in the past year
Auckland	<p>We are working with Auckland Council and other government agencies to ensure future growth is planned for and delivers housing that provides choices for Aucklanders and provides good accessibility to services and amenities. This includes:</p> <ul style="list-style-type: none"> Auckland Light Rail, where we supported work necessary to inform investment decisions for the project. We are also supporting the appointment of a Board that will oversee work required to deliver on the Government's preferred option of a partially tunnelled light rail from City Centre to Māngere (announced in December 2021). Investment in Large Scale Projects, as part of the Auckland Housing Programme. Accelerating development in Drury and required investment in infrastructure and services. Auckland Council's implementation of the Medium Density Residential Standards and the National Policy Statement on Urban Development.
Greater Christchurch	<p>Cabinet formally endorsed the formation of an urban growth partnership for Greater Christchurch in April 2022. The Whakawhanake Kāinga Committee was then formally established. This was a significant milestone in our relationship with local government and Ngāi Tahu who have been seeking a partnership with central government for years.</p> <p>The Committee is committed to working together to address housing and urban development challenges and plan for long-term growth. Key projects started in the past year include:</p> <ul style="list-style-type: none"> A joint spatial plan for Greater Christchurch. This plan is being prepared and will identify how and where growth will be accommodated over the next 30 years and the enabling infrastructure needed. We are supporting the development of the spatial plan and providing technical direction. Key milestones include the adoption of the Foundation Report and Strategic Framework as the context for development of the spatial plan by the partnership in May 2022. A Mass Rapid Transit feasibility project. This is being investigated. We are supporting the work by ensuring that opportunities to unlock housing and improve affordability are considered.

Partnership	Highlights in the past year
Hamilton-Auckland Corridor	<p>Future Proof is transitioning from development of strategy and business cases to delivery. The partners are committed to joint decision-making at all levels and ensuring aligned decisions on land use, transport and water infrastructure. Key project milestones were progressed this year.</p> <ul style="list-style-type: none"> The Future Proof Strategy was endorsed in June 2022 and aligns with the Urban Growth Agenda (UGA) objectives and the Hamilton to Auckland (H2A) Corridor Plan and the Hamilton-Waikato Metropolitan Spatial Plan. The Future Proof Partnership will begin work later this year to develop a Future Development Strategy (FDS) in time to inform the 2024 Long Term Plan as required under the National Policy Statement on Urban Development (NPS-UD). There is a focused cross-agency effort to accelerate Priority Development Areas (PDA's) with significant progress being made to review each PDA and identify focus areas for 2022/23. The Hamilton Waikato Metro Spatial Plan Transport Programme Business Case was endorsed in principle in June 2022 and the final programme was due to be presented in September 2022. The programme presents a real opportunity for the delivery of integrated transport, as well as housing and urban development outcomes.
Tauranga and Western Bay of Plenty	<p>We are focused on ensuring our partners' medium to long term plans are clearly aligned with Government objectives and priorities.</p> <ul style="list-style-type: none"> Kāinga Ora is progressing master planning for Ferncliffe Farms to deliver medium density housing. Medium Density Residential Standard and NPS-UD up-zoning is set to be implemented through Plan Change 33, significantly enabling more housing capacity in Te Papa Peninsula and across the city. Ōmokoroa: Kāinga Ora Infrastructure Acceleration Fund approved \$38.4 million for SH2 intersection (enabling 2,500 new houses to be built in the future). Further infrastructure support for housing delivery at Ōmokoroa and Wairakei is under negotiation.
Wellington-Horowhenua	<p>Rapid population growth in the Wellington region has resulted in a housing shortfall. Rents and house prices are now among the highest in the country, with new supply limited by a range of factors. We are actively involved in Wellington Regional Leadership Committee (comprising 10 councils, seven iwi members and central government), which takes a regional approach to addressing these issues. Since the Committee was set up in July 2021, the following key projects have progressed significantly:</p> <ul style="list-style-type: none"> Adoption of the Wellington Regional Growth Framework - a joint spatial plan that focuses on coordination and integration of housing and infrastructure over the next 30-years. <p style="text-align: right;"><i>(Continued on the next page)</i></p>

Partnership	Highlights in the past year
Wellington-Horowhenua	<p><i>(Continued from previous page)</i></p> <ul style="list-style-type: none"> Development of a Regional Housing Action Plan, which draws on collaboration, data sharing and agreed priorities from across the region to address housing affordability and supply issues. Focused cross-agency effort to accelerate seven housing and urban development projects known as Complex Development Opportunities, which will unlock housing opportunities and promote greater use of public transport. Supporting the Let's Get Wellington Moving programme to realise the housing density opportunities along the preferred transport route.
Queenstown Lakes	<p>The Queenstown Lakes area is experiencing growth pressures, with investment in infrastructure unable to keep up with the rate of growth. Despite the impacts of COVID-19, housing affordability remains an issue, particularly for key workers.</p> <p>The Whaiora Grow Well Partnership is addressing some of the growth challenges through a joint spatial plan, which was endorsed in July 2021. Implementation of the plan is well underway. Some highlights from 2021/22 include:</p> <ul style="list-style-type: none"> Development of a masterplan for Te Putahi / Ladies Mile. An Interagency Taskforce group has been set up to accelerate the delivery of this priority development area and to inform the 2024 Long Term Plan (LTP). The implementation of the masterplan will explore the application of urban development tools such as Infrastructure Funding and Financing (IFF) and the Specified Development Project pathway. A shift to enable higher density developments and better use of public transport through implementation of the NPS-UD, and the completion of a Mode Shift Plan in May 2022.
Hastings	<p>Our Hastings place-based partnership is in its third year, with strong leadership from Hastings District Council, working with iwi, housing providers, and other central government agencies. Highlights from 2021/22 include:</p> <ul style="list-style-type: none"> Achieving the short-term goal of building 200 additional public and affordable homes, including papakāinga, with a pipeline of further homes. Completion of a further 20 critical repairs on homes with children or elderly people suffering health conditions related to poor housing quality. Signing of a Whai Kāinga Whai Oranga agreement between Ngāti Kahungunu and government for the construction of 130 affordable rental homes. A strong focus on enabling future growth through infrastructure upgrades and planning changes. A strong focus on growing the local construction sector workforce and supporting young people through apprenticeships and school-based training.

Partnership	Highlights in the past year
Te Tai Rāwhiti	<p>We are working with local partners including iwi to deliver better housing outcomes for local communities with a particular focus on whānau in urgent housing need. We have also been working with Kāinga Ora to increase delivery of public housing.</p> <p>In the past year we have worked with iwi, Council, Manaaki Tairāwhiti, other government agencies, and other partners to develop the Tairāwhiti Regional Housing Strategy to help coordinate housing initiatives and programmes. We have worked directly with Toitu Tairāwhiti Housing Limited (TTHL) to finalise a model and secure funding to build 150 affordable homes on whenua Māori and complete the current building of another 51 affordable homes.</p>
Rotorua	<p>We have worked collaboratively with Rotorua Lakes Council, Te Arawa, and other government agencies to develop bespoke solutions to meet immediate needs. Together, we established Te Pokapū - the Rotorua Housing Hub, which is a single access point connecting people with the right support services. We have also directly contracted motels, which support around 180 whānau with children and a further 40 individuals or couples. Ongoing funding of \$147.5 million was committed through Budget 2022.</p> <p>We have also been working with a number of iwi groups to enable the development of housing on whenua Māori.</p> <p>At the request of Council, Te Arawa Lakes Trust, and Te Tatau o Te Arawa we have required the Medium Density Residential Standard be applied in Rotorua. This will enable more medium density residential development.</p> <p>Rotorua has also received infrastructure funding through the Shovel Ready Fund (\$55 million) and the Infrastructure Acceleration Fund (\$84.6 million) which will support housing delivery. Rotorua has also been identified as a priority area for the Affordable Housing Fund, which focuses on provision of affordable rental homes.</p> <p>These actions will increase the number of houses built in Rotorua and over time will reduce reliance on motels to provide emergency housing.</p>
Te Tai Tokerau	<p>We are working closely with a range of iwi and Māori entities, housing providers, councils, and other central government agencies to improve housing in Tai Tokerau through the joint Whai Kāinga work programme. In 2021/22 this has included:</p> <ul style="list-style-type: none"> Enabling a range of iwi and Māori housing delivery through funding, including for infrastructure, feasibility studies and capability building. Delivery of additional public housing. Supporting delivery of an iwi and Māori housing strategy for Te Tai Tokerau, led by the Te Tai Tokerau Māori Housing Collective. Supporting councils with spatial planning to accommodate and plan for growth, and adapt to climate change.

Te whanake ki ō mātau putanga whakahaeretanga: I tutuki i 2021/22

Progress towards our organisational outcomes: Achieved in 2021/22



Kāinga Ora

Kia maha ake ngā whare More houses

He kaupapa hanga whare tūmatanui, whakawhiti hoki
Public and transitional housing build programme

We are partnering to increase the supply of public and transitional housing. Working with Kāinga Ora and the community housing sector, this year we continued to make progress on our plans to increase the supply of public and transitional housing.

While the ongoing COVID-19 pandemic and headwinds across the construction sector have slowed our delivery compared to the previous year, this year:

- The number of public homes has increased by 1,683.
- The number of transitional housing places has increased by 1,088.



What are “headwinds”?

For housing and urban development, the term headwinds relates to:

- The availability and cost of building materials and labour
- Rising interest rates and tighter lending criteria (for both development finance and house purchases)
- Uncertain population growth and expectations of declining house prices.

Headwinds increase the risk of development being delayed or discontinued because key inputs are unavailable or delayed; and/or profit margins are squeezed by increased costs and risks.

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 Community Housing Providers (CHPs)^[1]. People can access public housing when they are assessed by Te Manatū Whakahiato Ora - Ministry of Social Development 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, 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.

^[1] Some public housing is leased by CHPs and Kāinga Ora from other owners and developers. However, there is a strong preference for Crown or CHP owned public housing.

Continuing to deliver our commitments

The Public Housing Plan 2021-2024 is the key response to increasing demand for public housing over the next two years. More public houses need to be built as quickly as possible. The Plan focuses on building new homes, with Kāinga Ora leading the delivery. We are also partnering with CHPs, iwi and Māori, and local government to address housing shortages.

The Public Housing Plan takes a place-based and MAIHI approach to respond to different housing needs, especially for Māori. It concentrates on locations where an urgent need exists for public housing. While public and transitional houses will continue to be delivered across Aotearoa, the focus will be on Far North - Taitokerau, Hamilton - Kirikiriroa, Tauranga, Rotorua, Gisborne - Tairāwhiti, Napier - Ahuriri, Hastings - Heretaunga, Palmerston North - Papaioea, and Whanganui.

The 8,000 places in the Public Housing Plan 2021-2024 are 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).

Over the last four years, to June 2022, 8,982 additional public homes have been delivered. This includes full delivery against the Public Housing Plan 2018-2022 as well as more than 1,600 homes delivered for supported housing^[2] and refugee resettlement programmes. While we have been unable to fully deliver against further funded places, due to COVID 19 and headwinds across the construction sector, it is intended that these homes will be delivered over the next two years alongside the Public Housing Plan 2021-2024. (Refer to page 88 for more information on Public Housing appropriation and performance.) Also, by June 2022, 2,869 transitional housing places had been delivered. This includes full delivery against the Homelessness Action Plan (HAP) and over 90 per cent of the Public Housing Plan 2021-2024 places. (Refer to page 90 for more information on Transitional Housing appropriation and performance.)

Housing First

Housing First is a collective response to homelessness in a community. The service helps place people into housing and provides tailored support for as long as it is needed, helping them remain housed and addressing the issues that led to their homelessness. Housing First recognises it is much easier for people to address complex needs, such as mental health and addiction, once they are housed. Our role is to bring together local health and social service providers, housing providers, local government, iwi, and other agencies to kickstart and contract delivery of the programme.

Since its inception in 2016, 4,804 households across 11 locations have been accepted into the programme. As at 30 June 2022, we had 1,729 households engaged in the programme and housed, or housed and graduated from the programme. We are making good progress towards our goal of 2,875 Housing First places by June 2025.



Urban planning and investment system - ensuring it is designed to support housing and urban outcomes

He whakahoutanga whakahaeretanga rauemi, pēnei i te whanaketanga o Te Anga Whakamahere ā-motu

Resource management reform, including development of the National Planning Framework

Alongside Manatū Mō Te Taiao - Ministry for the Environment, we are supporting the Government's commitment to repealing and replacing the Resource Management Act 1991 (RMA).

Specifically for Te Tūāpapa Kura Kāinga, the reform has the potential to address significant drivers of housing supply shortages, improve long term strategic planning, and support urban development. This will form part of our work programme in the year ahead.

The RMA will be replaced with three new Acts:

- **Natural and Built Environments Act** - which, in addition to protecting the natural environment, requires councils to better enable housing and development in their plans, and provides a mechanism for central government to set policy direction for the whole system. This would be the primary replacement for the RMA.
- **Spatial Planning Act** - that enables local government, central government, and iwi to better integrate land use and environmental and infrastructure planning so our regions are better able to respond to future opportunities and challenges.
- **Climate Change Adaptation Act** - to address complex issues associated with managed retreat and funding and financing adaptation.

A key goal for the reforms is to shift from an effects-based system that has often preserved the status quo, to an outcomes-based system that is focused on the things we want the system to deliver, including improved housing supply and choice, and support for Māori housing aspirations.

Our place-based partnerships provide a good foundation for informing the work on the Spatial Planning Act and future Regional Spatial Strategies. We will continue to contribute to this work programme by sharing lessons learnt from practice.

^[2] Housing First, Rapid Rehousing and Creating Positive Pathways programmes.

Te whakauru i ngā ritenga me ngā hangarau hou (te panoni rānei i ngā mea inamata) me te whakamahi hei whakautu i ngā ākinga o te wā

Put the right settings and tools in place (or adjust existing) and utilise them to respond to the current headwinds

We provide advice on residential market headwinds to mitigate the impact on affordable housing supply, including maintaining momentum of the Government build programme.

The construction sector is currently facing increasing headwinds that are likely to impact its ability to keep delivering housing at the pace and scale that are needed. As outlined on page 27, these headwinds include rising cost and limited availability of building materials, labour and development financing, and expectations of declining house prices (due to tighter lending criteria, rising mortgage costs, and uncertain population growth).

New dwelling construction cost inflation was 18.3 per cent in the year to March 2022. House prices have seen a 9.5 per cent fall from the peak in November 2021 (REINZ House Price Index). Over the last year there has been a provisional net migration loss of 10,700 (i.e. a drop in population of around 0.2 per cent), suggesting that the drop in prices cannot be explained by a reduction in real demand, but instead is being driven by other factors.

Collectively, these factors increase the likelihood that some planned developments won't proceed in a timely manner – either because the critical inputs are not available, or they are no longer commercially attractive to developers and their financiers. There is a particular risk that this will disproportionately impact delivery of the types of housing we need most, including affordable housing for both ownership and rent, denser housing sold 'off the plans', and housing in regional locations which already have marginal development economics.

Some of the underlying challenges relate to long-standing issues, which have been exacerbated by COVID-19 and the unwinding of monetary stimulus. There is already an extensive range of policy and legislative reforms underway across government that will increase the sector's capacity and capability, productivity, and resilience to future shocks over time. We have also worked with other agencies to advance more immediate responses to specific issues (e.g. the availability of plasterboard).

Further work on realising and implementing these opportunities will continue in the 2022/23 year.

Te tautoko i ngā kaunihera hei whakauru i te NPS-UD me te RMA Enabling Housing Supply Amendment Act

Support councils to implement the NPS-UD and RMA Enabling Housing Supply Amendment Act

The National Policy Statement on Urban Development (NPS-UD) supports housing intensification in our cities and directs councils to plan better for future growth and to enable well-functioning urban environments.

In 2021, Te Tūāpapa Kura Kāinga, along with the Manatū Mō Te Taiao -Ministry for the Environment (MfE), supported ministers to enact the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (EHS Act). The EHS Act brings forward implementation of the NPS-UD's intensification policies and directs certain councils to adopt the medium density residential standards (MDRS) which permit three storeys, and three dwellings on most residential sites in New Zealand's largest cities, without the need for a resource consent.

Once implemented, these policies will significantly increase the development capacity for new homes in New Zealand. The timelines for councils to implement the NPS-UD vary by policy and depending on which of three tiers of urban development the council is in.

Councils are making good progress with implementing the NPS-UD. As at June 2022:

- All tier 1 and 2 councils have completed the housing parts of their Housing and Business Development Capacity Assessments (HBAs)
- Almost all councils have removed minimum carparking requirements
- Most tier 1 and 2 councils were on track to notify intensification plan changes to enable more medium and high-density housing by the 20 August 2022 deadline.

Alongside MfE, we are regularly engaging with relevant councils to support implementation of the EHS Act and the NPS-UD.

Indicators	Results	Trend ^[3]										
Number of new residential building consents ^[4]	<table border="1"> <caption>Number of new residential building consents</caption> <thead> <tr> <th>Year ended June</th> <th>Results</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> </tbody> </table>	Year ended June	Results	2019	34,804	2020	37,614	2021	44,331	2022	50,736	
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^[3] Where sufficient data is available, we have included an indicative trend. These have not been statistically tested for significance.

^[4] Stats NZ (2022). Building consents issued: June 2022. <https://www.stats.govt.nz/information-releases/building-consents-issued-june-2022/>

^[5] Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (2022). The Government Housing Dashboard. <https://www.hud.govt.nz/research-and-publications/statistics-and-research/the-government-housing-dashboard/>

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

New infrastructure supporting the development of housing

Ngā Kaupapa Nui – Porirua ki te Rāwhiti me Tāmaki Large Scale Projects – Eastern Porirua and Auckland

Over the past year, the government has announced large investments from the recently created \$3.8 billion Housing Acceleration Fund into urban renewal projects in Eastern Porirua and Auckland. These projects are fixing major infrastructure issues and developing build-ready land to enable the build-out of housing with neighbourhoods being delivered now and to be completed over the next 16 years. The government’s contribution is expected to be complemented by funding from councils.

Auckland’s Large Scale Projects have received an almost \$2 billion allocation in the past year for water, transport, and community infrastructure across Mt Roskill, Mangere, Tāmaki, Oranga, and Northcote. Works include water main renewal and sewage and storm water system upgrades, land decontamination, as well as improvements to roads and footpaths.

This infrastructure will enable build-out of up to 17,800 new homes on Kāinga Ora land, comprising a mix of public, affordable, and market-priced homes. This includes replacement of 4,400 public houses reaching the end of their useful life and creation of an additional 2,100 new public homes. An additional 11,300 market and affordable houses will also be enabled. In addition, the infrastructure is estimated to enable up to 11,000 potential additional dwellings on private land. Houses are estimated to be delivered over the next 16 years, with the majority of houses enabled in the next 10 years.

The Government also announced a \$136 million investment in the Eastern Porirua Large Scale Project (also known as the Porirua Development). The Porirua Development will: unlock capacity for up to 2,000 additional homes on private and government-owned land, replace water infrastructure to service existing and future homes, address long-term degradation of the harbour Te Awarua o Porirua, and create up to 250 jobs. Work is already well underway to resolve key network infrastructure issues, particularly around Cannon’s Creek East.

Te mātai me te aroturuki i te tukuhanga o Kāinga Ora me te Tahua Whakatere Hanganga

Oversee and monitor Kāinga Ora delivery, including the Infrastructure Acceleration Fund

We support and enable Kāinga Ora to deliver. We work in partnership with Kāinga Ora and use its ‘on the ground’ experience. We monitor its progress and provide assurance to ministers.

We monitor the performance of Kāinga Ora (a Crown entity) and Tāmaki Redevelopment Company Ltd (a Public Finance Act 1989 Schedule 4A company) to ensure they are meeting system objectives. We advise the responsible ministers on board appointments, board performance, proposals and investment cases, and the setting and clarifying of expectations for each entity.

As investment in the housing sector has increased, so have the activities that Kāinga Ora undertakes on behalf of the Government. As each investment is established, we work closely with Kāinga Ora to design and implement reporting which provides fit for purpose information on the progress of the investments as well as risks which may impact on the investments.

For example, regular reporting on Public Housing delivery has been instigated during the year as well as progressing reporting on long term programmes such as the Large Scale Projects and Infrastructure Acceleration Fund.

We are continuing to draw on expertise from across the public sector, including Te Kawa Mataaho - Public Service Commission, to embed monitoring best practice including increasing our capability around business case analysis, and we work collaboratively with the entities and their boards.

The billion-dollar Infrastructure Acceleration Fund (IAF) will help enable more housing development where a lack of infrastructure is preventing homes from being built. Allocations from the IAF to date will provide over \$185m in funding to unlock development of 8,400 homes over 20 years in Porirua, Rotorua, Ōmokoroa, Kaikōura, Ōtaki, Napier, Gisborne and New Plymouth. A further 28 projects are undergoing due diligence and negotiations for future IAF allocations.

Te Hōtaka Whenua hei Whakatū Kāinga

Land for Housing programme

The Land for Housing programme builds on previous Crown Land programmes (the Crown Land Development Programme and the Christchurch Housing Accord Appropriation) and purchases vacant or underutilised Crown and private land throughout New Zealand that is suitable for housing developments.

The land purchases through this programme are 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, 79 per cent of contracts involve iwi development partners.

Since 2015, a total of 284 hectares of land has been purchased or is administered under the programme. These sites are estimated to provide 9,192 new houses. Of these new homes, 2,314 are KiwiBuild or affordable homes, 1,285 are public homes, and 5,593 are market-priced homes. To date, 1,378 homes have been built and eight full developments have been completed.

In the 2021/22 year, seven land acquisitions were settled, totaling almost 28 hectares of land (including Crown and private land). This land is estimated to deliver 1,060 homes once fully developed. It is estimated that 202 will be KiwiBuild homes, 150 public housing, and 708 market-priced homes.

Three Development Agreements (that enable the delivery of homes on the land) were negotiated and agreed in 2021/22. These agreements will result in 480 homes being constructed on almost 7 hectares of land. Of these, 181 will be delivered as KiwiBuild homes and 299 will be delivered as market-priced homes.



Te whakamahi i te ārahitanga o Te Tūāpapa Kura Kāinga i Te Kaupapa Whakatipu Tāone hei whakatutuki i ngā whāinga whare, tāone hoki mā te whakarite tohutohu mahitahitanga o ngā ratonga, tūhononga, whakaawenga hoki puta noa i te kaupapa whakahou pūnaha

Use our leadership of the Urban Growth Agenda to achieve housing and urban objectives by setting cross-agency direction, connecting and influencing across the system reform programme

The Urban Growth Agenda (UGA) is a cross-portfolio work programme to improve urban outcomes in response to the challenges facing our urban areas.

This work aims to remove barriers to the supply of land and infrastructure and make room for cities to grow up and out. The UGA ministers group that governs the programme includes the Ministers of Housing, Infrastructure, Transport, Local Government, and the Ministers for Building and Construction and the Environment.

The objectives of the UGA are:

- Affordable housing - Giving people more and better options for housing locations and types, to improve housing affordability in urban areas.
- Emissions reductions - Encouraging, enabling, and incentivising lower emission urban form and construction.
- Liveable and resilient cities - Making urban areas more accessible and inclusive, and increasing resilience to natural hazards and climate change impacts.

The UGA is built on five pillars:

- Infrastructure Funding, Financing, and Delivery — to enable a more responsive supply of infrastructure and appropriate cost allocation, while supporting stable funding systems.
- Urban Planning — to allow for cities to make room for growth, support quality built environments and enable strategic integrated planning.
- Urban Growth Partnership — to build a stronger partnership with iwi and Māori, and between local and central government as a means of developing integrated spatial planning.
- Levering and Integrating Transport — to ensure low-carbon, well-connected public and active transport through transport investment and land use across the pillars.
- System Coherence — to ensure that regulatory, institutional, and funding settings are integrated and mutually reinforcing, and that an urban development perspective is included across government reforms.



Photo: Kāinga Ora

Whakatika i ngā raru hanganga pūtea, tahua mauroa

Addressing long-term infrastructure funding and financing issues

Under the Urban Growth Agenda, we have worked with relevant government agencies to address the infrastructure funding, financing, and delivery barriers that continue to constrain achievement of the Government's long-term housing and urban development objectives. This includes:

1. Supporting a more stable and responsive infrastructure funding system
2. Addressing the institutional barriers and incentives which may limit the uptake of new and existing tools.

Te whakauru i te Infrastructure Funding and Financing Act (IFF)

Implementing the Infrastructure Funding and Financing Act (IFF)

The Infrastructure Funding and Financing Act 2020 (IFF Act) looked to address a key barrier to infrastructure provision by creating a new model where a Special Purpose Vehicle (SPV) can be set up to fund new and upgraded infrastructure projects that support housing and urban development, in a way that does not impact council balance sheets. SPVs and levies are approved on a case-by-case basis by Cabinet on the recommendation of the Minister of Housing. A reasonable degree of certainty around key elements of a project (e.g. planning, consenting, land acquisition) is needed before an IFF levy can be recommended.

We perform multiple roles under the Act, including the role of “recommender” and “monitor”. We provide advice to the responsible minister and Cabinet should any levy proposals be received and we monitor any SPVs and levy orders that are approved by Cabinet and implemented.

Crown Infrastructure Partners (CIP) has a non-statutory role to work with councils, developers, and other parties to develop proposals to use the IFF levy system. Currently CIP is working closely with Tauranga City Council and Wellington City Council on three potential levy proposals and is in earlier stages of discussions with other councils. We have worked closely with CIP and the Treasury to prepare to receive any levy proposals, reflecting our independent roles under the Act.

We expect to receive the first levy proposal in late 2022, and further proposals in 2023. We will support the Minister of Housing, and Cabinet, to consider any levy proposals that are received.

We encourage councils and developers to consider the IFF as a possible funding option and support cross-government policy work where the IFF is being considered as an option for funding projects that support housing and urban development.

Te Whai kia Panoni i ngā Pūnaha Puta Noa i ngā Wāhi Matua Work Towards System Change Across Key Areas

Urutau ki te hurihanga āhuarangi Work towards climate change response

Housing and urban development both impact, and are impacted by, climate change. Patterns of urban development, and housing size and quality, influence household transport and energy use emissions. Additionally, our homes, cities, and infrastructure need to adapt to cope with a changing climate. The GPS-HUD sets out that reducing emissions and supporting communities to adapt to the impacts of climate change are priorities for housing and urban development.

We are supporting cross-Government work programmes to reduce emissions and adapt to the impacts of climate change and, in 2022, this resulted in the development and launch of Aotearoa's first Emissions Reduction Plan and National Adaptation Plan.

We can reduce emissions via the housing and urban development system. One example is by supporting energy efficient buildings, and 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 damaged, destroyed, or less liveable.

In 2022/23, we will begin work to implement actions in the Emissions Reduction Plan and National Adaptation Plan. The Emissions Reduction Plan actions we will co-lead are:

- Support emissions reductions and climate change resilience via policy, guidelines, direction, and partnerships on housing and urban development.
- Address infrastructure funding and financing challenges.
- Improve the evidence base and tools for understanding and assessing urban development and infrastructure emissions.
- Identify ways to support the private sector to deliver lower emissions development.

Our responses to climate change also include the following:

- Co-leading sections of the Emissions Reduction Plan (ERP) and National Adaptation Plan (NAP).
- Implementing the direction in the GPS-HUD.
- Supporting the development of well-functioning urban environments via the NPS-UD.
- Supporting emission reduction and adaptation to the impacts of climate change via our place-based partnerships.
- Supporting the Urban Growth Agenda (UGA) - in 2021, the UGA objectives were updated to focus on: affordable housing, emissions reductions, and liveable and resilient cities.
- Supporting the resource management reform project.
- Supporting development of the Climate Adaptation Act, which is part of the resource management reform project and is intended to address the technical and legal aspects of managed retreat.

Indicators	Results
Amount of funding available with the purpose of supporting new infrastructure	<p>In the year ending June 2022, \$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 allocated to the Infrastructure Acceleration Fund. Within the Infrastructure Acceleration Fund (the Fund) there are three components that have been allocated funding:</p> <ol style="list-style-type: none"> 1. Kāinga Ora large scale projects <ul style="list-style-type: none"> • \$1.996 billion has been allocated to Auckland's Large Scale Projects • \$136 million has been allocated to Eastern Porirua's Large Scale Projects 2. A competitive fund <ul style="list-style-type: none"> • Over \$185 million has been allocated to development projects in Porirua, Rotorua, Ōmokoroa, Kaikōura, Ōtaki, Napier, Gisborne and New Plymouth. An estimated \$1 billion has been allocated to this competitive part of the fund. 3. Infrastructure for Māori housing (associated to Whai Kāinga Whai Oranga) <ul style="list-style-type: none"> • \$350 million has been allocated to a Māori Infrastructure Fund
Number of projects focused on new infrastructure to support development of housing	<p>In the year ending June 2022:</p> <ul style="list-style-type: none"> • The Land for Housing Programme, which received additional funding through the Housing Acceleration Fund, settled seven land acquisitions. This land is estimated to deliver 1,060 homes once fully developed, including KiwiBuild, public and market-priced homes. Three Development Agreements were signed that will result in the development of 480 homes once fully developed, including KiwiBuild and market-priced homes. • Auckland's Large Scale Projects has infrastructure projects in five suburbs that will enable up to an estimated 40,100 new public, affordable, market and private dwellings to be built • Large Scale Projects in Eastern Porirua will enable up to 2,000 new homes on private and government owned land to be built • Projects being supported through Infrastructure Acceleration Fund will enable future development of 8,400 homes around the country. <p>The Māori Infrastructure Fund, as part of the Whai Kāinga Whai Oranga programme delivery has been allocated funding to deliver 2,700 infrastructure sites over the next four years.</p>

The Ministry of Housing and Urban Development is a lead agency for the following seven actions in the National Adaptation Plan:

- Reduce and manage the impacts of climate hazards on homes and buildings (co-led with MBIE).
- Embed adaptation in funding models for housing, urban development, and Māori housing.
- Work with community housing providers to enable effective climate response.
- Partner with Māori to support Māori-led approaches to adaptation planning.
- Partner with Māori landowners to increase the resilience of Māori-owned land, homes, and cultural sites.
- Update housing and urban settings.
- Identify options to increase the integration of nature-based solutions into urban form.





Kia nui atu ngā hokonga whare

Increased home ownership

Whai Kāinga Whakaahu Whakamua

Progressive Home Ownership

The Government's \$400 million Progressive Home Ownership 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 committed by June 2024. This will depend on the timing of applications by providers. The Fund focuses on new supply, in an effort to avoid an inflationary effect on house prices. It takes time for new homes to be built. While the fund may be fully committed by June 2024 the delivery of homes will depend on capacity in the construction sector. There are three pathways that assist eligible households to step into home ownership via arrangements such as shared ownership, rent-to-buy, or leasehold. We are directly responsible for the Provider Pathway and Te Au Taketake (the Māori Pathway), while the First Home Partner Pathway is administered by Kāinga Ora.

The First Home Partner pathway began operating in late 2021 with initial support from Westpac and BNZ as participating banks. Close to 4,000 applications have been received by Kāinga Ora during that time.

One provider is currently contracted through Te Au Taketake. A focus for this year has been to guide additional organisations through the process of becoming an Approved Provider. Te Rūnanga O Ngāi Tahu has recently been successful in achieving this and is expected to submit a delivery plan soon.

Additional providers have also been approved through the Provider Pathway this year, including Penina Trust and Ōtautahi Community Housing Trust. This has brought the total number of approved providers, across both Te Au Taketake (the Māori PHO pathway) and the Provider Pathway, to 12.

Financial modelling tools have also been developed to assist providers with the development of their PHO schemes, these have been published on our Te Tūāpapa Kura Kāinga website for providers to access.

Between the launch of the Fund in December 2020 and June 2022, 120 households have been helped into home ownership. As of 30 June 2022, the total number of houses contracted through the Fund, which includes those already delivered, was 260. Many of the providers are facing delays with construction, due to the ongoing COVID-19 pandemic and headwinds across the construction sector, which have limited the delivery of houses over the last year.



Rawa Kāinga Tuatahi

First Home Products

The First Home Products support first home buyers to overcome the deposit barrier to home ownership. The products are part of a range of home ownership initiatives available to support first home buyers on modest incomes.

First Home Loans allow eligible first home buyers to purchase with a 5 per cent deposit. First Home Loans are issued by selected banks or other lenders and are underwritten by Kāinga Ora. This allows lenders to provide loans that would otherwise fall outside their lending standards. First Home Grants provide eligible people up to \$10,000 to top up a deposit on a first home.

In 2021/2022, 5,756 grants were paid and 649 First Home Loans were accessed.

In May 2022, the Government announced changes to the products to increase uptake and make buying a home more accessible to first home buyers. Some of these changes include increasing house price caps for the First Home Grant, removing house price caps for the First Home Loan, and introducing a new income cap category to better support individual buyers with dependents. Funding agreed through Budget 2022 will support an additional 7,000 buyers to access the grant, and 2,500 buyers to access the loan in the next financial year.

Deposit Affordability Index

The change in deposit affordability indicator (Deposit Affordability Index) compares changes in house values with the growth in median household disposable (after tax) income. This provides a high-level indicator of whether saving a house deposit is becoming more or less affordable. The series will be available by regional council, territorial authority, and for all New Zealand. The index is in the final stages of development and will be reported on in future years.

KiwiBuild

The KiwiBuild programme supports the delivery of affordable homes for first home buyers.

In 2021/22, we undertook a review of KiwiBuild policy settings. The review considered what changes, if any, were required in order for the KiwiBuild programme to better meet its objective.

- The scope of the review included KiwiBuild price caps, potential exemptions to price caps, income caps, and the temporary policy changes introduced as a response to COVID-19 (which included changes to the definition of KiwiBuild eligible buyers and the back-up sale options provided to developers if a KiwiBuild home fails to sell to a KiwiBuild eligible buyer). We recommended a number of changes to KiwiBuild policy settings following the review. These changes, which are expected to also support the residential construction sector by giving it greater confidence to continue building, were agreed by Cabinet in June 2022 and came into effect in July 2022:

- Introducing a new income cap category for individual buyers with dependents - an income cap of \$150,000. This recognises that individual buyers with dependents may need to purchase a larger KiwiBuild home, which requires a higher income to afford.
- Lifting the income cap for multiple buyers from \$180,000 to \$200,000 to reflect the higher cost of KiwiBuild homes - particularly those with three bedrooms or more.
- Allowing exemptions to the price caps for homes that meet accessibility/universal design standards (in addition to those with four or more bedrooms) to encourage the delivery of more of these homes to better cater to those with accessibility needs and to larger, potentially intergenerational, families which are more common in Māori and Pacific communities.

The price caps will be reviewed again in approximately January 2023, to ensure the KiwiBuild programme remains responsive to changing construction costs and house prices.



Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Act 2022

We supported the passage of the Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Act 2022 through Parliament. The Amendment Act makes a range of changes to the Unit Titles Act 2010 to provide greater protections for unit owners and prospective buyers. The Amendment Act improves transparency and accountability of decision-making and introduces new requirements for body corporate managers.

The Amendment Act will support greater long-term planning of required maintenance, including clarity around funding of maintenance. The Amendment Act will reduce the costs of taking a unit titles application to the Tenancy Tribunal. It also introduces new tools for the regulator to encourage compliance with the Unit Titles Act 2010.

Indicators	Results	Trend										
Percentage of people living in owner-occupied homes	<p>In 2021, 63.5 per cent of people were living in owner-occupied dwellings. For Māori this was 47.5 per cent and for Pacific peoples 32.7 per cent. ^[6]</p> <p>In 2020, 62.7 per cent of people were living in owner-occupied dwellings. For Māori, this was 44.5 per cent and for Pacific peoples 30.3 per cent.</p> <p>In 2019, 62.8 per cent of people were living in owner-occupied dwellings. For Māori, this was 45.7 per cent and for Pacific peoples 31.6 per cent.</p>											
Proportion of lending to first home buyers (out of all buyer types) ^[7]	<table border="1"> <caption>Proportion of lending to first home buyers (out of all buyer types)</caption> <thead> <tr> <th>Year</th> <th>Percent %</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>16.9</td> </tr> <tr> <td>2020</td> <td>18.2</td> </tr> <tr> <td>2021</td> <td>18.1</td> </tr> <tr> <td>2022</td> <td>18</td> </tr> </tbody> </table>	Year	Percent %	2019	16.9	2020	18.2	2021	18.1	2022	18	
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^[6] Stats NZ (2022). HES Tenure by Ethnicity 2018 - 2021. <https://catalogue.data.govt.nz/dataset/hes-tenure-ethnicity-2018-2021>

^[7] Reserve Bank of New Zealand Te Pūtea Matua (2022). New residential mortgage lending by borrower type (C31). New residential mortgage lending by borrower type (C31) - Reserve Bank of New Zealand - Te Pūtea Matua (rbnz.govt.nz) (New residential mortgage lending by borrower type - C31 (Aug 2014-current))

Kia māmā ake ngā utu rēti

Increased rental affordability

Affordable housing – approach agreed to growing affordable housing options across public, community, and private market in the near and longer term

Ngā huarahi urupare i ngā hiahia ki ngā kāinga utu pai
Approach to addressing affordable housing need

We take a multi-pronged approach to improving the affordability of housing, focusing on:

- Increasing overall housing supply to address the current housing shortages that have accumulated over several decades, placing upwards pressure on rents and house prices. This primarily involves our work on system change, including input on the Resource Management Act reform and implementation of the National Policy Statement – Urban Development and Medium Density Residential Standards. These workstreams are focused on enabling the market to deliver housing at greater pace and scale within well-performing urban environments.
- Working with our development partners to deliver more modest and affordable homes than might otherwise be delivered (e.g., compact terraced housing that makes more efficient use of land, infrastructure, and materials). This includes supporting the provision of Kiwibuild and other modest homes through the Land for Housing Programme and our policy and monitoring oversight of Kāinga Ora.
- Providing subsidies or other financial support to improve affordability for those households that cannot afford market housing costs, even for a modest home. This includes Affordable Housing Fund and the Progressive Home Ownership Fund as well as funding for public housing, transitional housing, and First Home Grants and Loans.

What is appropriate in a given location will depend on a range of factors, including local needs, and regional variations in house prices, rents, incomes, and development costs. Our place-based and MAIHI approaches help us to identify how these three strategies will need to be applied in different contexts.

A particular area of focus over the last year has been the development of the Affordable Housing Fund. This Fund will provide \$350 million in 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.

The first Affordable Housing Fund round, announced this financial year and launched in August 2022, 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 Fund has been designed to leverage partnerships with a diverse range of investors, philanthropic organisations, developers, and housing providers. Future funding rounds will respond to changing market conditions and could consider needs in different locations, demand for different types of housing, and new opportunities to attract more investment in affordable housing.



Indicators	Results	Trend
Regional Rental Affordability Index ⁽⁸⁾	<p>In the year ended June 2021, the following regions had an improvement in rental affordability:</p> <ul style="list-style-type: none"> Auckland region (+2.5%) Nelson region (+1.3%) <p>In the year ended June 2021, the following regions had a decrease in rental affordability:</p> <ul style="list-style-type: none"> Bay of Plenty region (-1.9%) Canterbury region (-2.5%) Gisborne region (-4.0%) Hawke's Bay region (-6.0%) Manawatu-Wanganui region (-7.1%) Marlborough region (-4.7%) Northland region (-4.8%) Otago region (-4.8%) Southland region (-3.8%) Taranaki region (-6.5%) Tasman region (-3.8%) Waikato region (-1.3%) Wellington region (-1.0%) West Coast region (-4.1%) 	No trend

⁽⁸⁾The use of the regional rental affordability index allows us to demonstrate change over time. In the year ended June 2021, the national rental affordability index had an improvement of 0.1%.

Kia maha ake ngā whare nā te Māori

More Māori-led housing

Whai Kāinga Whai Oranga

Ko Whai Kāinga Whai Oranga, he kaupapa hou i whakarewatia i te Oketopa 2021, he kaupapa i uruhi ngātahitia e Te Tūāpapa Kura Kāinga me Te Puni Kōkiri, kua whakaterere i te tukunga o ngā kāinga ki ngā iwi Māori. I te Hune 2022, 700 ngā kāinga i hangaia hei tuku ki ngā whānau Māori, 286 ngā whakahoutanga ki ngā whare i puritia, i nōhia hoki e ngā Māori, ā, 885 ngā wāhi hangahanga i waihangatia. Ka mahi ngātahi mātou ki ngā iwi mā te whakarite i ngā hononga e whā, kia tuku i ētahi ara auaha, ka mutu ki ngā wāhi e hia nei i ngā whare Māori. Kia whai i te ara ‘mā te Māori, mō te Māori’ me whai take anō hoki ā mātou mahi ngātahi ki ngā iwi me te Māori kia hāngai, kia kaua e hanga noa.

He whāinga whā tau tā mātau hei tuku kia 1,000 ngā kāinga hou, kia whakatikāngia te 700, me ngā wāhi hangahanga 2,700. Me te aha, kua tautokona e mātau te 26 kaupapa Māori hei whakatipu i ō rātau āheinga ki te tuku kāinga.

He wāhanga nui o ēnei kāinga me ngā wāhi hangahanga ka tukuna i roto i ngā rohe whakaarotau ā-wāhi matua e ngā iwi me ngā kaupapa nā te Māori. Ko ngā kaupapa nei ka whakaahua i te anga tuatahi mō ngā kaupapa tuku whare nā te Māori tuku iho tere, āwhata hoki, ka ata i ngā hiahia ā-rohe me te whakamahi i ngā whenua nō te Māori. Ko tētahi wāhanga o te kaupapa nei, ā, mā roto i te ritenga MAIHI, kei te kite mātau i ngā hua o te tautoko i ngā huarahi kaupapa Māori kia noho ko ngā whānau ki te pūtake o ā mātau mahi.

He tautoko ngāwari ā-pūkenga nā ngā ratonga Māori, iwi hoki hei tautoko i ngā whānau e hiahia whare ohotata ana

I te Tahua 2022 ka whai wāhi ko ētahi pūtea mā ngā iwi, me ngā kaiwhakarato Māori ki te tuku huarahi kaupapa Māori ki ngā ratonga karapoti. Ko te tahua mō tēnei kaupapa e \$25 miriona i ngā tau e whā.

Ko te whakangao ki ngā ratonga karapoti Kaupapa Māori ka āwhina i te Māori ka rongo, e rongo ana rānei i te kāinga koretanga, kia āhei te toro atu ki ngā taunaki e tika ana, e whakamana ana, e whaiwhakaaro atu ana i o rātau uara, wawata hoki.

Whai Kāinga Whai Oranga

Whai Kāinga Whai Oranga, a new programme launched in October 2021, and jointly administered by Te Tūāpapa Kura Kainga with Te Puni Kōkiri, has accelerated the delivery of homes to iwi Māori. To June 2022, 700 homes were contracted to be delivered to whānau Māori, 286 repairs were carried out on Māori owned and occupied homes, and 885 infrastructure sites were created. We are partnering with iwi through the establishment of four prototypes, to deliver innovative approaches and in areas where Māori housing is most needed. Taking a 'by Māori, for Māori' approach also means we are working constructively with iwi and Māori to be bespoke and avoid the one size fits all view.

We have a four-year target to deliver 1,000 new homes, 700 repairs and 2,700 infrastructure sites. Additionally, we have supported 26 Māori entities to build their capability to deliver housing.

A large portion of these homes and infrastructure sites will be delivered in key place-based priority regions by iwi and Māori-led entities. These entities will prototype what a sustainable Māori-led housing delivery programme could look like at pace and scale, match local need, and utilise Māori-owned whenua. As part of this initiative, and through the MAIHI approach, we are seeing the benefits of supporting a kaupapa Māori approach to ensure whānau are at the centre of what we do.

Strengths-based flexible support from Māori and iwi providers to support whānau in urgent housing need

Budget 2022 includes funding for iwi and Māori providers to deliver kaupapa Māori approaches to wraparound supports. The funding for this initiative is \$25 million over four years.

Funding kaupapa Māori wraparound support will mean Māori who are at risk of, or experiencing, homelessness can access culturally appropriate, mana-enhancing support that reflects their values and aspirations.

Ko te tuku pūtea ki ngā tautoko aro whānui ka āwhina i ngā iwi me ngā ratonga Māori i te urupare wāteatea ake ki ngā hiahia o ngā whānau. Ko ngā kaiwhakarato ka whai pūtea ki te tuku ratonga tautoko e aro ana ki ngā pūkenga (te whakamahi i ngā tikanga Māori me Te Ao Māori).

Whenua Māori – kei te panoni te pūnaha kia taea ai e ngā Māori te hanga ki runga i ō rātau ake whenua.

Arotake i ngā taunahua o te hanga ki runga whenua Māori

He tokomaha ngā whānau Māori e hiahia ana ki te whakamahi i ō rātau whenua hei whakawhanake kāinga, hapori hoki, ā, i ngā tau maha kua āki i te turakitanga o ngā taunahua kua whakakore i tēnei.

Kei te whai mātau i tētahi arotaketanga ki ngā taunahua ki te hanga whare ki runga whenua Māori, whenua Māori herekore rānei. Kei te tiroiro mātau ki ngā huarahi hei tiaki i te whenua Māori, pēnei i te pupuri ā-hapori me te tautoko i ngā iwi Māori kia eke ki te tino rangatiratanga.

Ko tēnei mahi he huarahi hei tautohu i ngā rongoā ki ngā taunahua ā-pūnaha mō ngā Māori e hoki nei ki ō rātau whenua, ā, e rite tonu nei te whakaea i ngā raru kua kōrerotia e ngā kaitāpae i Te Rōpū Whakamana i Te Tiriti o Waitangi, “Wai 2750” Housing Policy and Services Inquiry. Mā ngā panonitanga pūnaha whaimana ka nui atu ai ngā whare ka hangaia e te Māori ki ō rātau whenua, ka whakapiki i ngā putanga whare mō ngā Māori me te whakamahi i ngā whānau, whakatipuranga mai, whakatipuranga atu.

Funding kaupapa Māori wraparound support will also help iwi and Māori providers respond more flexibly to whānau needs. Providers will be funded to deliver strengths-based support services (utilising traditional Māori tikanga and Te Ao Māori).

Whenua Māori - system is changing so Māori can build on their own land

Review of barriers to building on whenua Māori

Many whānau Māori want to use their whenua to develop papakāinga, and over many years have advocated to reduce the barriers which have prevented this.

We are undertaking a review of barriers to building homes on whenua Māori or Māori freehold land. We are exploring approaches that are protective of whenua Māori, including communal ownership, and support iwi Māori to achieve tino rangatiratanga – self-determination.

This work is an opportunity to identify solutions to the systemic barriers Māori face to building connections to their whenua, and proactively address issues raised by claimants in The Waitangi Tribunal Claim “Wai 2750” Housing Policy and Services Inquiry. Meaningful system changes will mean more Māori build housing on their whenua, improving housing outcomes for Māori and empowering whānau intergenerationally to ensure a positive journey for future generations.



Arotake i ngā pūtea taurewa whenua Kāinga

Nō te whakaurutanga o ngā Pūtea Taurewa Whenua Kāinga (2010), kua kōrero ngā Māori i ō rātau māharaharatanga ki te rawa, mā roto hoki i te Wai 2750 Kaupapa Inquiry. Ko ngā paearu i roto i ngā taurewa he uaua te eke mō te tokomaha Māori.

I te tahua 2022, i taurangi te Kāwanatanga ka panoni rātau i te kaupapa Pūtea Taurewa Kāinga Whenua. Ko te tuanui pūtea taurewa ka piki i te \$200,000 ki te \$500,000 kia nui atu ngā kōwhiringa me ngā āheinga mō ngā tāngata e hanga ana, e hūnuku ana, e hoko ana rānei i tētahi kāinga ki runga whenua Māori. Ko te moni kuhu 15 ōrau mō ia tāra ka whakataurewatia ki runga ake o te \$200,000 me utu.

Review of Kāinga whenua loans

Since the implementation of Kāinga Whenua Loans (the Loans) in 2010, Māori have raised their concerns with the product, including through the Wai 2750 Kaupapa Inquiry. The requirements placed on the Loans make them inaccessible for many Māori.

In Budget 2022, the Government announced a change to the Kāinga Whenua Loan scheme. The loan cap will be increased from \$200,000 to \$500,000, to provide more choice and opportunities for people building, relocating, or purchasing a home on whenua Māori. A deposit of 15 per cent of every dollar borrowed over \$200,000 is required.

Indicators	Results	Trend																								
Amount of funding available with the purpose of supporting more Māori-led housing	<p>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.</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> </tr> </thead> <tbody> <tr> <td>He Kūkū ki te Kāinga</td> <td>\$672,500.00</td> <td>\$13,941,762.09</td> <td>\$31,971,819.49</td> </tr> <tr> <td>He Taupua</td> <td>\$489,500.00</td> <td>\$2,989,483.65</td> <td>\$1,448,537.66</td> </tr> <tr> <td>He Taupae</td> <td></td> <td>\$971,000.00</td> <td>\$633,681.30</td> </tr> <tr> <td>Māori Infrastructure Fund</td> <td></td> <td></td> <td>\$13,917,211.00</td> </tr> <tr> <td>Total</td> <td>\$1,162,000.00</td> <td>\$17,902,245.74</td> <td>\$47,971,249.45</td> </tr> </tbody> </table>	Financial Year	2019/20	2020/21	2021/22	He Kūkū ki te Kāinga	\$672,500.00	\$13,941,762.09	\$31,971,819.49	He Taupua	\$489,500.00	\$2,989,483.65	\$1,448,537.66	He Taupae		\$971,000.00	\$633,681.30	Māori Infrastructure Fund			\$13,917,211.00	Total	\$1,162,000.00	\$17,902,245.74	\$47,971,249.45	
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Kia maha ake ngā whare mahana, maroke hoki

More warm and dry homes

Whakahou i ngā Paearu Kāinga Hauora

Amending the Healthy Homes Standards

In response to rental sector feedback, we amended some of the healthy homes standards for rental properties through the Residential Tenancies (Healthy Homes Standards) Amendment Regulations 2022.

Amendments include changes to the heating requirements, to reflect the higher thermal performance of new homes built to the 2008 building code requirements for insulation and glazing and certain apartments, as well as other minor changes to the ventilation and moisture ingress and drainage standards.



Indicators	Results	Trend
Percentage of households reporting living in homes with dampness or mould	<p>In 2020/2021, 4.3 per cent of people lived in households reporting a major problem with dampness or mould. This figure was 8.3 per cent for Māori and 10.4 per cent for Pacific peoples.</p> <p>In 2020/2021, 18.3 per cent of people lived in households reporting a minor problem with dampness or mould. This figure was 26 per cent for Māori and 21.5 per cent for Pacific peoples. ^[9]</p> <p>In 2019/2020, 5 per cent of people lived in households reporting a major problem with dampness or mould. This figure was 10.3 per cent for Māori and 14.3 per cent for Pacific peoples.</p> <p>In 2019/2020, 20.1 per cent of people lived in households reporting a minor problem with dampness or mould. This figure was 25.9 per cent for Māori and 30.5 per cent for Pacific peoples.</p> <p>In 2018/2019, 5.7 per cent of people lived in households reporting a major problem with dampness or mould. This figure was 12.2 per cent for Māori and 17.7 per cent for Pacific peoples. ^[10]</p> <p>In 2018/2019, 21 per cent of people lived in households reporting a minor problem with dampness or mould. This figure was 28.4 per cent for Māori and 30.4 per cent for Pacific peoples. ^[11]</p>	
Level of compliance with the healthy homes standards	<p>As of June 2021, more than four in five (85 per cent) landlords say they have done things to prepare their rental property/properties to meet the Standards, or that their rental is already compliant. ^[12]</p> <p>As of June 2020, 77 per cent of landlords had done things to prepare their rental property/properties to meet the Standards. ^{[13] [14]}</p>	No trend available

^[9] Stats NZ (2022). HES Warm and Dry / Damp or Mould 2021 by ethnicity. <https://catalogue.data.govt.nz/dataset/hes-warm-dry-damp-mould-2021-ethnicity>

^[10] Stats NZ (2021). HES 2019-20 DampOrMould KeepHouseWarm WarmDry. <https://catalogue.data.govt.nz/dataset/hes-2019-20-dampormould-keephouse-warm-warmdry>

^[11] Stats NZ (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/0caab06b-8cb7-465c-ba77-78391fa5c0dd>

^[12] Kantar Public (formerly Colmar Brunton) (2022). Healthy Homes Guarantee Act monitoring: Wave 2 research 2021. <https://www.hud.govt.nz/assets/Uploads/Documents/Healthy-homes-topline-report-2021-report-updated-05.04.22.pdf>

^[13] Colmar Brunton (2021). Healthy Homes Guarantee Act monitoring: baseline research 2020. <https://www.hud.govt.nz/assets/Uploads/Documents/Healthy-Homes-Guarantee-Act-monitoring-baseline-research-2020-topline-report.pdf>

^[14] New response categories were added in the 2021 Healthy Homes Top line Report, so results are not directly comparable with the 2020 baseline results.

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

More support provided to people in housing need

Nōhanga ohotata Emergency housing

Te Mahere Kāinga Koretanga Homelessness Action Plan

In February 2020, the Aotearoa New Zealand Homelessness Action Plan was introduced. Through the immediate actions within it, the Government aims to support over 10,000 people at risk of or experiencing homelessness over three years (2020-2023).

A review of the first 18 months of the Homelessness Action Plan was undertaken between August and October 2021. This review was informed by insights from sector experts, from the government agencies leading immediate actions, and the cross-agency working group supporting the action plan.

The review noted good progress on the Homelessness Action Plan has been made to date, including delivery of 1,005 Transitional Housing places as of February 2021. Delivery of further transitional houses continues through the Public Housing Plan 2021-2024.

Other notable achievements during the first 18 months of the plan included:

- Redesigning the service and increasing the number of Sustaining Tenancies places and piloting a rapid rehousing approach. Sustaining Tenancies works to prevent homelessness by funding community-based services to help individuals, families and whānau who are at risk of losing their tenancy.
- New accommodation places to support young people leaving Oranga Tamariki care.
- Implementing pilots to support people leaving acute mental health and addiction inpatient units.

- Expanded support to people in emergency housing, including Housing Brokers and Ready to rent courses.
- Developing new accommodation places to support women leaving prison and offenders returning from overseas.
- Investment delivered through He Kūkū ki te Kāinga, to support Māori housing providers and other Māori and iwi providers to expand supply, and He Taupua to build the capacity of hapū, iwi, and Māori organisations.
- Completion of round one of the Local Innovation and Partnership Fund.

The review recommended work in the following five areas which is now underway:

- Strengthening the Homelessness Sector to be more responsive to the needs, issues and challenges experienced by Māori and building the capacity of organisations to provide kaupapa Māori approaches and solutions to reduce homelessness for Māori.
- Ongoing delivery of public and transitional housing.
- Support for rangatahi/young people experiencing, or at risk of homelessness.
- Improving access to health and mental health and addiction support for people experiencing homelessness.
- Strengthen prevention measures aimed at improving the use of emergency housing over time.

Whare Whakawhiti mō ngā rangatahi

Transitional Housing for youth

We are improving support for young people experiencing homelessness by growing the capacity in the transitional housing sector. At June 2022, 12 providers had been approved to deliver youth-focused transitional housing. In this service, rangatahi are provided with a living environment that is modelled on existing Transitional Housing services and provides support for 6 to 12 months as well as a greater intensity of wraparound support.

At June 2022, providers were already delivering approximately 70 dedicated places for rangatahi/young people across Aotearoa New Zealand. There is a need to grow the sector and bring on greater supply, and we are in active conversations with transitional housing providers about projects that could boost the number of supported housing places for youth. Through Budget 2022, \$20 million of Homelessness Action Plan funding will be used to expand the number of youth-focused transitional housing places.

A second initiative, also funded for \$20 million over four years, will see the development of a supported accommodation service for youth and rangatahi who are at risk of homelessness and who have higher and more complex needs.



Te mahi tonu i ngā urupare KOWHEORI-19

Continuing our COVID-19 response

In 2021/22, we have continued to contribute to the All of Government COVID-19 response at a system level with a focus on accommodation support and assisting vulnerable New Zealanders in community and supported housing. Given the previous work we had done during 2020^[15], we were well-placed to continue with this work.

We have supported the establishment of the National Alternative Accommodation Service (NAAS), which provides access to accommodation for COVID-19 cases who cannot safely self-isolate at home. At June 2022, the NAAS has provided accommodation for more than 2,500 cases. The service supports the Care in the Community model led by the Manatū Hauora - Ministry of Health and welfare model led by the Te Manatū Whakahiato Ora - Ministry of Social Development. It is administered by Hikina Whakatutuki - Ministry of Business, Innovation and Employment (MBIE) and the Minister of Housing has overall responsibility for the service.

We provided guidance and support to the community housing sector working alongside peak bodies and partner agencies. Guidance assisted providers to interpret public health advice with a focus on housing issues, such as the use of vaccine certificates in community housing. We worked closely with other agencies to ensure that people in the community and supported housing system have access to health and food services, access to MIQ facilities where needed, and that housing provider staff are classified as critical workers and are eligible to access RATs, PPE and masks under Omicron settings. We have also supported a small number of providers to secure additional short-term housing where it was needed.

^[15] From March 2020, we worked with other government agencies, housing providers, iwi and Māori organisations to find accommodation and provide wrap-around support for homeless and vulnerable people during the Level 4 lockdown. At the peak of this response, 1,200 motel places were secured in 16 towns and cities. We continued to work with providers to transition people housed through the COVID-19 response to longer term housing, bringing forward places through the Housing First and Rapid Rehousing programmes to do so.



Ko ngā Whakahaere Kaituku Whare Hapori ka whakataurangi puta noa i te pūnaha

Regulating Community Housing Providers gives assurance across the system

The Community Housing Regulatory Authority (the Authority) registers and monitors community housing providers (CHPs) against prescribed Performance Standards, to ensure their tenants are appropriately housed. The Authority also supports the growth of a fair, efficient and transparent community housing sector. The community housing sector plays an important role in providing public housing, often doing so in areas where there is little or no other public housing available. Additionally, Māori CHPs are well placed to provide housing solutions which meets local need, including building papakāinga on whenua Māori.

There are currently 16,197 properties provided by 70 registered Community Housing Providers (CHPs), 24 of which identify as Māori providers. Of the 10 additional CHPs who achieved registration status in the last year, 6 of these were Māori CHPs.

Focus on Māori community housing providers:



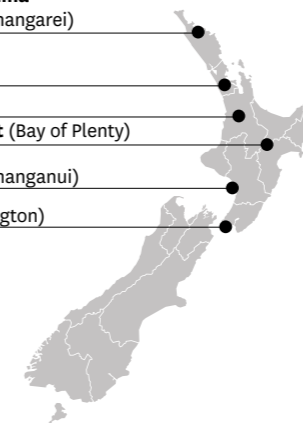
Māori providers now represent 34 per cent

of the total register of community housing providers and provide 1,784 long-term tenancies (i.e. either public or affordable rental housing).



The new CHPs registered since 1 July 2021 which identify as Māori CHPs, are:

- One Double Five Whare Āwhina Community House Trust (Whangarei)
- Te Kāinga Atawhai Housing Limited (Auckland)
- Matawhaanui Trust (Huntly)
- Whakaatu Whanaunga Trust (Bay of Plenty)
- Tupoho Housing Limited (Whanganui)
- Poua Ki Raro Limited (Wellington)



The Authority has continued to look for opportunities to grow the community housing sector in 2022 and has had an active focus on providing additional information and support to Māori providers who were interested in registration. We participated in an online emerging CHP wānanga in May, which was hosted by Te Matapihi and supported by the Auckland Māori Statutory Board and the Auckland Council. This was attended by representatives from approximately 20 Māori housing providers.

Ngā waeture tūkinō ā-whānau tārewa

Pending family violence regulations

Family violence withdrawal notice regulations and termination for assault regulations under the Residential Tenancies Act 1986

The Residential Tenancies Amendment Act 2020 included provisions to enable tenants who are victims of family violence to leave a tenancy with two days' notice, and to enable landlords to terminate tenancies with 14 days' notice where the tenant assaults the landlord/owner, their family member or agent. We have undertaken targeted consultation with stakeholders on the detail of the family violence withdrawal notice regulations and termination for physical assault regulations. The consultation on the family violence regulations included who should be able to write a letter as evidence of family violence.

We expect the regulations to come into effect in 2022/23.



Te whai i ngā whakahoutanga me ngā arotakenga hei tiaki i ngā pūnaha whakariterite

Undertake required updates and reviews to steward the regulatory systems

Te whakaritenga o ngā kaiwhakahaere rawa

Regulation of property managers

This year we consulted on proposals for the regulation of residential property managers. The proposals aim to promote public confidence in the delivery of residential property management services and protect the interests of property owners, tenants, and other consumers.

While residential property managers who are members of industry bodies follow minimum competency and practice standards, the sector as a whole is not regulated.

The proposed regulatory regime would:

- Establish professional entry standards for residential property managers, including minimum training requirements.
- Establish industry practice standards for the delivery of residential property management services.
- Provide accountability through an independent, transparent, and effective disciplinary and complaints resolution process.

An independent regulator would be established, responsible for:

- Education and professional development
- Registration and licensing
- Standard-setting
- Compliance management and disputes resolution.

The Government aims at introducing legislation to the House this Parliamentary term.

Indicators	Results	Trend										
Support provided to people in housing need	<p>In 2021/2022: 1,216 households achieved housing stability through engaging in Housing First^[16] (604 households) and Sustaining Tenancies^[17] (612 households).</p> <p>In 2020/2021: 1,064 households achieved housing stability through engaging in Housing First (810 households) and Sustaining Tenancies (254 households).</p> <p>In 2019/2020: 505 households achieved housing stability through engaging in Housing First.</p> <p>Note: Sustaining Tenancies data is only available from October 2020.^[18]</p>											
Number of distinct clients ^[19] who were granted Emergency Housing Special Needs Grants each year ^[20] ^[21]	<table border="1"> <caption>Number of distinct clients granted EHSNGs</caption> <thead> <tr> <th>Financial year ending June</th> <th>Number of 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> </tbody> </table>	Financial year ending June	Number of clients	2019	12,363	2020	19,113	2021	21,141	2022	19,305	
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^[16] Housed over the year

^[17] Households successfully exiting the service over the year

^[18] Data for Sustaining Tenancies prior to Oct 2020 is incomplete, since a small portion of Sustaining Tenancies providers were reporting at the time.

^[19] Distinct clients will only count clients once in a period.

^[20] Annual figures provided by the Ministry for Social Development.

^[21] "Number of distinct clients who were granted EHSNGs" is an indicator that is currently available to provide some context for the "support provided to people in housing need" organisational outcome. While it gives insight into housing need, it is not a direct indicator of HUD's organisational performance.

^[22] Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (2022). The Government Housing Dashboard. <https://www.hud.govt.nz/research-and-publications/statistics-and-research/the-government-housing-dashboard/>

Te hauora me te āheinga o te rōpū whakahaere

Organisational health and capability



This year we have continued to build our foundations, ensuring we have a healthy organisation and the right capability to achieve our kaupapa and deliver housing system change for Aotearoa New Zealand.

Our new leadership model took effect in early 2022, and around the same time we expanded our office space in Wellington, bringing new teams together to create a greater sense of community.

GPS-HUD me te MAIHI Ka Ora e whanake ana mā roto i te mahitahi me ngā whanaungatanga puta noa i te pūnaha, ka whai wāhi ko ētahi atu tari e hīkaka ana ki te whai

GPS-HUD and MAIHI Ka Ora implementation progressing through collaboration and partnerships across the system, including other agencies motivated to action

MAIHI Ka Ora whakahaere rautaki whakatinana me te pūrongo auaua

MAIHI Ka Ora implementation plan coordination and regular reporting

MAIHI Ka Ora, te Rautaki Whare Māori ā-Motu i whakarewaina i te 29 o Hepetema 2021.

MAIHI Ka Ora, the National Māori Housing Strategy was launched on 29 September 2021.

Ko te aronga o te rautaki ko te tuku rautaki ahunga ki ngā kaupapa here, hātepe, kōwhiringa whakangaotanga o te wā me te anamata ka whai pānga ki ngā whare Māori. Ko te rautaki nei ka amo i te anga MAIHI hei mahi, ā, ka whakamahi i te hanga o anga 'urupare, tautuhi anō me te arotake' hei arataki i ngā whāinga rautaki mō ngā whare Māori pae tata, pae tawhiti hoki.

The purpose of the strategy is to provide strategic direction to current and future policy, process and investment decisions that impact Māori housing. The strategy elevates the MAIHI Framework for Action and uses the framework's 'respond, reset, and review' structure to guide the strategic goals for Māori housing over the immediate and long term.

Ko te rautaki hou i tuhia ngātahitia e te Karauna me te Māori, ā, ka kōrero pū i ngā wāhi whakaarotau kua whakaaetia, he aronga ngātahitanga, ngā mahi pae tata me ngā whāinga pae tawhiti, te whakatinana me ngā rūri haepapa.

The new strategy was written in partnership between the Crown and Māori and clearly articulates the agreed priority areas, a shared vision, immediate actions and long-term goals, implementation and accountability measures.



Ko MAIHI Ka Ora i whakawhanake whakararatia me te Te Taurangi Kaupapa Here a Te Kāwanatanga mō ngā Whakawhanaketanga Whare, Tāone anō hoki (GPS-HUD). Ka whakawhanake ngātahi i ētahi tuhinga ka āhei ai te whakahāngai i ngā ahunga rautaki puta noa i te GPS-HUD, MAIHI, me te Rautaki Whare Māori, hei wāhi whakatau aronga pae tawhiti mō te pūnaha whare, tāone hoki.

Ko te Rautaki Whakatinana o MAIHI Ka Ora i whakarewaina i Te MAIHI Whare Wānanga i te 11 o Maehe 2022. Ko ngā āpiha puta noa i ngā tari maha, e ārahina ana e Te Tūāpapa Kura Kāinga, kua timata hoki i ngā mahi kaupapa here i tautohua i te Rautaki Whakatinana, pēnei i te arotakenga o ngā taurewa Kāinga Whenua, me te arotakenga o ngā taunahua ki te hanga i runga whenua Māori. Ko ngā arotakenga kaupapa here nei ka haere tonu puta noa i te tau 2022.

I ia ono marama, ko ngā mahinga katoa i te Rautaki Whakatinana o MAIHI Ka Ora ka pūrongotia. Ko tētahi pūrongo i te hātepe o te Rautaki Whakatinana ka tukuna ki Te MAIHI Whare Wānanga ki ngā hui ā-tau. Ko tēnei ka tuku pūrere haepapa hirahira e whai wāhi nei te Karauna, iwi me Māori.

MAIHI Ka Ora was developed in parallel with the Government Policy Statement on Housing and Urban Development (GPS-HUD). Developing these key documents together enables us to align strategic direction across the GPS-HUD, MAIHI and the Māori Housing Strategy, as part of setting the long-term direction for the housing and urban system.

The MAIHI Ka Ora Implementation Plan was launched at Te MAIHI Whare Wānanga on 11 March 2022. Officials across a range of agencies, led by Te Tūāpapa Kura Kāinga, have also commenced policy work identified in the Implementation Plan, such as the review of the Kāinga Whenua Kāinga Whenua loans, and the review of barriers to building on whenua Māori. These policy reviews will continue throughout 2022.

Every six months, each of the actions in the MAIHI Ka Ora Implementation Plan is reported on. A report on the progress of the Implementation Plan will be provided to Te MAIHI Whare Wānanga at the annual meetings. This provides an important accountability mechanism that involves the Crown, iwi and Māori.

GPS-HUD whakahaeretanga whakatinana me te pūrongo auau

GPS-HUD implementation coordination and regular reporting

The GPS-HUD states the Government's long-term vision for the housing and urban development system and provides expectations to Kāinga Ora and other agencies. The finalised GPS-HUD was published on 28 September 2021.

The GPS-HUD will help to align our ambitious work programme, providing a context for good decision-making oriented to clear long-term objectives. It will provide specific direction and support to Kāinga Ora as the Government's lead urban developer and public housing provider, and it will inform and guide the decisions and actions of all other government agencies involved in housing and urban development.

Input from iwi and Māori partners, local government, community partners, and the broad range of groups and organisations who play a part in the housing and urban system has been crucial to the development of the GPS-HUD. It has helped us to build a greater understanding of what our partners and stakeholders and the general public want for the future and how we might get there. Ongoing engagement is also essential to ensure the GPS-HUD has a broad level of support and is providing the direction needed.

The GPS-HUD is an important strategic document and needs to be activated through a range of decisions and actions by Government and other key organisations. In 2022/23, we are implementing actions with other agencies. We will also work with key stakeholders to support their understanding and application of the GPS-HUD.

He whanaketanga nui ka rapu i roto i ngā panonitanga whakahaere me te kaupapa whakapai o Kia Renarena

Significant progress sought through our organisational change and improvement programme, Kia renarena

In the second half of 2021, we embarked on our Kia renarena work to develop a clearer, collective understanding of our role in the housing and urban system, and what that means for how we work and the capability and structure we need to enable that. This work led to a new leadership model, structure, and ways of working.

Refer to page 72 for more information on this and our governance and risk.

I piki ngā āheinga i te ao Māori me ngā mātauranga ki ngā pānga o te whakataihenuatanga me te whakarenarena i ngā hononga ki ngā iwi

Ārahi i te WAI 2750 – Wāhanga 1 urupare, Wāhanga 2 whakauru i te kaupapa rangahau, whakauru i te arotake haepapa Tiriti

Wāhanga Tuatahi o te Pakirehua Whare Wai 2750 a Te Rōpū Whakamana i Te Tiriti o Waitangi (i rongo i ngā kokoraho e hāngai ana ki te kāinga koretanga o te Māori mai i te tau 2009 ā mohoa nei) i whakakapia i te hikunga o te 2021. Kei te whakarite Te Rōpū Whakamana i Te Tiriti o Waitangi i tētahi pūrongo mō te Wāhanga Tuatahi, ka whai wāhi ko ngā kitenga me ngā tohutohu ki te Kāwanatanga. Kei Te Rōpū Whakamana i Te Tiriti te āhua ki te wā.

Ko tētahi o ngā tino rārangī pātai kua tonoa te Karauna ki te whakatika ko te whakamārama i te āhua me te nui o te haepapa ki te Karauna hei tuku whare, ratonga whare, tautoko rānei i raro i Te Tiriti. E whakatika nei te Karauna ki te whakaō ki Te Rōpū Whakamana i Te Tiriti o Waitangi hei te hikunga o te 2022, tīmatanga rānei o te 2023.

Putā noa i te tau 2022, kua whai te Karauna i tētahi arotakenga ki ngā raru i kōrerotia i te Wāhanga Tuatahi me tāna i urupare ai, tāna e urupare ana rānei ki ērā. Ko te Wāhanga Tuatahi o te Wai 2750 Housing Inquiry ka tū hei te 2022/23.

Increased our te ao Māori capability and knowledge of the impacts of colonisation and strengthened our partnerships with iwi

Leading Wai 2750 – Stage 1 response, Stage 2 including research programme, including the Treaty duty assessment

Stage One of the Waitangi Tribunal's Wai 2750 Housing Inquiry (which heard claims concerning Māori homelessness, from 2009 to the present day) concluded in late 2021. The Waitangi Tribunal is preparing a report on Stage One which will include findings and recommendations for the Government. The timing is dependent on the Tribunal.

One significant line of questioning that the Crown has been asked to address is to clarify the nature and extent of the Crown's duties to provide housing and/or housing services/assistance under Te Tiriti/the Treaty. The Crown intends to provide a response to the Waitangi Tribunal by the end of 2022/early 2023.

Throughout 2022, the Crown has undertaken an audit of issues raised in Stage One and how it has responded, or is responding, to them. Stage Two of the Wai 2750 Housing Inquiry will occur in 2022/23.

Te Whakarenarena Whanaungatanga o te Māori ki te Karauna – whakatutuki i ngā haepapa Tiriti, whakatipu i te mōhiotanga puta noa i Te Tūāpapa Kura Kāinga

Kua oti i a mātau tētahi kaute o ngā haepapa whare e hāngai ana ki Te Tiriti o Waitangi. Nā tēnei kua pai ake te kite me te māramatanga puta noa i te manatū mō ō mātau haepapa Tiriti o Waitangi. Ko te mahi nei kua tuku pae hei whakarenarena ake i ngā whanaungatanga Māori ki te Karauna.

Kua tūhono mātau ki ngā kaupapa kāwanatanga tini mā roto i ngā whakaritenga Whakataunga Tiriti, ā, e haere tonu nei ngā tūhonotanga hei whakarenarena i te whanaungatanga, me te tautoko i ngā wawata whare o ngā Māori.

Hei āpiti, ka whai wāhi ki te hātepe whakataunga Tiriti o Waitangi ō-mua e ārahina ana e.

Te Arawhiti, kua tūhono mātau ki ngā rōpū ā-iwi huhua hei whakaora i te whanaungatanga.

E pūmau ana Te Tūāpapa Kura Kāinga ki te whakapai ake i ngā ratonga me ngā putanga mō te Māori, me te whakarenarena i te whanaungatanga o te Karauna ki te Māori. I a mātau ka noho i raro i te Karauna, me mahi mātau hei hoa Tiriti me whakaū hoki mātau i te whakatinanatanga o ngā hiahia o te Māori. Me māia, me āhei te katoa ki te whakarenarena whanaungatanga me te Māori, me te whakatutuki i ngā haepapa o te hoa Tiriti.

I te tau 2021, i whakatau Te Tūāpapa Kura Kāinga i te Whāinga Amorangi: Transforming Leadership Framework and Māori Crown Relationships te kaupapa e ārahina ana e Te Arawhiti, ā, ko tāna whai ko te whakawhanake i ngā āheinga o te ratonga tūmatanui kia pai ake ai te tūhono ki ngā Māori me te mārama ki ngā tirohanga Māori.

He urupare ki te wāhanga tuatahi o Whāinga Amorangi ko te titikaha o tō mātau Toihau a Andrew Crisp ki te whakatipu i ōna mōhiotanga, māiatanga ahurea hoki.

Whāinga Amorangi Wāhanga Rua: Te whakakaha i te tangata, e ono ngā matatautanga, e rua me whai. I whakatau Te Tūāpapa Kura Kāinga ka āhuaatua mātau i ā mātau whāinga ki te whakawhanake i ngā mōhiotanga ahurea o ā mātau tātanga i ngā wāhanga aronga e ono.

Strengthening Māori Crown relationship – meet Te Tiriti/Treaty obligations, raise awareness across Te Tūāpapa Kura Kāinga

We have completed a stocktake of housing related Te Tiriti o Waitangi/Treaty of Waitangi commitments. This has provided greater visibility and understanding across the Ministry of our Te Tiriti o Waitangi Treaty of Waitangi commitments. This work has provided a platform to further strengthen our Māori-Crown relationship.

We have engaged with several post-governance entities through high-level Treaty Settlement arrangements and ongoing engagement to enhance our relationship and support Māori housing ambitions.

In addition, as part of the historical Te Tiriti o Waitangi/Treaty of Waitangi settlement process lead by Te Arawhiti – The Office for Māori Crown Relations, we have engaged with several iwi groups on relationship redress.

Te Tūāpapa Kura Kāinga is committed to improving services and outcomes for Māori and strengthening the Crown's relationship with Māori. As part of the Crown, we are charged with operating as a Treaty partner and ensuring the aspirations of Māori are enabled. All our people need the confidence and capability to build effective relationships with Māori and fulfil our obligations as a Treaty partner.

In 2021, Te Tūāpapa Kura Kāinga committed to the Whāinga Amorangi: Transforming Leadership Framework and Māori Crown Relationships programme led by Te Arawhiti – The Office for Māori Crown Relations and is targeted at developing the capability of the public service to better engage with Māori and understand Māori perspectives.

In response to Whāinga Amorangi phase one is the commitment by our Toihau – Chief Executive, Andrew Crisp to building his cultural capability and confidence.

Whāinga Amorangi Phase Two: Empowering People, comprises six competencies, two of which are compulsory. Te Tūāpapa Kura Kāinga decided we would be audacious in our commitment to develop the cultural capability of our people in all six focus areas.



E whai ake nei ko ngā whāinga o roto i tā mātau Whāinga Amorangi - Te Tūāpapa Kura Kāinga Mahere Whakahaeretanga:

1. Ko te itinga ko te 50 ōrau o Te Tūāpapa Kura Kāinga ka hāneanea (tipu) ki runga ake rānei ka matatau ki **Te Hītori o Aotearoa me Te Tiriti o Waitangi** hei te Matariki 2022.
2. Ko te itinga ko te 50 ōrau o Te Tūāpapa Kura Kāinga ka hāneanea (tipu) ki runga ake rānei ka matatau ki **te reo Māori** hei te Matariki 2022.
3. Ka poipoi mātau i tētahi taiao ko ngā **kawa me ngā tikanga** ka whakatōkia kia hāneanea (tipu) ai ā mātau tāngata.
4. Ka whakangao mātau ki ā mātau tāngata kia hāneanea (tipu) ai ki te whakawhiti kōrero me te mārama ki te **mana taurite tuakiri me te kaikiri whakahaeretanga**.
5. Ka tuku huarahi mātau ki ā mātau tāngata ki te tūhono, kite, rongō me te ako **mātauranga tirohanga ā-ao**, me te whakatipu i ō rātau māramatanga, māiatanga (pihi) hoki.
6. Mā te whakauru me te āki i ā mātau kaupapa me te whakawhanake i te mōhio o ā mātau tāngata ki te MAIHI ka hāneanea (tipu) rātau ki **te toro ki te Māori**.

Ka tā mātau Mahere Whakahaere Whāinga Amorangi i tautokotia e Te Arawhiti, ā, i ngākaupai ngā whakahokinga kōrero a te pae mātanga e takawaenga ana i ngā tukunga mahere whakahaeretanga puta noa i te rāngai tūmatanui.

The following are the commitments made in our Whāinga Amorangi - Te Tūāpapa Kura Kāinga Organisational Plan:

1. At least 50 per cent of Te Tūāpapa Kura Kāinga will be at a comfortable (tipu) or above for **New Zealand history and Te Tiriti o Waitangi literacy competency** by Matariki 2022.
2. At least 50 per cent of Te Tūāpapa Kura Kāinga will be at comfortable (tipu) or above for **te reo Māori competency** by Matariki 2022.
3. We will foster an environment where **kawa and tikanga** is embraced so that our people may feel comfortable (tipu).
4. We will invest in our people being comfortable (tipu) with discussing and **understanding racial equity and institutional racism**.
5. We will provide opportunities for our people to engage, see, hear and learn **worldview knowledge** and build their understanding and confidence (pihi).
6. Through embedding and driving our kaupapa and developing our people's understanding of MAIHI our people will be comfortable (tipu) with **engaging with Māori**.

Our Whāinga Amorangi Organisational Plan was endorsed by Te Arawhiti and received positive feedback from the expert panel tasked with moderating the organisational plans submitted from across the public sector.

Ngā mahi whakawhanake mātauranga

Ko te kaupapa o Te Tūāpapa Kura Kāinga ka whakatau i te Māori ki te pūtake o ā mātau mahi. Ko ā mātau kaimahi ka ako karakia, waiata hoki kua titoa kia hāngai ki tā mātau kaupapa me tōna hiranga, uara hoki. Ka tākina whakahihitia ngā karakia i te tīmatanga o ngā hui, ka waiatatia te waiata hei turuki, hei whakanui i ā mātau kaimahi, mahi hoki.

Ko ā mātau kaimahi hou ka pōhiritia mā te mihi whakatau ka whakahaeretia e ō mātau kaiārahi, ā, ko ā mātau kaimahi ka tautokona kia mārama te wāhi ki a rātau me te hirahiratanga o te mihi whakatau me ngā tikanga kei tōna pūtake.

Ahakoā ngā here nā te KOWHEORI-19, kei te pai tō mātau whanake ki te whakatutuki i ā mātau whāinga whakahaeretanga o Whāinga Amorangi. Ko te taumata tūhono me ngā whakahokinga kōrerotanga mō ā mātau akoranga, huarahi whanake hoki kua ngākaupai, ka taunakitia tēnei mā te pūrena o ngā ohauru. Ka kōrerotia tēnei i raro iho nei:

Ngā mahi whakawhanake mātauranga I Learning and Development Opportunities

The kaupapa of Te Tūāpapa Kura Kāinga puts Māori at the heart of what we do. Our people are supported to learn karakia and waiata specifically composed to align with our kaupapa and their significance and value. The karakia are recited with pride at the beginning of hui and waiata sung to support and celebrate our people and work.

Our kaimahi hou are welcomed with mihi whakatau facilitated by our leaders and our people are supported to understand the part they play and the significance of mihi whakatau and the tikanga that underpins it.

Despite limitations caused by COVID-19, we are progressing well to achieve our organisational goals of Whāinga Amorangi. The level of engagement and feedback that our current learning and development opportunities has been positive this is evidenced by always being oversubscribed. This is discussed on the following pages.

<p>Whare Kōrero – ka aro ki te whakatipu i te mōhio ngātahi o Te Tūāpapa Kura Kāinga ki Te Tiriti o Waitangi me te ahua i te ahurea ka tauawhi, ka urupare hoki ki Te Ao Māori i roto i te tika. He 'kaupapa ako ā-marae', ā, he huarahi kia tipu ai te mōhio o ā mātau kaimahi ki ngā kōrero o te mahitahi me Te Tiriti o Waitangi me te whakawhanake i ō rātau āheinga ahurea i roto i tētahi 'whare wānanga, whare kōrero', taketake.</p> <ul style="list-style-type: none"> Ko ngā here KOWHEORI-19 i pā ki tō mātau āhei ki te whakatū Whare Kōrero, ā, i taea anake e mātau te tuku kotahi te wānanga i Orongomai Marae. Ko tā mātau whāinga ko te whakatū kia rua i te tau. Ahakoa kihai i taea i te tau ka hori, e whakatika nei mātau ki te whakawhānui i tērā whāinga mā te whakatū kia rua i te tau hou. Ko te hunga i tae ki te Whare Kōrero i rukua e te maioha mō te wheako me te tūhono ki te hau kāinga. <p>Groundwork – Wānanga Whakahaere Panonitanga I tua atu i ngā Whare Kōrero ka tuku akoranga ā-wānanga mātau ki te āwhina i ā mātau kaimahi kia marama ake, kia whakauru hoki i Te Tiriti o Waitangi ki ā rātau mahi i a mātau ka hōkai kia tū hei whakahaeretanga e ārahina ana e Te Tiriti.</p> <ul style="list-style-type: none"> E 30 ōrau ā mātau kaimahi o te wā nei kua whai wāhi ki ngā mahi o Groundwork's, ā, kua oati a Te Tūāpapa Kura Kāinga ki te whakatū i ēnei wānanga kotahi te wā i te marama mō ngā marama e ono e tū mai nei. 	<p>Te Hitori o Aotearoa me Te Tiriti o Waitangi</p>	<p>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 narratives of partnership and Te Tiriti o Waitangi and develop their cultural capability in a traditional 'whare wānanga, whare kōrero' approach.</p> <ul style="list-style-type: none"> COVID-19 restrictions impacted our ability to facilitate Whare Kōrero and we were only able to offer one wānanga held at Orongomai Marae. Our goal was to hold two per year. Although we were unable to do so in the past year, we will look to extend that goal and hold two Whare Kōrero in the new year. Those who attended the Whare Kōrero, were overwhelmed with an appreciation for the experience as well as their engagement with hau kāinga. <p>Groundwork – Facilitating Change Workshops: 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.</p> <ul style="list-style-type: none"> 30 percent of our current workforce have now participated in the Groundwork workshops and Te Tūāpapa Kura Kāinga has committed to facilitating these workshops once a month for the next six months. 	<p>New Zealand history and Te Tiriti o Waitangi</p>
<p>Kāore anō mātau kia whai wāhi ki te toro ki ngā kōiriitanga o tēnei aronga. Kua aro mātau ki ngā kaupapa mana taurite me te kaikiri ā-whakahaeretanga i raro i ngā wānanga Te Tiriti mā roto i te kaupapa mahi o Groundwork's. Ka tirohia e mātau tēnei wāhi hei te tau hou.</p>	<p>Mana taurite me te kaikiri ā-whakahaeretanga</p>	<p>We have not had a real opportunity to explore this focus area in detail. We have addressed topics around racial equity and institutional racism as a biproduct of our regular Tiriti o Waitangi workshops through the Groundwork program. We will look to give more attention to this area in the new year.</p>	<p>Racial Equity and Institutional Racism</p>
<p>Ko tētahi o ngā tino mahi mā Te Tūāpapa Kura Kāinga hei whakarenarena i ngā whanaungatanga Māori ki te Karauna ko te tautoko i ngā kaupapa nā te Māori me te tono āwhina i ngā Māori mō ngā kaupapa maha. Ko te Whare Wānanga MAIHI ā-tau tuawhā i tū ki Te Tai Tokerau, ā, i whakakotahi i ngā iwi me ngā kaiwhakarato Māori.</p>	<p>Te tūhono ki te Māori</p>	<p>One of the key actions for Te Tūāpapa Kura Kāinga in building greater Māori-Crown relations is supporting Māori led initiatives and seeking Māori advice around various kaupapa. The fourth annual MAIHI Whare Wānanga was held in Te Tai Tokerau which brought together iwi and Māori providers.</p>	<p>Engagement with Māori</p>



<p>Taukaea: Te Rautaki Reo Māori a Te Tūāpapa Kura Kāinga</p> <p>I whakarewaina a Taukaea i te tau 2021, ā, ka whakataua i ngā hiahia o Te Tūāpapa Kura Kāinga ki te whakawhanake i te mōhiotanga ki te reo me ngā tikanga Māori o ā mātau kaimahi kia taea ai te tūhono ki ngā hapori o Aotearoa e rato nei rātau. E mōhio nei a Taukaea ko te reo me ngā tikanga Māori he kura ki te angitū o ngā mahi ngātahitanga ka waihangatia i raro i Te Tiriti o Waitangi.</p> <p>Ngā whāinga ā-whakahaeretanga kua tautohua ki Taukaea:</p> <ul style="list-style-type: none"> • Kia Kaha te Reo Māori – Ka uaratia te reo me ngā tikanga Māori, ka akiakitia te whakamahinga, ka tautokotia hoki te ako me te whanake. • Kia Horapa te Reo Māori – E tauawhi ana Te Tūāpapa Kura Kāinga i tētahi ahurea ko te reo me ngā tikanga Māori ka pōhiritia, whakatairangatia, kauanu-anutia hoki. • Kia Ora te Reo Māori – Ko Te Tūāpapa Kura Kāinga ka ārahi i ngā tūhonotanga mā ngā huarahi whakapiki i te mana o te reo me ngā tikanga Māori. <p>Ko ngā whāinga ā-whakahaeretanga nei ka whai kia waihangatia he ahurea e whakanui ana, e uara ana hoki i te reo me ngā tikanga Māori, ā, hei:</p> <ul style="list-style-type: none"> • Whanake tonu ki runga i te tūāpapa ka tukuna e tā mātau kaupapa • Tuku i ngā āheinga kia angitū ai te MAIHI • Whakatutuki i ngā whakapikinga āheinga o ngā mahitahitanga a te Māori me te Karauna kua tautohua e Te Arawhiti • Whakamahi i ngā nuku whakama-here reo kua whakawhanaketia e Te Taura Whiri i Te Reo Māori hei koha ki te whakatinanatanga o te whāinga a Te Whare o Te Reo Mauriora 	<p>Te Reo Māori Kawa me ngā Tikanga Mātauranga</p>	<p>Taukaea: Te Tūāpapa Kura Kāinga Māori Language Plan</p> <p>Taukaea was launched in 2021 and sets out the aspirations of Te Tūāpapa Kura Kāinga to develop the understanding of te reo and tikanga Māori of our people to enable the connection between our people and the communities of Aotearoa they serve. Taukaea recognises that te reo and tikanga Māori is key to the success of the partnership created through Te Tiriti o Waitangi.</p> <p>The organisational goals identified in Taukaea:</p> <ul style="list-style-type: none"> • Kia Kaha te Reo Māori – Te reo and tikanga Māori are valued, use is encouraged and learning development is supported. • Kia Horapa te Reo Māori –Te Tūāpapa Kura Kāinga embraces a culture where te reo and tikanga Māori is welcomed, promoted and respected. • Kia Ora te Reo Māori – Te Tūāpapa Kura Kāinga will champion engagement in ways that enhance the status of te reo and tikanga Māori. <p>These organisational goals are intended to create a culture that celebrates and values te reo and tikanga Māori and to:</p> <ul style="list-style-type: none"> • Build upon the strong foundation that Our Kaupapa provides • Enable the capability needed for MAIHI to succeed • Achieve the necessary Māori Crown relations capability lift identified by Te Arawhiti • Apply the language planning elements developed by Te Taura Whiri i Te Reo Māori contribute to realising the vision of Te Whare o Te Reo Mauriora. 	<p>Te Reo Māori Kawa and Tikanga Worldview knowledge</p>	<p>Te Kākano me Tipu</p> <p>Ko Te Kākano me Tipu ka tuku huarahi ako ki te whakatipu i ngā mōhiotanga ahurea me te māramatanga ki te reo me ngā tikanga Māori. Ko Te Kākano me Tipu ka whakahāngaitia kia ea ai ngā hiahia o ā mātau kaimahi.</p> <ul style="list-style-type: none"> • Ko Te Kākano he akomanga whakatipu mōhiotanga e ono wiki te roa, e whā ngā ranga i uru i te tau, ko tōna tapeke e 30 ōrau o ngā kaimahi i whai wāhi. • I te noho rāhuitanga i te tau 2021, i whakahāngai mātau i Te Kākano kia whakaakona ā-ipurangi, i tokoiti hoki. I ngā tūāhua e rua, ko ngā urupare a ngā kaimahi mō te kōunga o te akomanga i tipu ngākaupai. I ā rātau whakahokitanga kōrero, ko te nuinga o ngā ākonga i rongō i te hāneaneatanga i te reo me ngā tikanga Māori. Kāore e whai wāhi ki tēnei tapeke te hunga kāore i whai wāhi atu, heoi i wāhi mōhio kē ki te reo me ngā tikanga Māori. Ko te whāinga kia 50 ōrau ngā kaimahi e hāneanea (tipu) ana me te reo Māori kua whakawhānuitia ki te Matariki 2023. <p>Ko tā mātau ināianei, ko Tipu, kāore anō kia whakaurua nā te mea i mate mātau ki te tū, te whakahāngai me te timata anō i ngā akomanga Te Kākano puta noa i te tau. Ko te akomanga Tipu tuatahi ka wātea mō ngā rēhitatanga hei te Hepetema 2022.</p> <p>Aronui Wānanga</p> <p>Ko ā mātau kaiārahi matua (taumata 1-2) kei te ako hoki i te reo me ngā tikanga Māori. Ko ngā akoranga katoa he tahi ki te tahi, ā, kua hāngai ki te takitahi me ōna hiahia, wawata hoki.</p> <p>Mānawatia a Matariki</p> <p>I ara Te Kāhui o Matariki i te Paraire te 24 o Hune 2022, i tohu i te tau hou, ā, he wā hei huritao, whakanui, whakamahere hoki. Ko tā Te Tūāpapa Kura Kāinga i te wā o Matariki he whakanui mā te ako me te tuari kōrero mō Matariki, ko ngā whetū o te kāhui me ngā tohunga kōkōrangī kua noho manapou i te whakarauoratanga o ngā mātauranga Māori. Ko ngā mahi nei i aro ki te whakatipu i te mōhiotanga o ā mātau kaimahi ki te ao Māori me te waihanganga taiao e taea ai e ā mātau kaimahi te ako me te tuari.</p>	<p>Te Kākano and Tipu</p> <p>Te Kākano and Tipu offer learning opportunities to build cultural capability and understanding of te reo and tikanga Māori. Te Kākano and Tipu are tailored to meet the learning needs of our people.</p> <ul style="list-style-type: none"> • Te Kākano is a six-week cultural capability course, which saw four cohorts throughout the year, totalling 30 per cent of staff participation. • During 2021 lockdown period, we adjusted Te Kākano to be taught online and in limited capacity. In both cases, the responses by our people about the quality of the course was very encouraging. In their feedback, most participants felt a level of comfortability in te reo and tikanga Māori. This amount excludes a population of staff who did not attend the course, yet already have a level of comfortability in te reo and tikanga Māori. The goal of 50 per cent staff who feel comfortable (tipu) with te reo Māori has been extended to Matariki 2023. <p>Our next step course, Tipu, has not yet been implemented as we had to pause, adjust and recontinue Te Kākano courses throughout the year. The first course of Tipu will open for registration in September 2022.</p> <p>Senior Leadership</p> <p>Our senior leadership (Tier 1-2) are also undergoing te reo and tikanga Māori development training. Each session is one-on-one and individualised to meet their needs and aspirations.</p> <p>2022 Matariki celebrations</p> <p>Te Kāhui o Matariki rose on Friday 24 June 2022, which marked the new year and is a time of reflection, celebration, and planning. Te Tūāpapa Kura Kāinga during the time of Matariki celebrated by learning and sharing kōrero about Matariki, the whetū (stars) that make up the cluster and the tohunga kōkōrangī (experts) who have been instrumental in the revitalisation of mātauranga Māori. These activities were focused on growing our people's understanding of te ao Māori and creating an environment where our people feel free to learn and share.</p>
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Te Taunaki | Ngā pātai me ngā whakautu Tatauranga Ratonga Tūmatanui

Ko Te Taunaki he patapatai i whai wāhi tōna 60,000 kaimahi tūmatanui e mahi ana i ngā tari whakarato tūmatanui 36 (tari me ngā wāhanga tari), me ngā kaimahi o Aotearoa kei tāwāhi e noho ana. Ko ngā pātai patapatai i aro ki te kanorau, te whai wāhitanga, me te oranga ki te mahi, he Ratonga Tūmatanui whakakotahi, me te whakarenarena i ngā hononga Māori ki te Karauna.

Ko ngā hua o Te Taunaki ka whakaatu mārika ko ā mātau kaimahi kei te rongu e mahi nei rātau i tētahi taiao e uara ana i te reo me ngā tikanga Māori. I ngā wāhi katoa o Te Taunaki, ngā hononga Māori ki te Karauna, Te Tūāpapa Kura Kāinga i inea teitei ake i te tau toharite puta noa i ngā tari whakarato tūmatanui.

Mā roto i tēnei whanaketanga whakakipakipa ka whakatipu tonu mātau i ō mātau āheinga, māiatanga ki te ao Māori hei tūāpapa mō ngā āheinga ahurea. Hei te tau e tū mai nei ka whakawhānui mātau i tā mātau kaupapa hei tautoko i ā mātau kaimahi ki te whakawhānui i ō rātau mōhiotanga. E titikaha nei mātau ki te whakatipu tonu, me te aroturuki i ō mātau whanaketanga i ngā haepapa Whāinga Amorangi. Ko ngā reo o ā mātau kaimahi he inenga hirahira ki te tautoko i a mātau ki te whakahou, ki te tautoko hoki i ō rātau tipuranga, ka whakanui mātau i te kanorautanga me ngā whakahautanga ahurea mā te whakapiki ngā kaupapa ahurea hei whakawhānui, hei ata i a Aotearoa me tā mātau kaupapa.

Te Taunaki | Public Service Census questions and answers

Te Taunaki was a survey of approximately 60,000 public servants working in 36 Public Service agencies (departments and departmental agencies), including New Zealand employees based overseas. The survey questions focused on diversity, inclusion and wellbeing at work, a unified Public Service, and strengthening Māori-Crown relationships.

The results of Te Taunaki clearly demonstrate our people feel they work in an environment that values te reo and tikanga Māori. In all areas of the Te Taunaki in relation to Māori-Crown relations, Te Tūāpapa Kura Kāinga were rated higher than the average across other public service agencies.

With this encouraging progress we will continue to grow our te ao Māori capability and confidence as our foundation for cultural competency. Over the coming year we will broaden our programme to support our people in furthering their understanding. We are committed to continuing to grow and monitor our progress to the Whāinga Amorangi commitments. Our people's voice is an important gauge to assist us to continue to modify and support their growth, we will celebrate diversity and cultural imperatives through an increased range of cultural events to expand and reflect Aotearoa and our kaupapa.

Te kanorau me te whakawhāiti Diversity and inclusion

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; and create a workplace environment where our people feel a sense manaakitanga and whanaungatanga in their everyday experiences.

We run a programme of regular ‘pulse’ surveys so we can hear from our people about their experiences, and in 2021 over 88 per cent of our people participated in Te Taunaki, Public Service Census. Overall our results around inclusion were very positive, with over 90 per cent of our people believing we ‘support and actively promote an inclusive workplace’, and 83 per cent of our people feeling that ‘they can be themselves at work’.

To help bring our diversity and inclusion goals to life in a planned way, in 2021/22 we have been developing our diversity and inclusion approach. We are focusing on creating a thriving workplace community where our workforce reflects our kaupapa, where all of our people feel a sense of belonging, and where they are valued for their different ideas and contributions.

Papa Pounamu is a steering group of public sector chief executives, driving a programme of diversity and inclusion across the public service. We have made progress across most of the Papa Pounamu areas in 2021/22, and over the coming year we have committed to advancing this work as we further shift our focus to embedding diversity and inclusion into our culture and ways of working.

Our aim is that our workforce will increasingly reflect the diversity of the Aotearoa New Zealand public; our diversity increasingly reflects across all our groups and levels; and our mahi whānau express positive feelings of inclusion and belonging. We will track progress against Papa Pounamu expectations using feedback from our people, membership and contribution of our people-led networks. We will monitor changes we make to our systems and processes, and metrics around our intercultural capability.



Mōhiotanga Ahurea

Cultural Competency

We continue to build a strong foundation of cultural capability and understanding of te reo and tikanga Māori, and the Māori narratives used by Te Tūāpapa Kura Kāinga. Alongside this 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. Around 30 per cent of our current workforce have now participated in these workshops.

Over the coming year we will continue to grow our te ao Māori capability and confidence as our foundation for cultural competency, and from here we will broaden out to help people understand other cultures and experiences. As our diversity grows, we will celebrate an increased range of cultural events to expand our cultural understanding, reflecting our kaupapa.

Ārahi Whakawhāiti

Inclusive Leadership

We have continued to develop the capability and capacity of our leaders by embedding inclusive leadership practices into our systems and processes, for example, when we designed new leadership roles in early 2022. This led to the development of new leader role descriptions for all levels of the organisation, reflecting the important role our leaders play in creating a sense of belonging for others through an active commitment to inclusive leadership. We are bringing these new roles to life, focusing initially on our senior leaders.

Over the coming year we have committed to growing the capability of our leaders around inclusion and cultural understanding, including the completion of mitigating bias and rainbow learning by all managers.

Ngā Tūhononga Tāngata

Our People's Networks

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. Our networks include:

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

Over 2022/23 we have committed to strengthening and growing our networks.

Te mārāma me te whakangāwari i te mariu

Understanding and mitigating bias

We continue to offer modules around understanding and mitigating bias. However, our approach to addressing bias is currently under development and this learning will be reviewed to ensure it is achieving the needed impact.

Over the coming year we have committed to identifying barriers and areas of potential bias in our processes and practices, and to improve the quality of our people data. We will also develop targeted recruitment approaches to increase the diversity of our workforce, particularly for Māori and Pasifika.

Te whakatika i te āputa utu

Addressing the pay gap

We continue to focus on reducing our gender and ethnic pay gaps over time through improvements to our people systems and how we work.

The gender pay gap reduced from 16.9 per cent in 2019 to 13.1 per cent at 30 June 2022.

The main driver of our gender pay gap remains vertical segregation, which sees more women in lower-paid salary ranges. However in 2021/22 we have maintained a gender balance across the organisation, and 53 per cent of our senior leaders identified as female as at 30 June 2022, compared with 59 per cent in 2020/21.

At 30 June 2022, our Māori pay gap was -0.9 per cent, and our Asian pay gap was 14.6 per cent – both improvements on our 2020/21 results. Our pool of Pasifika people is too small to report this year. The main drivers of our ethnic pay gaps are vertical and occupational segregation, which see more Asian and Pasifika peoples in lower paid occupation types. However, when we look at remuneration within each of our salary bands from an ethnicity perspective, our pay gaps are not large.

Over 2021/22 we worked with the New Zealand Public Service Association (PSA) to design a remuneration framework for roles covered by the collective agreement, with a phased approach to implementation. One of the aims of this work was to provide larger increases for lower earners and modest adjustments for higher earners. This year we also bargained with the PSA for a refreshed collective agreement. We agreed a two-year term ending January 2024, and our bargained outcomes reflect our aim to keep reducing our gender and ethnic pay gaps.

We continue to progress other work to address pay gaps.

We know our people have whānau and other commitments outside of work, and while we remain an office-based organisation, our people and leaders work together to agree flexible working arrangements that reflect their personal circumstances.

Through our diversity and inclusion strategy and roadmap we have committed to a number of actions that will have a positive impact on our pay gaps; including developing targeted recruitment approaches to increase the diversity of our workforce, and continuing to make informed remuneration decisions that consider equity outcomes.



Ngā whakahaere me te whakahaere tūraru

Governance and risk management

We reviewed and refreshed our governance model to complement strategic and operating shifts, our new ways of working, as well as to support our role in the housing and urban development system.

The refresh established new committees and reframed existing committees with membership drawn from our new leadership model. It also included new tools and templates to support our ongoing governance arrangements.

Effective risk management is critical to sound governance. We have an enterprise risk management framework. Policy has been refreshed and embedded to ensure the enterprise risk management framework remains fit for purpose. 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 work programmes that monitor for emerging challenges. The senior leadership team 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 provides advice to the Chief Executive on effective risk management and appropriate assurance to help us meet our organisational risk and assurance maturity goals.

Our internal assurance programme provides independent assurance to the Chief Executive that important processes and systems are operating effectively. The programme also identifies possible improvements.

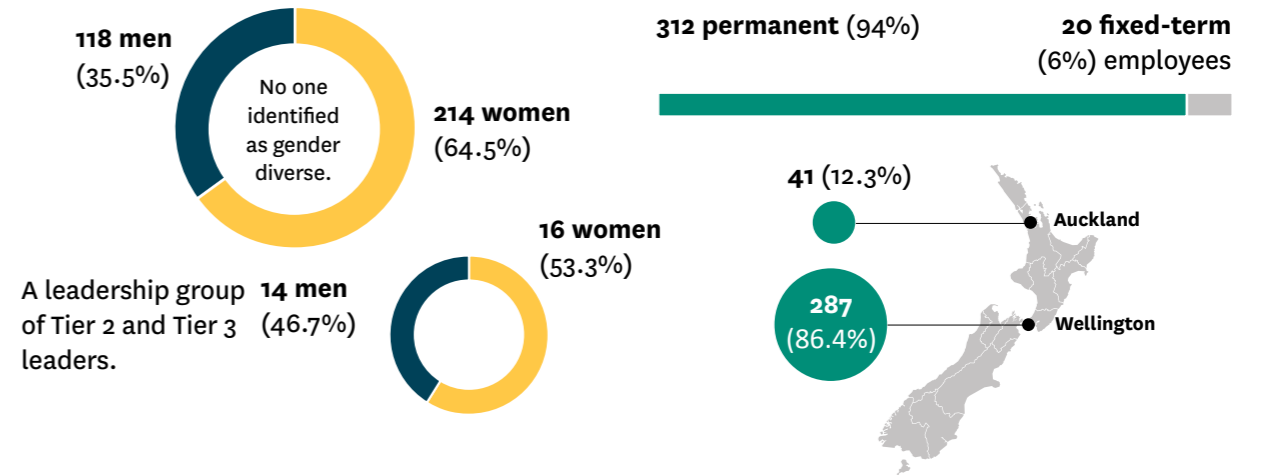
Collaboration with our housing and urban development partners plays an important part in understanding and managing system-wide risks. We have specific responsibilities for monitoring key partners, such as Kāinga Ora - Homes and Communities, Tāmaki Redevelopment Company Ltd, and registered Community Housing Providers. Through this and our contracts management functions we contribute to providing public confidence in the delivery of key government-funded services in the system.

In 2021, a new Enterprise Risk Management and Assurance Framework was agreed and our risk management and assurance practices were refreshed and confirmed. We continue to embed and improve our risk management maturity across the organisation.

Ā mātau tāngata

Our people

At 30 June 2022, Te Tūāpapa Kura Kāinga had 332 employees²³, an increase of 3.2% from 30 June 2021 (324 employees). This includes:



Groups

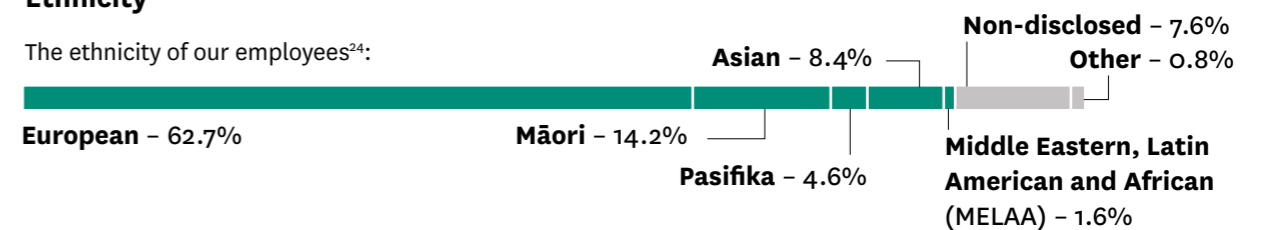
- Intelligence and System Direction - 25.0%
- Office of the Chief Executive - 1.2%
- Organisational Performance - 22.3%
- Solutions Design and Implementation - 20.8%
- System Delivery and Performance - 23.2%
- Te Kāhui - Māori Housing - 7.5%

Region

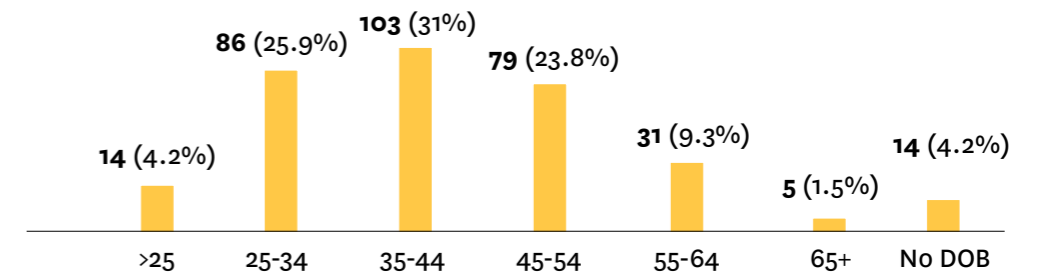
Our people are mainly based in our Te Whanganui-a-Tara - Wellington (86.4%) and our Tāmaki Makaurau - Auckland (12.3%) offices. We also have a small number of people (1.2%) working from other locations across Aotearoa.

Ethnicity

The ethnicity of our employees²⁴:



Age



²³ Excludes contractors, casual employees and employees who are seconded from other agencies.

²⁴ This overall percentage calculates to more than 100% because some people identify with more than one ethnicity.



We have the right people and right capabilities in the right places to deliver on our role and priorities

Our focus this year has been on ensuring we have the right number of people with the right capability to deliver on our priorities.

Through our Kia renarena work we introduced a new leadership model in February 2022 and filled a number of new leadership roles, many of these through internal career pathways. Leaders have been considering the capability they need to deliver on our role and responsibilities, and are working collaboratively on a shared workforce resourcing plan for the organisation.

Health and safety system improvements

This year we have continued to embed and bring our context to our health, safety and wellbeing framework, processes and practices.

In particular we have focused on maturing our Health and Safety at Work governance and risk management processes to ensure these are fit for purpose in our operating environment. In late-2021 we undertook a review to better understand our health and safety capability and identify areas for improvement. This led to improvements to our health and safety risk management approaches including the identification, ownership and management of health and safety risks, and enhanced governance reporting. We have also been working to clarify roles and responsibilities related to Person Conducting Business or Undertaking (PCBU) for contractors and other organisations we work with, and ensuring our contractor management processes are consistent.

Day-to-day we have supported our people as we navigated COVID-19 and transitioned to 'new normal' ways of working. We reviewed our COVID-19 policy, which enables us to respond quickly to any changes in workplace settings COVID-19 landscape and a workplace wellness approach for our people and visitors to our offices. Our leaders continue to support people to balance workload and wellbeing, and we encourage COVID-19 and Flu vaccinations.

We continue to refine our approach to managing critical health and safety risks and incidents. In 2021/22 there were 18 workplace incidents involving employees, compared to 12 in 2020/21. None of these incidents were notifiable to WorkSafe NZ. In 2021/22 we received 12 reports of discomfort and pain from employees relating to workstation set-ups, compared to 20 reports in 2020/21. Our contracted service providers who deliver our external programmes (eg wraparound support services for those in transitional housing) reported and addressed 16 serious incidents, compared to 20 in 2020/21.

Regular organisational reporting tracks key metrics relating to health, safety, and wellbeing and we are maintaining the right numbers of representatives for our workforce.

Digital strategy

In 2021/22 we made improvements to our digital foundations and the digital experience of our people to make it easier for them to do great work. We are working to ensure our digital support model is fit for purpose, optimised and available to support the organisation.

In mid-2022 we confirmed our digital strategy to help us deliver on our priorities and realise our strategic aims through a modern digital approach. The strategy reflects that we already have a strong digital foundation that we will continue to mature over a long-term horizon. This strategy will see us build on our work to date with a focus on corporate compliance and maturing our digital governance approaches for information management and digital security; establishing a modern data, analytics and information environment; and working with the business to provide new innovative solutions to support and enable business-led outcomes.

Significant progress towards enabling our people to better access and use information (EOSS and PPM)

We have made good progress in developing innovative solutions to support and enable business-led outcomes. This focus helps us better manage our data and make more informed and timely decisions as an organisation, which helps us achieve better outcomes for the housing system.

Enabling Organisation Support Services (EOSS)

In mid-2021 we started work to build enduring organisational support services that bring together our finance, human resource (HR) and contracting functions. This will enable us to be more accessible, have more accurate reporting, and less re-handling of data. In late 2021 we went to market for a digital solution to enable this. We are currently designing processes so they are fit-for-purpose in our environment, and release is scheduled for 2022/23.

Property Provider Management System (PPM)

We are working to develop a fit-for-purpose PPM to ensure we have the capabilities in place to effectively manage our property and provider management requirements, as agreed with the Te Manatū Whakahiato Ora - Ministry of Social Development.

Mitigate our impact on the climate through participation in the carbon-neutral government programme

The impacts of climate change are already being felt by communities across Aotearoa New Zealand. We play a key role in contributing to New Zealand's response to climate change and in the GPS-HUD we are committed to achieving thriving and resilient communities, including prioritising reducing our organisational emissions whilst supporting communities to adapt to the effects of climate change.

We are 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 have chosen 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) have 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.



Total annual emissions and their source

In 2021/22 we emitted 156 tCO₂e (tonnes of carbon dioxide equivalent) a 27 per cent reduction on our previous base year (213 tCO₂e). Most of our emissions came from domestic air travel and electricity for our two offices.

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

	Category	Scope	2021/2022 tCO ₂ -e	2020/2021 tCO ₂ -e
1	Direct emissions	Scope 1	0	0
2	Indirect emissions from imported energy	Scope 2	19.42	16.07
3	Indirect emissions from transportation	Scope 3	165.97	117.21
4	Indirect emissions from products used by organisation		27.19	22.92
5	Indirect emissions associated with the use of products from the organisation		0	0
6	Indirect emissions from other sources		0	0
TOTAL GROSS EMISSIONS (All measured emissions) in tCO₂-e			212.58	156.20
Change in gross emissions (all Categories) since base year				-27%

Table 2: Total emissions breakdown by emission by sources 2021/22

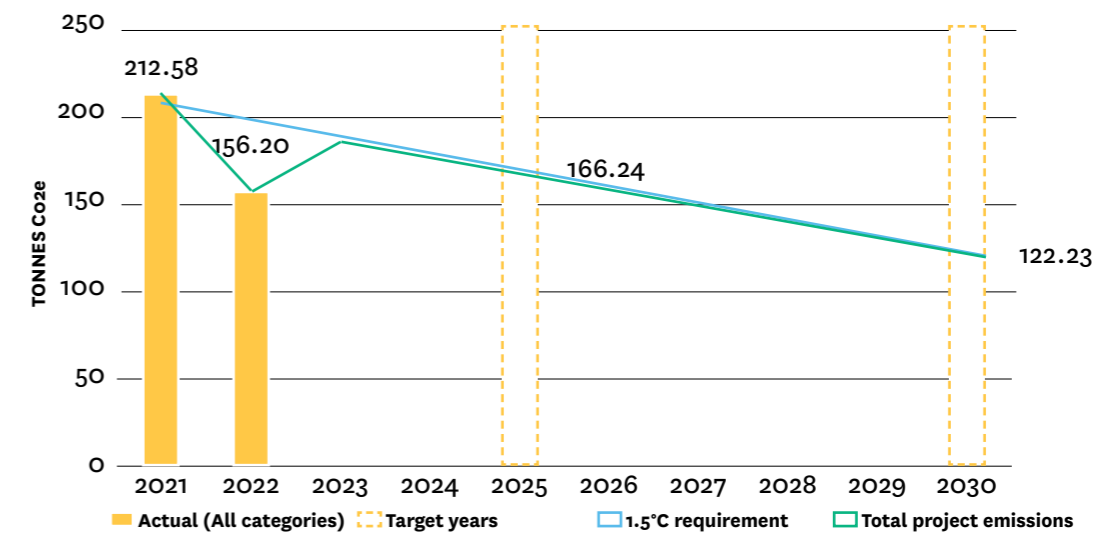
Sources	2020/2021 tCO ₂ -e	Percentage
Air travel domestic	90.66	58.04%
Purchased Electricity including transmission & distribution loss	17.38	11.13%
Working from home	15.39	9.85%
Wastewater services	15.13	9.69%
Ground Transport	8.15	5.22%
Waste	5.24	3.35%
Accommodation - New Zealand	2.94	1.88%
Water supply	1.23	0.79%
Freight	0.08	0.05%

Our reduction targets

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 per cent reduction in gross emissions (all Categories) compared to base year FY20/21
- 2030 target: Gross emissions (all Categories) to be no more than 122.23 tCO₂-e, representing a 42.5 per cent reduction in gross emissions (all Categories) compared to base year FY20/21



Progress towards our targets

Though we have seen a 27 per cent reduction in our total emissions for FY 2021/22 from our base year, we project our emissions to increase over the next year due to an increase in our domestic travel post COVID-19 lockdowns. Our aim is that the level of travel does not return to pre-COVID levels.

Along with reduced travel in FY 2021/22 we have managed to make savings on our electricity consumption and waste in our two offices.

Future Reduction plans

To achieve our reduction targets, we have identified specific projects to decrease our emissions-generating activity:

- Energy efficiency – Continue to refine our office spaces’ lighting and energy-using hardware. Working with our landlords on energy-saving initiatives.

- Travel - Identify ways to reduce and/or make smarter decisions around air travel, hotel nights, taxi journeys and rental cars by choosing energy-efficient options. Encourage the continued use of technology to reduce the need for in-person meetings.
- Improving our data collection for waste emissions to remove assumptions from our methodology.
- Working alongside our internal sustainability group, liaise with staff on reduction plans, boost awareness of our targets to help staff decarbonise in their everyday lives.

Improving our Data

Our current emissions reporting accounts for the emissions of our core business activities. With data collection methods being refined we will better be able to rely less on averages or a pro rata basis for our total carbon emissions in the future.

2021/22 results provisional and unverified.

Performance and financial information



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 2022 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 2023 and its operations for the year ending on that date.

Andrew Crisp

Chief Executive
Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development
30 September 2022

INDEPENDENT AUDITOR'S REPORT

To the readers of Ministry of Housing and Urban Development's annual report for the year ended 30 June 2022

The Auditor-General is the auditor of the Ministry of Housing and Urban Development (the Ministry). The Auditor-General has appointed me, John Whittal, 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 94 to 121, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2022, 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 prepared by the Ministry for the year ended 30 June 2022 on pages 26 to 53 and 82 to 93;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2022 on pages 138 to 150; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 122 to 137 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2022;
 - the schedules of expenses; and revenue for the year ended 30 June 2022; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 94 to 121:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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 of the Ministry on pages 26 to 53 and 82 to 93:
 - presents fairly, in all material respects, for the year ended 30 June 2022:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 138 to 150 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 on pages 122 to 137 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 2022; and
 - expenses; and revenue for the year ended 30 June 2022.

Our audit was completed on 30 September 2022. 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 audited information

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 audited information

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 2021/22, and the 2021/22 forecast financial figures included in the Ministry's 2020/21 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 within the Ministry's framework for reporting its performance.
- 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 to 151, 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 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.



John Whittal

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

Statement of Performance 2021/22

Vote housing and urban development



The appropriations reported in this annual report 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

Non-Departmental Other Expenses

- Support for the Provision of Public Housing Supply

- **Transitional Housing**

Non-Departmental Output Expenses

- Provision of Transitional Housing Places
- Transitional Housing Services

Non-Departmental Output Expenses:

- Local Innovations and Partnerships

Departmental Capital Expenditure:

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

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.

2021 Actuals \$000	Financial Performance	2022 Actuals \$000	2022 Budget \$000
	Departmental output expenses		
	Revenue		
	<i>Revenue - Crown</i>		
5,000	Facilitating Purchases & Development of Land for Housing Purposes	7,094	6,500
23,825	Management of Housing Provision & Services	23,844	21,848
40,224	Policy Advice & Ministerial Servicing	47,293	49,883
	<i>Revenue - Departmental</i>		
19	Facilitating Purchases & Development of Land for Housing Purposes	47	-
354	Management of Housing Provision & Services	74	-
386	Policy Advice & Ministerial Servicing	251	208
	<i>Revenue - Third Party</i>		
4	Facilitating Purchases & Development of Land for Housing Purposes	-	-
49	Management of Housing Provision & Services	-	44
67	Policy Advice & Ministerial Servicing	-	-
69,928	Total Revenue	78,603	78,483
	Expenses		
4,720	Facilitating Purchases & Development of Land for Housing Purposes	5,702	6,500
23,740	Management of Housing Provision & Services	27,104	21,892
33,742	Policy Advice & Ministerial Servicing	41,730	50,091
62,202	Total Expenses	74,536	78,483

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
Achieved (83.7%) ^[1]	The satisfaction rating given by the Minister for overall satisfaction annually	4.56 ^[2]	Achieve an average score of at least 3/5

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:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
8	Number of settled land acquisitions	7 ^[3]	4
4	Number of signed Development Agreements	3	3

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:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
48.8% ^[4]	An annual monitoring report will be provided within 120 working days of receiving a Community Housing Provider (CHP) annual return	63% ^[5]	90%
New measure	Percentage of contracts monitored against their performance and reporting requirements	67% ^[6]	80%
New measure	Percentage of payments to contracted housing and support providers processed within 10 working days	100%	100%

^[1] The measure has been updated to reflect the five point scale used by the Department of Prime Minister and Cabinet Policy Project. The 2020/21 result based on this updated scale is equivalent to 4.18 out of 5.

^[2] 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, ie reported as 0, the reported measure would be 4.37.

^[3] The number of settled land acquisitions is dependent on the speed of progression of relevant proposals through the programme pipeline, which is built on year by year. This is determined by factors including market conditions, complexity of proposals and programme resourcing.

^[4] The performance measure for 2020/21 was that an annual monitoring report will be provided within 90 days.

^[5] The Authority has made progress towards meeting its monitoring target, improving the completion rate by 21% over the year. A focus on clearing the backlog of monitoring reports from the 2020/21 year, an increase in Community Housing Provider (CHP) registrations, and delays in some CHPs providing responses to mandatory or additional information requests have prevented the Authority from meeting the monitoring target this year. To ensure that we can meet the target in future, the Authority has implemented a new process for weekly review of draft monitoring reports and developed a streamlined escalation process to manage delays in the provision of information from CHPs.

^[6] Implementation of our monitoring programme has been impacted by the ongoing COVID-19 pandemic and the resources needed to support contracted providers in the response to the August 2021 Delta outbreak and to prepare for and respond to the Omicron outbreak as part of the COVID-19 Protection Framework.

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:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
3.7	Technical quality of policy advice papers will be assessed against the policy quality framework	3.68	Achieve an average score of at least 3/5

Percentage of requests completed within either specified or statutory timeframe:

98.41%	Ministerial correspondence	92.63% ^[7]	95% or above
95.96%	Ministerial Official Information Act 1982 requests ^[8]	97.60%	95% or above
100%	Parliamentary Questions	100.00%	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.

Financial Performance	2022 Actuals \$000	2022 Budget \$000
Non-departmental capital expenditure		
Investment in Crown-owned Entities to Advance Development-Ready Land	-	215,500
Non-departmental other expenses		
Investment in Infrastructure to Advance Development-Ready Land	21,563	221,200
Total Expenses	21,563	436,700

Note that Kāinga Ora spent \$290 million on capital expenditure during 2021/22. 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.

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
New measure	The total number of houses enabled	1,732	Baseline year

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:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
New measure	The total number of houses enabled through the delivery of large-scale projects	1,760 ^[9]	Baseline year

Investment in Infrastructure to Advance Development-Ready Land

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

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
New measure	The total number of houses enabled through the competitive component of the Infrastructure Fund ^[10]	0 ^[11]	Baseline year

^[7] Correspondence results are 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 following this and in 2022. However, this was not sufficient to increase the 2021/22 timeliness to 95% or above.

^[8] Percentage for Departmental Official Information Act 1982 requests completed within either specified or statutory timeframe was 99.40%.

^[9] Kāinga Ora has continued to develop the large-scale projects following confirmation of the Housing Acceleration Fund in April 2021. In the 2021/22 financial year, the Government confirmed an allocation of \$1.8 billion in funding from the Housing Acceleration Fund towards the large-scale projects. The large-scale projects have been in development since 2018, and the homes enabled in the 2021/22 financial year are reflective of land development activities undertaken in both the 2021/22 financial year and previous years. Payments from the Housing Acceleration Fund to Kāinga Ora for these homes enabled will commence in the 2022/23 financial year. 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.

^[10] "Houses enabled" are counted at the point where all Infrastructure Acceleration Fund (IAF) funded infrastructure projects and other non-IAF funded enabling infrastructure projects required to build the additional homes are completed.

^[11] The competitive funding process was still underway in 2021/22, so no projects were completed.

Public Housing

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

2021 Actuals \$000	Financial Performance	2022 Actuals \$000	2022 Budget \$000
	Non-departmental output expenses		
1,201,794	Purchase of Public Housing Provision	1,323,430	1,310,975
68,946	Services for People in Need of or at risk of Needing Public Housing	67,269	74,164
6,704	Services Related to the Provision of Public Housing	11,505	300
	Non-departmental other expenses		
2,685	Support for the Provision of Public Housing Supply	3,340	22,758
1,280,129	Total Expenses	1,405,544	1,408,197

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
3,018	The net increase in additional public housing places will be at least: ^[12]	1,683 ^[13]	2,300

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 Housing Restructuring and Tenancy Matters Act 1992.

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
71,738	The number of tenancies subsidised by an income-related rent subsidy will be at least:	72,291 ^[14]	72,500

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:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
2,051	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	2,550
New measure	The number of contracted places available for households to be supported under the Sustaining Tenancies programme, will be at least:	2,352	2,350
New measure	The number of contracted places available for homeless households to be supported under the Rapid Rehousing programme, will be at least:	610	545

Support for the Provision of Public Housing Supply

This category is limited to providing support to secure access to properties for public housing providers to use for public housing.

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
380	The total number of Community Housing Provider places contracted as a result of upfront funding will be at least:	427 ^[15]	465

^[12] 'Public housing places' is made up of total tenancies (Kāinga Ora and Community Housing Providers Income Related Rent Subsidy places and market renters) plus Kāinga Ora vacancies.

^[13] The ongoing COVID-19 pandemic and headwinds across the construction sector have slowed our delivery this year.

^[14] The ongoing COVID-19 pandemic and headwinds across the construction sector have slowed our delivery this year. As a result, the number of tenancies has increased at a slower rate than forecast.

^[15] This target has not been met as around half of the places at Auckland City Mission's new central city community hub, Homeground - Te Tāpui Atawhai, are yet to be tenanted. Auckland City Mission is taking a deliberately staged approach to placing people into the permanent housing in this facility to ensure successful outcomes are achieved. Commencement of this approach was impacted by delays in completing the construction process, an effect of the ongoing COVID-19 pandemic.

Transitional Housing

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

Performance will be assessed by providing and maintaining at least 4,300 transitional housing places and associated support services (where applicable).

2021 Actuals \$000	Financial Performance	2022 Actuals \$000	2022 Budget \$000
	Non-departmental output expenses		
163,917	Provision of Transitional Housing Places	198,041	170,311
89,361	Transitional Housing Services	126,159	163,319
	Non-departmental capital expenditure		
-	Acquisition, Development and Construction of Transitional Housing	-	-
253,278	Total Expenses	324,200	333,630

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
New measure	Provide and maintain at least 5,400 transitional housing places and associated support services (where applicable)	5,520	5,400

Provision of Transitional Housing Places

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

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
1,198	The net increase in additional transitional housing places in areas of demand will be at least:	1,088 ^[6]	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:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
4,212	The total number of transitional housing places that receive associated support services will be at least:	5,296	5,150

Acquisition, Development and Construction of Transitional Housing

This appropriation is limited to funding the acquisition, construction and development or redevelopment of land or properties for the purpose of providing transitional housing.

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
0	The number of transitional housing places that will be acquired, developed or constructed will be between:	- ^[7]	-

^[6] The ongoing COVID-19 pandemic and headwinds across the construction sector have slowed our delivery this year.

^[7] During 2021/22 all funding in this category was transferred to 2022/23 and subsequently transferred to the two other categories in this multi-category appropriation.

Non-Departmental Output Expenses

Local Innovation and Partnerships

This appropriation is limited to the delivery and evaluation of locally-driven initiatives to respond to and prevent homelessness.

2021 Actuals \$000	Financial Performance	2022 Actuals \$000	2022 Budget \$000
1,327	Total Expenses	1,925	9,403

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
New measure	Percentage of funded applications that meet all eligibility and assessment criteria	100%	100%
Achieved ^[16]	Innovation and Partnership grants are released to organisations in accordance with signed funding agreements	Achieved	Achieved
New measure	Case studies are completed that demonstrate innovative solutions or learnings to reduce or prevent homelessness	Achieved	Achieved

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 Actuals \$000	Financial Performance	2022 Actuals \$000	2022 Budget \$000
3,084	Total Expenses	787	2,500

Performance information:

2020/21 Performance	Performance measure	2021/22 Performance	2021/22 Target
Achieved	Capital expenditure is in accordance with the Capital Asset Management Plan	Achieved	Achieved

^[16] This was reported in the Minister's Report on Non-departmental Appropriations for 2020/21.

Financial statements

For the year ended 30 June 2022

MINISTRY OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2022

Actual 2021 \$000		Notes	Actual 2022 \$000	Budget* 2022 \$000	Revised Budget* 2022 \$000	Forecast* 2023 \$000
Revenue						
69,049	Revenue Crown		78,231	71,677	78,231	71,577
879	Other revenue	2	372	-	252	-
69,928	Total revenue		78,603	71,677	78,483	71,577
Expenses						
44,858	Personnel costs	3	51,690	54,987	54,073	54,129
684	Depreciation and amortisation	7	754	630	750	866
477	Capital charge	4	477	477	477	477
16,183	Other operating expenses	5	21,615	15,583	23,183	16,105
62,202	Total expenses		74,536	71,677	78,483	71,577
7,726	Net surplus and total comprehensive revenue and expense		4,067	-	-	-

*The statement of accounting policies provides explanations of these figures which are not subject to audit. Explanations of significant variances against the original budget are detailed in note 16.

The accompanying policies and notes form part of these financial statements.



MINISTRY OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Budget* 2022 \$000	Revised Budget* 2022 \$000	Forecast* 2023 \$000
Assets					
Current assets					
17,356		16,965	8,537	7,545	7,411
28	6	139	47	28	28
-		138	-	-	-
341		852	268	676	676
17,725		18,094	8,852	8,249	8,115
Non-current assets					
4,993	7	5,026	8,933	6,743	6,877
4,993		5,026	8,933	6,743	6,877
22,718		23,120	17,785	14,992	14,992
Liabilities					
Current liabilities					
1,880	8	5,342	5,919	2,698	2,698
7,726	10	4,067	-	-	-
-	9	-	95	-	-
208		198	-	208	208
2,996	11	3,543	2,004	2,178	2,178
12,810		13,150	8,018	5,084	5,084
Non-current liabilities					
59	9	89	27	59	59
313	11	345	204	313	313
372		434	231	372	372
13,182		13,584	8,249	5,456	5,456
9,536		9,536	9,536	9,536	9,536
Equity					
9,536	12	9,536	9,536	9,536	9,536
9,536		9,536	9,536	9,536	9,536

*The statement of accounting policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against the original budget are detailed in note 16.

The accompanying policies and notes form part of these financial statements.

MINISTRY OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Budget* 2022 \$000	Revised Budget* 2022 \$000	Forecast* 2023 \$000
9,536		9,536	9,536	9,536	9,536
7,726		4,067	-	-	-
(7,726)	10	(4,067)	-	-	-
9,536	12	9,536	9,536	9,536	9,536

*The statement of accounting policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against the revised budget are detailed in note 16.

The accompanying policies and notes form part of these financial statements.

MINISTRY OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

Actual 2021 \$000		Actual 2022 \$000	Budget* 2022 \$000	Revised Budget* 2022 \$000	Forecast* 2023 \$000
Cash flows from operating activities					
69,049	Receipts from Revenue Crown	78,111	71,677	78,231	78,231
1,106	Receipts from other revenue	266	-	450	450
(18,883)	Payments to suppliers	(21,164)	(15,268)	(23,649)	(23,198)
(44,618)	Payments to employees	(48,463)	(54,960)	(54,140)	(54,140)
(819)	Payments for capital charge	(477)	(819)	(477)	(477)
(614)	Goods and services tax (net)	(151)	-	-	-
5,221	Net cash flows from operating activities	8,122	630	415	866
Cash flows from investing activities					
(3,084)	Purchase of property, plant and equipment	(787)	(2,500)	(2,500)	(2,500)
(3,084)	Net cash flows from investing activities	(787)	(2,500)	(2,500)	(2,500)
Cash flows from financing activities					
(10,853)	Repayment of surplus to the Crown	(7,726)	-	(7,726)	(6,698)
(10,853)	Net cash flows from financing activities	(7,726)	-	(7,726)	(6,698)
(8,716)	Net increase/(decrease) in cash and cash equivalents	(391)	(1,870)	(9,811)	(8,332)
26,072	Cash and cash equivalents at the beginning of the year	17,356	10,407	17,356	15,743
17,356	Cash and cash equivalents at the end of year	16,965	8,537	7,545	7,411

*The statement of accounting policies provides explanations of these figures which are not subject to audit.

Explanations of significant variances against the revised budget are detailed in note 16.

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. 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 policies and notes form part of these financial statements.

MINISTRY OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF CASH FLOWS

For the year ended 30 June 2022 (continued)

RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

Actual 2021 \$000		Actual 2022 \$000
7,726	Net surplus	4,067
Add/(less) non-cash items:		
684	Depreciation and amortisation expense	754
684	Total non-cash items	754
Add/(less) non operating non financial liability items		
-	Pension liability movement	(34)
-	Total non operating non financial liability items	(34)
Add/(less) movements in statement of financial position items		
(54)	(Increase)/decrease in receivables and prepayments	(760)
(3,765)	Increase/(decrease) in payables	3,462
208	Increase/(decrease) in deferred revenue	(10)
(95)	Increase/(decrease) in provisions	-
376	Increase/(decrease) in employee entitlements	581
109	Increase/(decrease) in non-current employee entitlements	32
32	Increase/(decrease) in non-current provisions	30
(3,189)	Total net movements in statement of financial position items	3,335
5,221	Net cash flows from operating activities	8,122

The accompanying policies and notes form part of these financial statements.

MINISTRY OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF COMMITMENTS

As at 30 June 2022

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.

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

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).

As at 30 June 2022, there is one outstanding capital commitment (2021: \$nil).

Actual 2021 \$000		Actual 2022 \$000
	Non-cancellable operating lease commitments	
1,779	Not later than one year	2,514
7,075	Later than one year and not later than five years	10,054
5,012	Later than five years	4,384
13,866	Total non-cancellable operating lease commitments	16,952
	Capital commitments	
-	Leasehold improvements	137
-	Total Capital commitments	137
13,866	Total commitments	17,089

MINISTRY OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2022

Contingent liabilities

As at 30 June 2022, the Ministry has no quantifiable contingent liabilities (2021:1 employee claim, \$22,000).

Unquantifiable contingent liabilities

As at 30 June 2022, the Ministry has no unquantifiable contingent liabilities (2021:1 employee claim).

Contingent assets

The Ministry has no quantifiable or unquantifiable contingent assets (2021: nil).

MINISTRY OF HOUSING AND URBAN DEVELOPMENT NOTES TO THE DEPARTMENTAL FINANCIAL STATEMENTS

For the year ended 30 June 2022

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MINISTRY OF HOUSING AND URBAN DEVELOPMENT NOTES TO THE DEPARTMENTAL FINANCIAL STATEMENTS

For the year ended 30 June 2022

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)*, *Public Service Act 2020*, and the *Urban Development Act 2020*. The Ministry's ultimate parent is the New Zealand Crown.

The Ministry reports on the Crown activities it administers in the non-departmental statements and schedules on pages 122 to 137.

The primary objective of the Ministry 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 2022 and were approved for issue by the Chief Executive on 30 September 2022.

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 PBE Accounting Standards. The accounting policies set out below have been complied with consistently to all periods presented in the financial statements.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by actuarial valuations of certain liabilities, and the fair value of certain financial liabilities.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated. The functional currency of the Ministry is New Zealand dollars.

Changes in accounting policies

The only change in accounting policies since the date of the last audited financial statements relates to the accounting for Software as a Service. The Treasury issued guidance in February 2022 (based on recent decisions from the International Financial Reporting Interpretations Committee) which states that the acquisition or development of software licences which grant a right of use only and/or where the Ministry does not obtain control of the software are recognised as an expense in the period they are incurred.

Previously the Ministry capitalised website development costs, and has never capitalised acquired computer software licenses or other costs incurred to acquire and develop software for internal use. The website development costs were recognised as an intangible asset and were carried at cost less accumulated amortisation and impairment.

There were no intangible assets in the financial statements during the year ended 30 June 2021 (all had been disposed of in the year ended 30 June 2020). Therefore there is no need to make retrospective adjustments and retrospective restatements to the financial statements.

New amendment applied

An amendment to PBE IPSAS 2 *Cash Flow Statements* requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The new information required by this amendment has been disclosed in Note 15.

Standards issued and not yet effective and not early adopted

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

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 supersedes PBE IFRS 9 *Financial Instruments* (which was issued as an interim standard) and most of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*.

PBE IPSAS 41 is almost identical to PBE IFRS 9. However, PBE IPSAS 41 includes PBE specific guidance and examples such as:

- Financial guarantees issued through non-exchange transactions;
- Concessionary loans;
- Equity instruments arising from non-exchange transactions; and
- Fair value measurement.

The effective Date of PBE IFRS 9 has been delayed by one year, from financial statements for the year beginning 1 January 2021 to financial statements for the year beginning 1 January 2022.

- This is to prevent PBE IFRS 9 from becoming mandatory before the effective date of PBE IPSAS 41.
- This Standard also requires that any entities intending to early adopt PBE IFRS 9 do so before 1 January 2020.

The transition requirements to PBE IPSAS 41 differ depending on whether an entity will be transitioning from PBE IPSAS 29 or from PBE IFRS 9.

For the Departmental financial statements, this would only potentially affect fair value measurement.

The Ministry does not intend to early adopt the standard.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 *Presentation of Financial Statements* and is effective for the year ending 30 June 2023, with early adopted permitted. The Ministry has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

Critical judgements and estimates

The preparation of financial statements in conformity with PBE accounting standards requires judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Long service leave

The Ministry calculates its long service leave using Treasury discounts and salary inflation rates to estimate the present value of long service leave liabilities.

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

Note 11 provides an analysis of the exposure in relation to estimates and uncertainties surrounding sick and long service leave liabilities.

Intangible assets, and property, plant and equipment useful lives and residual values

At each balance date, the Ministry reviews appropriateness of the useful lives and residual values of its intangible assets and 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.

There are no other judgements that are deemed to be critical to these financial statements.

SIGNIFICANT ACCOUNTING POLICIES

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

Budgeting and forecasting figures

Basis of the budget and forecast figures

The 2022 budget figures are for the year ended 30 June 2022 and were published in the 2020/21 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 30 June 2022.

The revised budget figures are those included in the Supplementary Estimates of Appropriations (Budget) for the year ending 30 June 2022.

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

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

The budget and forecast figures are unaudited and have been prepared in accordance with the accounting policies adopted in the preparation of these financial statements.

The 30 June 2023 forecast figures have been prepared in accordance and comply with PBE FRS 42 *Prospective Financial Statements*.

The forecast financial statements were authorised for issue by the Chief Executive on 12 April 2022. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Significant assumptions – forecast figures

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what might occur during the 2022/23 year. 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 12 April 2022, were as follows:

- The Ministry's activities will remain substantially the same as outlined in the Strategic Intentions 2019-2023 focusing on the Government's priorities of:
 - ending homelessness, supported by additional investment in transitional housing and Housing First;
 - increasing public housing supply;
 - progressing the Urban Growth Agenda, to drive changes to the urban land and infrastructure planning systems;
 - building affordable housing through KiwiBuild, to support the creation of thriving, sustainable communities that provide housing choices to meet a wide range of needs;
 - establishing an urban development agency with the appropriate tools, so New Zealand cities can make room for growth;
 - modernising the residential tenancy rules to enable greater security of tenure and better reflect the contemporary housing market;
 - achieving equitable housing outcomes for Māori and other groups with poor housing outcomes, with an immediate focus on addressing barriers to building on Māori land, ensuring Māori benefit from KiwiBuild, and improving rural and substandard housing; and
 - managing demand for housing through changes to tax settings and rules on foreign ownership of residential property.

- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes;
- 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; and
- Estimated year-end information for 2021/22 was used as the opening position for the 2022/23 forecasts.

The actual financial results achieved for 30 June 2023 are likely to vary from the forecast information presented, and the variations might be material.

Revenue

Revenue – exchange transactions

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.

Revenue – non-exchange transactions

Revenue Crown

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. The funding entitlement is established by Parliament 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 prior to 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.

Expenditure

Expenses are recognised as goods and services are received.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the date of the transactions.

Capital charge

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

Operating leases

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

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

Cash and cash equivalents

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

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

Trade and other receivables

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. Receivables are not discounted due to the short-term nature of the balance.

A receivable is considered impaired when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amount to be collected. Impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

Property, plant and equipment

Property, plant and equipment consists of 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 if, and only if, 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.

Where an asset is acquired at nil or nominal cost, it is initially recognised at fair value with a corresponding gain to the Statement of Comprehensive Revenue and Expense.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense.

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 cost of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period which they have been incurred.

Depreciation

Depreciation is calculated 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%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Impairment

Non cash-generating assets

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment at each balance date whenever events or changes in circumstances indicate that the carrying amount may 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 its 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 considered to be 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 the Statement of Comprehensive Revenue and Expense.

Payables

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

Income tax

Government departments are exempt from income tax. Accordingly, no charge for income tax has been provided for.

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 Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, 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.

Employee entitlements

Short-term employee entitlements

Current employee entitlements are measured at nominal values based on accrued entitlements at current pay rates. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date; long service leave entitlement expected to be settled within 12 months.

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

Non-current employee entitlements such as long service leave is calculated on an actuarial basis.

The discount rate is based on rates supplied by the Treasury. The inflation factor is based on the expected long-term increase in remuneration for employees.

	2022	2021
Long term discount rate	4.30%	4.30%
Salary inflation rate	3.01%	3.08%

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.

Superannuation schemes

Defined contribution schemes

Obligations for 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 Statement of Comprehensive Revenue and Expense as incurred.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through the surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Provisions

A provision is recognised when the Ministry has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits that can be reliably estimated will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

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

Lease make-good provision

In respect the lease of 7 Waterloo Quay, 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.

Taxpayers' funds

Taxpayers' funds comprise the Crown's investment in the Ministry. These are measured as the difference between total assets and liabilities.

Cost allocation accounting policies

The Ministry has determined the cost of outputs using the cost allocation system outlined below:

- costs that are directly related to an output are coded directly to that output; and
- costs that are not directly related to a single output are allocated to outputs based on full time equivalent staff (including contractors) as a cost driver.

Commitments

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.

Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are disclosed at the point the contingency is evident.

2. Other revenue

Actual 2021 \$000		Actual 2022 \$000
	Other revenue	
759	Revenue from departments	372
120	Revenue from third parties	-
879	Total other revenue	372

3. Personnel costs

Actual 2021 \$000		Actual 2022 \$000
38,317	Salaries and wages	41,057
3,335	Contract employees	7,266
1,130	Contributions to defined contribution and benefit schemes	1,195
713	Other personnel expenses	904
96	ACC employer contributions	55
1,267	Increase/(decrease) in employee entitlements	1,213
44,858	Total personnel costs	51,690

Employer contributions to defined contribution schemes include contributions to the State Sector Retirement Savings Scheme, KiwiSaver, Government Superannuation Fund and Individual Retirement Plan (formerly Global Retirement Trust).

4. Capital charge

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

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 2022 is 5.0% (2021: 5.0%).

5. Other operating expenses

Actual 2021 \$000		Actual 2022 \$000
	Fees to Auditors:	
295	- fees to Audit New Zealand for audit of financial statements	274
36	- fees to other auditors for internal audit services provided	-
1,690	Consultancy fees	4,462
1,630	Leasing and renting costs	2,343
1,838	Legal fees	2,326
396	Subscriptions	464
(52)	Restructing costs	152
5,188	Professional services	7,352
2,040	Computer operating costs	2,342
3,122	Other operating costs	1,900
16,183	Total other operating expenses	21,615

6. Trade and other receivables

Actual 2021 \$000		Actual 2022 \$000
-	Receivables from departments	73
28	Receivables from third parties	66
-	Less: provision for doubtful debts	-
28	Total trade and other receivables	139

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.

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.

Those specific debtors that are insolvent are fully provided for. As at 30 June 2022, the Ministry has identified no debtors that are insolvent. Receivables from other Government departments are nil as at 30 June 2022 (2021: nil). We would expect that the future cashflows 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 2022, all overdue receivables have been assessed for impairment and no provisions have been applied.

7. Property, plant and equipment

	Computer Hardware \$000	Furniture and Fittings \$000	Leasehold Improvements \$000	Actual \$000
Cost or valuation				
Balance as at 1 July 2020	757	17	2,073	2,847
Additions	266	695	2,123	3,084
Disposals	-	-	-	-
Balance as at 30 June 2021	1,023	712	4,196	5,931
Additions	381	269	137	787
Disposals	-	-	-	-
Balance as at 30 June 2022	1,404	981	4,333	6,718
Accumulated depreciation				
Balance as at 1 July 2020	251	3	-	254
Depreciation charge for the year	327	124	233	684
Eliminate on disposal	-	-	-	-
Balance as at 30 June 2021	578	127	233	938
Depreciation charge for the year	305	167	282	754
Eliminate on disposal	-	-	-	-
Balance as at 30 June 2022	883	294	515	1,692
Carrying amounts				
As at 30 June 2021	445	585	3,963	4,993
As at 30 June 2022	521	687	3,818	5,026

Work in Progress

Work in Progress totalling \$137,075 is comprised entirely of leasehold improvements (2021: \$84,000).

Impairment

There has been no impairment to property, plant and equipment during the financial year.

8. Trade and other payables

Actual 2021 \$000		Actual 2022 \$000
	<i>Payables under exchange transactions</i>	
1,424	Trade and accrued expenses	4,961
	<i>Payables under non-exchange transactions</i>	
456	GST, FBT and PAYE payable	381
1,880	Total trade and other payables	5,342

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.

9. Provisions

Actual 2021 \$000		Make-Good \$000	Actual 2022 \$000
	Current		
95	Balance at 1 July	-	-
-	Additional provisions made	-	-
(23)	Amounts used	-	-
(72)	Amounts reversed	-	-
-	Total current provisions	-	-
	Non-current		
27	Balance at 1 July	59	59
32	Unwind of provision	30	30
59	Total non-current provisions	89	89
59	Total provisions	89	89

Lease Make-Good Provision

In respect of a number of its leased premises, 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.

10. Return of operating surplus

Actual 2021 \$000		Actual 2022 \$000
7,726	Net surplus	4,067
-	Less retention of underspends	-
7,726	Total return of operating surplus	4,067

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

11. Employee entitlements

Actual 2021 \$000		Actual 2022 \$000
	Current portion:	
818	Salary and wages	1,150
2,038	Annual leave	2,225
88	Long service leave	116
52	Sick leave	52
2,996	Total current employee benefits	3,543
	Non-current portion:	
313	Long service leave	345
313	Total non-current employee benefits	345
3,309	Total employee entitlements	3,888

Long service leave is a long-term compensated absence. The liabilities represent the value of the accrued portion of entitlements that will arise in the future in accordance with certain economic and demographic assumptions made. The liability takes into account the value of all future benefits, not just the value of the next one to occur. It is assumed that leave is taken as soon as the relevant anniversary is reached.

For each employee, the liabilities are calculated as follows:

- determine the amount of the benefit that would be paid if the employee remains in service to each future milestone date, including allowance for future salary increases;
- incorporate the probability that the entitlement will be paid i.e. that the employee will remain in service to that point;
- discount the amount of the projected payment to the valuation date; and
- assume the entitlement accrues evenly over the time from “start date” to the date of payment.

Employee entitlements, expected to be settled within 12 months of balance date, are measured at nominal values based on accrued entitlements at current rates of pay.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash flows. A long-term discount rate of 4.30% (2021: 4.30%) has been applied and a salary inflation factor of 3.01% (2021: 3.08%) was used. The discount rates and salary inflation factor used are those advised by the Treasury.

We have determined that the liability as at 30 June 2022 in respect of long service leave benefits is \$460,595. The liability calculated represents the value of the accrued portion of entitlements that will arise in the future in accordance with the assumptions made plus the face value of outstanding leave as at 30 June 2022.

If the discount rate were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus would be an estimated \$22,000 higher/lower.

Sensitivities

The valuation of the liabilities is based on certain assumptions as to future experience. While the assumptions have been selected as best estimates of future experience, it can be useful to know how the results would vary if different assumptions were applied.

We have recalculated the accrued liabilities after varying the valuation assumptions. Each assumption was varied in isolation, the changes are not cumulative. It should not be assumed that the particular variations we have made in each assumption are equally likely to occur.

Assumptions	Liability \$000	Effect of change \$000
Best estimate	461	
Salary increases + 1%	483	22
Salary increases - 1%	440	(21)
Discount rates + 1%	441	(20)
Discount rates - 1%	483	22
Withdrawal rates x 1.2	421	(40)
Withdrawal rates x 0.8	507	46

12. Equity

Actual 2021 \$000		Actual 2022 \$000
	Taxpayers' funds	
9,536	Opening balance	9,536
7,726	Net surplus	4,067
(7,726)	Return of operating surplus to the Crown	(4,067)
9,536	Total equity as at 30 June	9,536

13. Related party information

Identity of related parties

The Ministry is a wholly owned entity of the Crown. The Government significantly influences the role of the Ministry, as well as being a major source of revenue.

The Ministry enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises. These related party transactions are not disclosed, as they occur in a normal client/supplier relationship on an arm's length basis.

Aside from these transactions, the Ministry has not entered into any other related party transactions.

Key management personnel remuneration

Key management personnel are the members of the Senior Leadership Team. The Senior Leadership Team consists of the Chief Executive; five Deputy Chief Executives and the Director of the Office of the Chief Executive. The Chief Executive's remuneration and other benefits are determined by the Public Service Commission.

Actual 2021 \$000		Actual 2022 \$000
2,042	Salaries and other short-term employee benefits	2,154
5.8	Full-time equivalent members	6.2

Key management personnel compensation excludes the remuneration and other benefits of the Responsible Ministers of the Ministry. The Minister's remuneration and other benefits are determined by the Remuneration Authority under the Member of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, and not paid by the Ministry.

14. Financial instrument risks

The Ministry is party to financial instrument arrangements (and exposure to credit, interest rate and currency risks) as part of its everyday operations. These include instruments such as bank balances, accounts receivable and accounts payable.

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.

The Ministry does not require any collateral or security to support financial instruments with financial institutions that we deal with, as these entities have high credit ratings. For its other financial instruments, the Ministry has a concentration of credit with the Crown and therefore is exposed to minimal credit risk.

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.

At 30 June 2022, there were no significant other concentrations of credit risk (2021: \$nil). The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. Refer to Note 6 for a breakdown of the receivables balance.

Fair value

The fair value of financial instruments with a remaining life of less than one year is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Market Risk

An assessment has been completed at 30 June 2022 and the Ministry does not have any exposure to price risk or credit risk.

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

Interest rate risk

Interest rate risk is the risk the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. The Ministry has no interest-bearing financial instruments and, accordingly, has no exposure to interest rate risk.

Liquidity risk

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

The Ministry has no significant exposure to liquidity risk on its financial instruments.

In 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. The table below analyses the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2021				
Receivables (see note 6)	28	-	-	-
Payables (see note 8)	1,424	-	-	-
2022				
Receivables (see note 6)	139	-	-	-
Payables (see note 8)	4,961	-	-	-

The carrying amounts of financial assets and financial liabilities in each of the PBE IFRS 9 *Financial Instruments* categories are as follows:

Actual 2021 \$000		Note	Actual 2022 \$000
Financial assets measured at amortised cost			
17,356	Cash and cash equivalents		16,965
28	Receivables	6	139
17,384	Total		17,104
Financial liabilities measured at amortised cost			
1,424	Payables	8	4,961
1,424	Total		4,961

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; and
- valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

In 2021/22 there were no instruments recognised at fair value in the Statement of Financial Position.

Estimation of fair values analysis

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Trade and other receivables/payables

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

15. Reconciliation of assets and liabilities arising from financing activities

Repayment of Surplus Provision	\$000
Balance as at 1 July 2020	10,853
Cash flows	
- Surplus repayment	(10,853)
Provision for repayment current year	7,726
Balance as at 30 June 2021	7,726
Cash flows	
- Surplus repayment	(7,726)
Provision for repayment current year	4,067
Balance as at 30 June 2022	4,067

16. Explanation of major variances against budget

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

Revenue crown

Revenue crown exceeded budget by \$6.6 million. During the year total departmental funding increased by \$6.81 million, mostly due to expense transfers from 2020/21 to 2021/22.

Personnel Costs

Personnel costs were underspent by \$3.3 million due to lower staffing numbers than expected. The Ministry had budgeted workforce of 360 FTEs for the year-ended 30 June 2022; actual workforce has averaged 330 FTEs, as a result of higher than anticipated turnover throughout 2021/22.

Other operating costs

Other operating costs were overspent by \$6 million. During the year total departmental funding increased by \$6.81 million, mostly due to expense transfers from 2020/21 to 2021/22.

Cash and cash equivalents

Cash and cash equivalents were over budget by \$8.4 million as the Ministry had incurred less than anticipated expenditure, reflective of the departmental underspend at 30 June 2022. 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 2022. Until then, it forms part of the return of operating surplus.

Property, plant and equipment

Property, plant and equipment were under budget by \$3.9 million as capital expenditure was less than planned as assets due for replacement were not replaced during the year.

17. 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 income, 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 the goals and objectives for which have been established, whilst remaining a going concern.

18. Events after balance date

There are no significant events after balance date.



Non-departmental statements and schedules

For the year ended 30 June 2022

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 2022

Actual 2021 \$000		Actual 2022 \$000	Budget* 2022 \$000
	Operating revenue		
108,310	KiwiBuild property sales	15,279	76,510
824	Other revenue	5,261	-
109,134	Total non-departmental revenue	20,540	76,510

*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 2.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES

For the year ended 30 June 2022

Actual 2021 \$000		Actual 2022 \$000	Budget* 2022 \$000
1,280,129	Public housing	1,405,544	1,382,124
62,197	KiwiBuild expenses	12,616	365,000
253,278	Transitional housing	324,200	271,503
80,693	First Home Grants	39,247	122,320
342	Progressive Home Ownership grants	147	1,000
15,278	Progressive Home Ownership write-downs	10,858	50,782
42,860	Shovel-Ready projects	34,840	64,450
8,649	COVID-19 operational costs	-	-
61,745	Other operating expenses	165,247	592,335
70,418	GST input expense	74,052	165,757
1,875,589	Total non-departmental operating expenses	2,066,751	3,015,271

*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 2.

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 2022.

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

SCHEDULE OF NON-DEPARTMENTAL ASSETS

As at 30 June 2022

Actual 2021 \$000	Note	Actual 2022 \$000	Budget* 2022 \$000
Current assets			
67,961		98,679	150,000
88,475	3	97,025	84,953
97,830	4	1,053	36,088
347,568	5	502,155	493,238
601,834		698,912	764,279
Non-current assets			
-	6	22,097	28,794
82	3	324	-
29,900	7	29,900	29,900
14,332		15,559	18,856
44,314		67,880	77,550
646,148		766,792	841,829

*The statement of accounting policies provides explanations of these figures which are not subject to audit.

The Ministry monitors one Crown entity, 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.

Explanations of significant variances against budget are provided in note 2.

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES

As at 30 June 2022

Actual 2021 \$000	Note	Actual 2022 \$000	Budget* 2022 \$000
Current liabilities			
230,817	8	297,755	205,396
5,643		15,193	-
236,460		312,948	205,396
Non-current liabilities			
14,997	9	25,364	31,819
14,997		25,364	31,819
251,457		338,312	237,215

*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 2.

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 2022.

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

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS

As at 30 June 2022

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

Actual 2021 \$000		Actual 2022 \$000
Non-cancellable operating lease commitments		
5,978	Not later than one year	7,726
-	Later than one year and not later than five years	-
-	Later than five years	-
5,978	Total non-cancellable operating lease commitments	7,726

Capital commitments

The Ministry, on behalf of the Crown, has no non-cancellable capital commitments as at 30 June 2022 (2021: nil).

Contingent rents

During the 2021/22 year, the Ministry on behalf of the Crown paid \$62.4 million in contingent rents, 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 right to renewal in its social housing contracts to up to the terms dictated in the contract, 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.

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2022

Contingent liabilities

The Ministry, on behalf of the Crown, has no quantifiable or unquantifiable contingent liabilities (2021: nil).

Contingent assets

The Ministry, on behalf of the Crown, has no contingent assets (2021: 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 2022.

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT
NOTES TO THE NON-DEPARTMENTAL STATEMENTS AND SCHEDULES

For the year ended 30 June 2022

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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 managed by the Ministry on behalf of the Crown.

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2022. 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 2022.

Basis of preparation

The non-departmental schedules and statements have been prepared in accordance with the Government's accounting policies as set out in the consolidated Financial Statements of the Government, and in accordance with relevant 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 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.

Changes in accounting policies

There has been a change in accounting policy for the fair value write down of loan commitments. These are now recognised when all conditions in the loan agreement have been fulfilled, which may not be the same date when the agreement is signed.

Since the date of the last audited financial statements, the Ministry has adopted the following new accounting policies:

- *Loans receivable*
- *Loan commitments*
- *Interest unwind*

Significant accounting policies

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

Revenue

Revenue – exchange transactions

The Ministry holds inventories on behalf of the Land for Housing programme delivery channels. These inventories are held for distribution on a commercial basis and are valued at the lower of cost and net realisable value.

Revenue from sales of land not designated for KiwiBuild properties

Revenue is measured at the fair value of consideration received and receivable. Exchange revenue is comprised mainly of sales of KiwiBuild land and dwellings which 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, only then can the land be recognised as revenue.

Revenue – Non exchange transactions*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 on loans reflects the increase in value of the loans as the period to repayment reduces. Loans are classified as fair value using amortised cost through profit and loss.

Expenditure

Expenses are recognised in the period to which they relate.

Grants

The Ministry issues many types of grants as detailed below.

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 (i.e. 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.

Commitments

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

The payment to community housing providers is made up of Income Related Rent Subsidy which have been deemed to be contingent rents as the future obligating event is the property been occupied by a suitable tenant and therefore are 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 community housing provider 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 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.

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.

Trade and other receivables

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, 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).

Loans receivable

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.

Payables

Short-term payables are measured at the amount payable.

Inventory

They 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 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 no 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.

Property, plant and equipment

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.

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.

Revaluations

The Ministry reviews the carrying amount of its property, plant and equipment annually, to ensure that land does not differ materially from its fair value. If there is a material difference, then its carrying amount is adjusted accordingly.

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.

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.

Loan commitments

Loan commitments relate to the initial write down of the Ministry's interest concession loans, which are non-interest bearing and are repaid within 15 years. They are measured at fair value upon initial recognition in accordance with PBE IFRS 9.

They are subsequently measured at fair value through profit and loss.

Provisions

A provision is recognised when the Crown has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not recognised for future operating losses.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Budget figures

Basis of the budget figures

The budget figures are for the year ended 30 June 2022 and are consistent with the best estimates.

Standards issued and not yet effective and not early adopted

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

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 supersedes PBE IFRS 9 *Financial Instruments* (which was issued as an interim standard) and most of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*.

PBE IPSAS 41 is almost identical to PBE IFRS 9. However, PBE IPSAS 41 includes PBE specific guidance and examples such as:

- Financial guarantees issued through non-exchange transactions;
- Concessionary loans;
- Equity instruments arising from non-exchange transactions; and
- Fair value measurement.

The effective date of PBE IFRS 9 has been delayed by one year, from financial statements for the year beginning 1 January 2021 to financial statements for the year beginning 1 January 2022.

- This is to prevent PBE IFRS 9 from becoming mandatory before the effective date of PBE IPSAS 41.
- This Standard also requires that any entities intending to early adopt PBE IFRS 9 do so before 1 January 2021.

The transition requirements to PBE IPSAS 41 differ depending on whether an entity will be transitioning from PBE IPSAS 29 or from PBE IFRS 9.

For the Non-departmental financial statements, this would apply to the treatment of loans at a below-market interest rate.

The Ministry does not intend to early adopt the standard.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 *Presentation of Financial Statements* and is effective for the year ending 30 June 2023, with early adopted permitted. The Ministry has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

Critical judgements in applying the Ministry's accounting policies

Land for Housing Loans and Community Housing Providers Loans

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.

Impact of COVID-19

The Ministry reviews its significant judgements and estimates annually, and at 30 June 2022 the Ministry concluded there was no continuing impacts on its financial statements as a result of COVID-19. Largely because the Ministry does not hold assets which require revaluation, and no provisions for bad debts or write-offs were necessary because debtors were not able to pay. In addition, there were no significant impacts on the Treasury's discount rate model due to changes in the market as a result of COVID-19.

No other significant judgements were required in applying the Ministry's accounting policies.

2. Explanation of major variances against 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 \$61.2 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 galvanize interest with third party developers.

This has also resulted in an underspend in KiwiBuild expenses of \$352.4 million. Funding decreased during the year by \$268.6 million for expense transfers from 2021/22 to 2022/23 and to align expenditure with forecasted revenue from KiwiBuild sales.

Transitional housing expenses

Was overspent by \$52.7 million compared with Budget. This was mostly due to the Ministry receiving increased funding in 2021/22 of \$62.1 million from the Public and Transitional Housing - Maintaining and Increasing Public, Transitional and COVID-19 Housing Supply (Budget 2022) initiative. There was also increased funding to meet Budget 2020 commitments to deliver additional transitional housing and additional funding from the initiative A Whole of System Welfare Approach Under the COVID-19 Protection Framework.

First Home Grants

Was underspent by \$83.1 million compared with Budget. During the year price caps were reviewed and expenditure was revised, however the uptake for these grants from the public has been lower than expected.

Other operating expenses

Was underspent by \$427.1 million compared with Budget, due to reduced funding during the year relating to expense transfers from 2021/22 to 2022/23 and also operating expenditure of \$343 million forecast for the Housing Acceleration Fund was mostly unspent for the year; actual expenditure for this multi-class appropriation was mostly capital in nature.

GST input expense

Was underspent by \$91.7 million directly related to the underspends identified above.

Cash and cash equivalents

At 30 June 2022, cash and cash equivalents was \$51.3 million less than anticipated, mainly due to a \$66.8 million purchase of inventory under the land for housing programme in June. This purchase had not been expected when the original budget was set.

Trade and other payables

At 30 June 2022, trade and other payables was \$92.4 million more than budgeted, due to higher than expected accruals at year end.

3. Prepayments

Actual 2021 \$000		Actual 2022 \$000
88,475	Public housing prepayments	97,025
82	Progressive Home Ownership prepayments	324
88,557	Total trade and other receivables	97,349

4. Trade and other receivables

Actual 2021 \$000		Actual 2022 \$000
97,830	Debtors from non-related parties	1,053
97,830	Total trade and other receivables	1,053

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. Debtors are shown net of provision for doubtful debts, which was nil in the current year. The carrying value of debtors and other receivables approximates their fair value.

5. Inventory

Actual 2021 \$000		Actual 2022 \$000
347,568	Land intended for sale	502,155
347,568	Total inventory	502,155

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 no write-downs of inventories during the year nor have there been any reversals of write-downs.

The total amount of inventories recognised as an expense during the period was \$10.8 million (2021: \$14.1 million).

6. Loans receivable

	Actual 2022 \$000
Nominal value	25,540
Write-down on initial recognition, impairment, and other fair value changes	(3,443)
Total loans	22,097
By maturity	
Expected to be repaid within one year	-
Expected to be outstanding for more than one year	22,097
Total loans	22,097
Movement during the year	
Opening balance	-
Initial write-down to fair value	20,461
Interest unwind	1,636
Closing balance loans	22,097

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 2022, 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 to 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
Impact on fair value of a 1% increase in discount rate	2,175
Impact on fair value of a 1% decrease in discount rate	(2,768)

7. Property, plant and equipment

	Actual \$000
Cost or valuation	
Balance as at 30 June 2021	29,900
Additions	-
Disposals	-
Balance as at 30 June 2022	29,900
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
As at 30 June 2022	29,900

The sole item of property, plant and equipment is the land at 545-561 Oruarangi Road, Mangere, Auckland (Ihumātao).

As all property, plant and equipment relates to land, there is no depreciation charged.

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 2022. Land 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.

8. Trade and other payables

	Actual 2021 \$000	Actual 2022 \$000
6,588 Trade payables		9,643
224,229 Accrued expenses		288,112
230,817 Total payables		297,755

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.

Short-term payables are measured at the amount payable.

9. Loan commitments

Actual 2021 \$000		Actual 2022 \$000
14,997	Progressive Home Ownership loans	21,986
-	Land for Housing loans	3,378
14,997	Total payables	25,364

The loan commitments relate to the initial write down of these loans, which are non-interest bearing and are repaid within 15 years. They are measured at fair value upon initial recognition in accordance with PBE IFRS 9. They are subsequently measured at fair value through profit and loss.

10. Financial instruments

The carrying amounts of financial assets and financial liabilities in each of the PBE IFRS 9 categories are as follows:

Actual 2021 \$000		Notes	Actual 2022 \$000
Financial assets measured at amortised cost			
67,961	Cash and cash equivalents		98,679
97,830	Trade and other receivables	4	1,053
-	Loans receivables	6	22,097
165,791	Total		121,829
Financial liabilities measured at amortised cost			
230,817	Trade and other payables	8	297,755
14,997	Loan commitments	9	25,364
245,814	Total		323,119

Credit Risk

Credit risk is the risk that a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from receivables and funds held with banks. Funds must be deposited with Westpac, a registered bank.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac bank there are no significant concentrations of credit risk.

The Standard & Poor's credit ratings for cash and cash equivalents held at Westpac is AA-.

Although cash and cash equivalents as at 30 June 2022 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Market Risk

An assessment has been completed at 30 June 2022 and the Ministry does not have any exposure to price risk or credit risk.

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

Cash flow interest rate risk

Interest rate risk is the risk the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. The Ministry has no exposure to cash flow interest rate risk because there is no interest on the bank accounts held with the bank.

Liquidity risk

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

The Ministry has no significant exposure to liquidity risk on its financial instruments.

In 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. The table below analyses the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2021				
Trade and other receivables (see note 4)	97,830	-	-	-
Trade and other payables (see note 8)	230,817	-	-	-
Loan Commitments (see note 9)	14,997	-	-	-
2022				
Trade and other receivables (see note 4)	1,053	-	-	-
Loans receivable (see note 6)	-	-	4,274	17,823
Trade and other payables (see note 8)	297,755	-	-	-
Loan Commitments (see note 9)	-	-	276	25,088

11. Events after balance date

There were no significant events after balance date.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

For the year ended 30 June 2022

APPROPRIATION STATEMENTS

Statement of cost accounting policies

All non-departmental costs are direct costs. Direct costs are those costs directly attributed to an output.

STATEMENT OF BUDGETED AND ACTUAL EXPENSES AND CAPITAL EXPENDITURE INCURRED AGAINST APPROPRIATIONS

For the year ended 30 June 2022

Annual and permanent appropriations for the Ministry of Housing and Urban Development

Actual 2021 \$000		Approved appropriation 2022 \$000	Actual 2022 \$000	Location of performance Information
	Vote Housing and Urban Development			
	Multi-category appropriations			
62,202	Managing the Housing and Urban Development Portfolio MCA	78,483	74,536	
33,742	- Policy Advice & Ministerial Servicing	50,091	41,730	1
23,740	- Management of Housing Provision and Services	21,892	27,104	1
4,720	- Facilitating the purchase and redevelopment of land for housing purposes	6,500	5,702	1
62,202	Total departmental output expenses	78,483	74,536	
3,084	Capital expenditure PLA	2,500	787	1
3,084	Total departmental capital expenditure PLA	2,500	787	
	Non-departmental output expenses			
26,749	Kāinga Ora - Homes and Communities	75,238	55,785	3
5,679	KiwiBuild Operations	14,896	1,850	4
13,984	He Kuku Ki Te Kainga - Increasing Māori Housing Supply	70,715	40,859	2
3,079	He Taupua - Increasing Māori Housing Provider Capability	5,901	2,355	2
971	He Taupae - Building Māori housing capability across the Māori housing continuum	5,029	1,008	2
-	- Contracted Emergency Housing accommodation and services	28,850	28,409	2
1,327	Local Innovations and Partnerships	9,403	1,925	1
342	Support Services to increase home ownership	3,658	147	4
8	Management of Crown Properties held under the Housing Act 1955	8	-	4
52,139	Total non-departmental output expenses	213,698	132,338	
	Benefits or related expenses			
80,693	First Home Grants	122,320	39,247	4
80,693	Total benefits or related expenses	122,320	39,247	



Non-departmental other expenses				
357	Housing Assistance	789	178	4
400	Social Housing Provider Development	1,704	236	4
-	Sale of Land and Dwellings - Costs	76,510	12,981	4
757	Total non-departmental other expenses	79,003	13,395	
Non-departmental capital expenditure				
-	Land for Housing - Deferred Settlements	33,300	-	4
29,900	Te Puke Tapapatanga a Hape (Ihumatao)	-	-	
	Community Housing Providers - Prepayment of Staged Operating Funding	26,388	-	4
	Refinancing of Crown loans to Kāinga Ora - Homes and Communities	95,000	95,000	4
29,900	Total non-departmental capital expenditure	154,688	95,000	
Non-departmental multi-category expenses and capital expenditure				
23,113	<i>Community Group Housing MCA</i>	23,795	23,322	
Non-departmental output expenses				
13,891	Community Group Housing Market Rent Top-Up	13,891	13,891	3
Non-departmental other expenses				
3,422	Community Housing Rent Relief	4,104	3,631	3
Non-departmental capital expenditure				
5,800	Acquisition and Improvement of Community Group Housing Properties	5,800	5,800	3
1,280,129	<i>Public Housing MCA</i>	1,408,197	1,405,544	
Non-departmental output expenses				
1,201,794	Purchase of Public Housing Provision	1,310,975	1,323,430	1
68,946	Services for People in Need of or at risk of Needing Public Housing	74,164	67,269	1
6,704	Services Related to the Provision of Public Housing	300	11,505	1
Non-departmental other expenses				
2,685	Support for the Provision of Public Housing Supply	22,758	3,340	1
253,278	<i>Transitional Housing MCA</i>	333,630	324,200	
Non-departmental output expenses				
163,917	Provision of Transitional Housing Places	170,311	198,041	1
89,361	Transitional Housing Services	163,319	126,159	1
1,618,722	Total multi-category expense and capital expenditure	1,844,105	1,827,602	
1,785,295	Total annual and permanent appropriations	2,416,314	2,108,369	

DETAILS OF MULTI-YEAR APPROPRIATIONS

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. Remaining funds will be transferred to two new multi-year appropriations that commence on 1 July 2022 at the 2022 October Baseline Update.

	Approved appropriation 2022 \$000	Actual 2022 \$000	Location of performance information
Appropriation for non-departmental output expense:			
KiwiBuild Housing			
Opening appropriation	2,039,923	2,039,923	
Adjustment to appropriation	(816,214)	(816,214)	
Adjusted total appropriation	1,223,709	1,223,709	
Cumulative actual expenditure at 1 July	556,043	556,043	
Current year actual expense	667,666	154,285	2
Cumulative actual expenditure at 30 June	1,223,709	710,328	
Appropriation remaining at 30 June	-	513,381	

* In accordance with section 4 of the Public Finance Act 1989, this appropriation was utilised for the purchases of KiwiBuild Housing inventory (\$154.3 million for 6 land parcels acquired).

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 acquisition, construction and provision of residential development. A new multi-year appropriation called the Affordable Housing Fund has been established from 1 July 2022 and funds have been transferred to this new appropriation from Budget 2022 decisions. This appropriation expires on 30 June 2023.

	Approved appropriation 2022 \$000	Actual 2022 \$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 at 1 July	-	-	
Current year actual expense	-	-	2
Cumulative actual expenditure at 30 June	-	-	
Appropriation remaining 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 2022 \$000	Actual 2022 \$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 at 1 July	45,750	45,750	
Current year actual expense	59,180	34,840	2
Cumulative actual expenditure at 30 June	104,930	80,590	
Appropriation remaining at 30 June	171,940	196,280	

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 remaining funds from 2020/21 were transferred across to this new appropriation. This appropriation expires on 30 June 2023.

	Approved appropriation 2022 \$000	Actual 2022 \$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 at 1 July	5,839	5,839	
Current year actual expense	-	-	4
Cumulative actual expenditure at 30 June	5,839	5,839	
Appropriation remaining 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 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 will be transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expires on 30 June 2023.

	Approved appropriation 2022 \$000	Actual 2022 \$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	(179,222)	(179,222)	
Adjusted total appropriation	107,533	107,533	
Cumulative actual expenditure at 1 July	15,278	15,278	
Current year actual expense	92,255	10,858	4
Cumulative actual expenditure at 30 June	107,533	26,136	
Appropriation remaining at 30 June	-	81,397	

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 expenditure for operating expenditure including write downs incurred in the facilitation, acquisition, and development of land and residential properties through Kāinga Ora. This appropriation expires on 30 June 2026.

	Approved appropriation 2022 \$000	Actual 2022 \$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 at 1 July	-	-	
Current year actual expense	5,000	1,880	4
Cumulative actual expenditure at 30 June	5,000	1,880	
Appropriation remaining at 30 June	225,000	228,120	

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 expenditure 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 2022 \$000	Actual 2022 \$000	Location of performance Information
Appropriation for non-departmental other expense:			
Land for Housing Operations			
Opening appropriation	50,000	50,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	50,000	50,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	5,000	-	4
Cumulative actual expenditure at 30 June	5,000	-	
Appropriation remaining at 30 June	45,000	50,000	

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 expenditure 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 will be transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expires on 30 June 2025.

	Approved appropriation 2022 \$000	Actual 2022 \$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	-	-	
Adjusted total appropriation	11,700	11,700	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	11,700	8,458	4
Cumulative actual expenditure at 30 June	11,700	8,458	
Appropriation remaining at 30 June	-	3,242	

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 expires on 30 June 2023.

	Approved appropriation 2022 \$000	Actual 2022 \$000	Location of performance Information
Appropriation for non-departmental capital expenditure:			
Housing Infrastructure Fund Loans			
Opening appropriation	642,824	642,824	
Adjustment to appropriation	223	223	
Adjusted total appropriation	643,047	643,047	
Cumulative actual expenditure at 1 July	158,948	158,948	
Current year actual expense	211,460	44,107	2
Cumulative actual expenditure at 30 June	370,408	203,055	
Appropriation remaining at 30 June	272,639	439,992	

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 2022 \$000	Actual 2022 \$000	Location of performance Information
Appropriation for non-departmental capital expenditure:			
Progressive Home Ownership Fund			
Opening appropriation	400,000	400,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	400,000	400,000	
Cumulative actual expenditure at 1 July	11,174	11,174	
Current year actual expense	47,350	6,988	2
Cumulative actual expenditure at 30 June	58,524	18,162	
Appropriation remaining at 30 June	341,476	381,838	

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 the year, and any remaining funds will be transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expires on 30 June 2023.

	Approved appropriation 2022 \$000	Actual 2022 \$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	-	-	
Adjusted total appropriation	2,500	2,500	
Cumulative actual expenditure at 1 July	251	251	
Current year actual expense	2,249	266	4
Cumulative actual expenditure at 30 June	2,500	517	
Appropriation remaining at 30 June	-	1,983	

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 expires on 30 June 2024.

	Approved appropriation 2022 \$000	Actual 2022 \$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	-	-	
Adjusted total appropriation	1,000,000	1,000,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	-	-	4
Cumulative actual expenditure at 30 June	-	-	
Appropriation remaining at 30 June	1,000,000	1,000,000	

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 2022 \$000	Actual 2022 \$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	-	-	
Adjusted total appropriation	42,500	42,500	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	32,080	25,540	4
Cumulative actual expenditure at 30 June	32,080	25,540	
Appropriation remaining at 30 June	10,420	16,960	

DETAILS OF MULTI-YEAR MULTI-CATEGORY APPROPRIATIONS

Housing Acceleration Fund

On 1 July 2021, 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 2022 \$000	Actual 2022 \$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	-	-	
Adjusted total appropriation	1,682,000	1,682,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	215,500	-	1
Cumulative actual expenditure at 30 June	215,500	-	
Appropriation remaining at 30 June	1,466,500	1,682,000	
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	-	-	
Adjusted total appropriation	2,047,000	2,047,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	221,200	21,563	4
Cumulative actual expenditure at 30 June	221,200	21,563	
Appropriation remaining at 30 June	1,825,800	2,025,437	

Total			
Opening appropriation	3,729,000	3,729,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	3,729,000	3,729,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	436,700	21,563	4
Cumulative actual expenditure at 30 June	436,700	21,563	
Appropriation remaining at 30 June	3,292,300	3,707,437	

Note that Kāinga Ora spent \$290 million on capital expenditure during 2021/22. 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 2022 \$000	Actual 2022 \$000
Total annual and permanent appropriations	2,416,314	2,108,369
Total multi-year appropriations	1,570,640	308,785
Total Vote Housing and Urban Development	3,986,954	2,417,154

STATEMENT OF EXPENSES AND CAPITAL EXPENDITURE INCURRED WITHOUT, OR IN EXCESS OF, APPROPRIATION OR OTHER AUTHORITY

For the year ended 30 June 2022

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 2022

The Ministry has not received any capital injections during the year (2021: \$nil).

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS WITHOUT, OR IN EXCESS OF, AUTHORITY

For the year ended 30 June 2022

The Ministry has not received any capital injections during the year without, or in excess of, authority.





Te Kāwanatanga o Aotearoa
New Zealand Government