Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

B.35

ANNUAL REPORT 2023/24

Te Kāwanatanga o Aotearoa
New Zealand Government

The Annual Report is a statutory accountability document, required by the *Public Finance Act 1989* and presented by the responsible Minister to Parliament. Each year, the Annual Report provides an assessment of Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development's performance against objectives set at the beginning of the financial year.

The Annual Report contains:

- an assessment of the Ministry's operations
- an assessment of the Ministry's progress in relation to its strategic intentions
- information about the Ministry's management of its organisational health and capability
- required financial statements.

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

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Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

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Contents
Rārangi upoko

Chief Executive's foreword
Ngā kupu whakataki a te Toihau

Tēnā koutou

The 2023/24 financial year was another productive year for Te Tūāpapa Kura Kāinga – the Ministry of Housing and Urban Development.

We have continued to deliver a range of funds and programmes that aim to increase the supply of houses and the infrastructure required to support housing developments. In 2023/24, this has included the second round of the Affordable Rental Pathway and continuing to partner with iwi/Māori through the Whai Kāinga Whai Oranga programme. Alongside the administration of these funds, we have also been developing advice for the Government on improving the effectiveness and value for money of expenditure across the housing system.

Together with the rest of the public sector, we supported the continuation of government operations during and after the 2023 General Election. This election brought in a new coalition Government, Cabinet and Ministers. We supported our new Minister of Housing and Associate Minister of Housing to get up to speed with the housing and urban development portfolio and to set new priorities for the system.

Significant policy work has been undertaken to develop advice and progress the new priority areas of Going for Housing Growth, improving the rental market and making changes to the *Residential Tenancies Act 1986*, ensuring better social housing, and reforming the *Resource Management Act 1991*. The Government has also set a new target to end the large-scale and long-term use of motels for emergency housing and is aiming to achieve a 75 percent reduction in the number households in emergency housing. We also supported the independent review of Kāinga Ora – Homes and Communities. The findings from the review were released in May 2024 and we will continue work to respond to these findings in 2024/25.

In August 2023, we welcomed the findings of the Office of the Auditor-General in its report on *Leading New Zealand's approach to housing and urban development*. In its assessment of our system leadership role, the Office of the Auditor-General noted that we have largely set up the frameworks and governance arrangements to support our system leadership role. With these foundations in place, our focus is now shifting to implementation and improving the system's performance.

Alongside our continued focus on shifting the housing system and adapting to Government priorities, we have also made a significant contribution to the Government's fiscal sustainability programme. In 2023/24, we commenced a phased programme of organisational change focused on streamlining, strengthening, and simplifying how we work with a smaller workforce. This programme will continue into the 2024/25 financial year. Our people remain committed to ensuring we continue to be efficient and effective in our delivery of Government priorities, while continuing to achieve our vision of an Aotearoa New Zealand where everyone has a place to call home.

Andrew Crisp

Chief Executive - Toihau
Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development

Part A:
Our narrative
Ngā kōrero mō te mahi

Who we are and what we do
Ngā taipitopito mō mātou me ā mātou mahi

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) is the government's primary advisor on housing and urban development. We are responsible for strategy, policy, funding, monitoring and regulation of Aotearoa New Zealand's housing and urban development system. We provide advice on policy and legislation, collect and share data and insights to inform decisions, fund a range of programmes to deliver more housing and urban development where it is most needed, regulate community housing providers and monitor Kāinga Ora – Homes and Communities (Kāinga Ora) and Tāmaki Regeneration Company (TRC).

HUD is responsible for, or has a role in the administration of, these 11 Acts of Parliament:

- Housing Act 1955
- Residential Tenancies Act 1986
- Public and Community Housing Management Act 1992 (Parts 4 and 10 only)
- Housing Assets Transfer Act 1993
- Retirement Villages Act 2003 (except for section 87(1))
- Unit Titles Act 2010 (except subpart 1 of Part 2 and subpart 1 of Part 4)
- Riccarton Racecourse Development Enabling Act 2016
- Point England Development Enabling Act 2017
- Kāinga Ora – Homes and Communities Act 2019
- Infrastructure Funding and Financing Act 2020
- Urban Development Act 2020.

At 30 June 2024, we supported two Ministers across the housing and urban development portfolios:

- Minister of Housing, Hon Chris Bishop
- Associate Minister of Housing, Hon Tama Potaka.

Why we are here

The housing and urban development challenges facing Aotearoa New Zealand are complex and systemic, developed over decades and resulting in poor housing and urban outcomes for many. HUD is working to make significant, long-term change, while helping people and communities to meet their immediate needs.

HUD's purpose is to deliver *thriving communities where everyone has a place to call home – he kāinga ora, he hapori ora*. HUD plays a lead role in helping individuals, family and whānau have healthy, secure and affordable homes that meet their needs.

The Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora, the National Māori Housing Strategy present a multi-decade vision for the housing and urban development system. HUD leads the implementation of the GPS-HUD on behalf of government. In 2024, HUD initiated work to support the three-yearly review of the GPS-HUD by the Ministers of Housing and Finance.

In March 2024, the first Housing and Urban Development System Update to 30 June 2023 was released, indicating how the housing and urban development system is tracking. The Update showed that good progress is being made, including indications the system is creating the conditions for more homes to be built in the right places, with housing densification and affordable housing options increasing. However, it will take time to determine if any significant trends or shifts are being made to advance towards the GPS-HUD outcomes and MAIHI Ka Ora priorities.

Moving forward, the focus for our work will be on removing barriers to housing supply, developing more flexible and sustainable government funds and programmes that represent value for money, and ensuring strong local leadership to support more effective investment in places.

Who we work with

The housing and urban development system connects to many different sectors in the economy. We influence all parts of the system through partnerships and collaborations, and we look at what is needed to help agencies and communities work together. We partner and collaborate with critical groups across the system:

- iwi/Māori, who are best placed to deliver effective housing and urban solutions for Māori communities
- housing providers, who play an important role in delivering long-term affordable housing through rental (including social housing), 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 has a key role to play in land-use planning and infrastructure investment to support housing supply and thriving, resilient communities
- the private sector, which plays the largest role in funding, financing, designing, constructing, delivering and maintaining the built environment.

We also work with other ministries and departments to ensure that we are working together across government in a coordinated way.

How we work

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

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

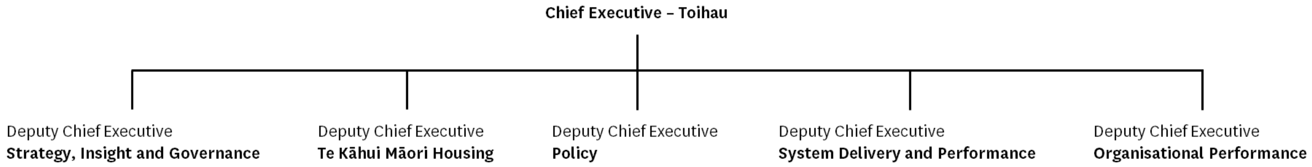
Partnerships provide a way for central government and local partners to decide how working together can address the housing and urban challenges in their community. We currently have 10 active partnerships in communities across Aotearoa New Zealand, covering around 80 percent of the country’s population.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

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

Our organisational structure

Our people, leadership and ways of working are critical to our success. Our senior leadership team, led by Chief Executive Andrew Crisp, has collective responsibility for the leadership of HUD. 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.

During 2023/24, HUD started a phased internal change programme to deliver against the Government's priorities and achieve the savings required by the Government. The purpose of this programme is to streamline, simplify, and strengthen how HUD works, to allow the Ministry to continue to shift the housing system, align to the Government's priorities, and meet the Government's fiscal sustainability expectations. This included changing our organisational structure and business groups. From April 2024, the executive structure for HUD was:



Changes to our work programme for 2023/24

Following the General Election in October 2023, a new coalition government was formed with the National Party, ACT and New Zealand First. HUD, along with other public sector agencies, supported the new Government's 100-Day Plan and development of new Government priorities for the housing system.

The new Government has set five priorities to address the housing crisis:

- the Going for Housing Growth policy will focus on urban limits, infrastructure funding and financing, and encouraging cities and regions to grow
- improvements to the rental market will make it easier to be a landlord, and easier to be a tenant
- building and construction changes will improve competition and lower building costs
- better social housing will better look after those who need support
- reform of the Resource Management Act.

These new priorities have been reflected in HUD's policy and legislative work programme. While policy settings may be different under the new Government, HUD's overall strategic direction and desired outcomes remain the same as set out in the Statement of Strategic Intentions 2021-2026. Our progress against these desired outcomes is discussed in the next section, against HUD's impact areas of:

- more houses, including more Māori-led housing
- new infrastructure to support the development of housing
- increased home ownership
- improving the experience of renting and other types of living arrangements
- more support provided to people in housing need.

Our progress
Ā mātou whanaketanga

More houses

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

Going for Housing Growth

The Going for Housing Growth (GfHG) programme will enable more houses to be built and is part of the Government's broader plan to tackle Aotearoa New Zealand's ongoing housing shortage. GfHG aims to improve housing affordability by significantly increasing the supply of developable land for housing, both inside and at the edge of our urban areas. GfHG is structured around three pillars that make system changes to address the underlying causes of the housing supply shortage. These are:

- freeing up land for urban development, including removing unnecessary planning barriers
- improving infrastructure funding and financing to support urban growth
- providing incentives for communities and councils to support growth.

During 2023/24, HUD worked on the policy advice requiring councils to free up land for housing. The requirements are designed to give councils choice, while providing for future growth. The new requirements include:

- introducing Housing Growth Targets: New Housing Growth Targets have been introduced for Tier 1 and 2 councils, requiring them to enable 30 years of feasible housing capacity in their district plans, using 'high' population growth projections
- enabling greenfield growth: Investigating options to require councils to plan for 50 years of growth in their Future Development Strategies (up from 30 years) and be more responsive to private plan changes. In addition, councils will be prohibited from imposing rural-urban boundary lines in planning documents
- intensification in the right places: A general requirement to upzone in line with demand and accessibility across urban areas. Tier 1 councils must deliver housing intensification along 'strategic transport corridors' (e.g. key bus routes) and must directly offset any housing capacity lost due to reasons such as 'special character' elsewhere
- mixed-use development: Provide general direction to councils to enable an appropriate level of mixed-use across their urban areas, and more specific direction on enabling mixed use in intensification areas, setting out certain specific activities that must be enabled. Industrial-type activities can still be kept away from housing
- balconies and floor area requirements: Councils cannot set minimum floor area requirements for apartments and other houses, or require balconies. Developers can still choose to provide balconies and size dwellings in line with demand from buyers
- making the Medium Density Residential Standards (MDRS) optional: The MDRS will become optional for councils, once they have demonstrated compliance with their Housing Growth Target.

These changes will be implemented through amendments to the *Resource Management Act 1991* and the National Policy Statement on Urban Development (NPS-UD), with the requirements expected to be in place by mid-2025. Formal consultation on the detailed design of changes will occur in early 2025.

Decisions on pillars 2 and 3 will be made over the course of 2024 and 2025.

Social housing

In September 2023, we published the *Updated Public Housing Plan: Including 2024-2025 delivery*, which is an extension of the *Public Housing Plan 2021-2024* and builds on the earlier *Public Housing Plan 2018-2022*. The updated plan outlines the social housing supply intentions for the 3,000 additional social housing places that were committed to as part of Budget 2023 funding. It concentrates on regional needs, focusing on where social housing is most urgently required.

Budget 2024 provided $140 million in new funding for 1,500 new social housing places to be operated by Community Housing Providers (CHPs) from 1 July 2025 to 30 June 2027. The first 500 places are being allocated based on the objectives of maximising value for money, contributing to the Government's target of reducing emergency housing, and taking a balanced approach between achievability and building capability in historically under-served regions. Priority locations have been identified as where the greatest need is. The priority locations are:

- Gisborne and the wider Tairāwhiti region
- Hamilton
- Napier and Hastings
- Rotorua
- Tauranga
- projects in Auckland, Christchurch, and Wellington that support a reduction in emergency housing will also be considered.

For the delivery of the next 1,000 places, HUD is working towards a new active purchasing approach, which will be developed during the second half of 2024.

During 2023/24, an additional 4,124 social housing places were delivered under the Public Housing Plan. At the end of June 2024, there were 84,058 social homes, which consisted of 70,643 Kāinga Ora homes and 13,415 registered CHP properties.

Transitional housing

The *Public Housing Plan 2021-2024* also sets out intentions for the supply of transitional housing places. Delivery of transitional housing places under the Plan was completed during 2022/23. In 2023/24, HUD has continued to deliver transitional housing across the country using funding provided in Budget 2022, with notably strong delivery in Wellington and Waikato. At the end of June 2024, there were 6,422 transitional housing places secured for tenanting, which reflects an increase of 487 transitional housing places over the last financial year.

What is social and transitional housing?

Social housing, also known as public housing, gives individuals and whānau 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. Social housing is housing primarily owned by the Crown, such as Kāinga Ora, or CHPs. People can access social 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 and safe place to live while they are supported to find longer-term accommodation. It pairs accommodation with wrap-around support services that help the household with barriers they face to finding a permanent home. Transitional housing is designed to provide households with temporary accommodation for 12 weeks, with a further 12 weeks' support available if required once they have found a more permanent place to live.

More Māori-led housing

HUD enables Māori providers, hapū and iwi to deliver local solutions to meet housing needs. This is done through:

- He Kūkū ki te Kāinga – builds homes on Māori-owned land, supports iwi/Māori to deliver mixed housing tenure developments in high needs areas, and helps with initiatives aimed at reducing homelessness (mostly related to activities during COVID-19 lockdown). At 30 June 2024, HUD has contracted 278 houses and delivered 173
- He Taupae / He Taupua – supports iwi/Māori to build their capability to deliver affordable housing solutions at a local level, and supports proposals to be shovel ready by providing grant funding for works up to resource / build consent. At 30 June 2024, HUD has contracted $25.3 million to enable 80 providers across 94 projects, leading to 48 housing strategies and 47 feasibility studies to progress to Resource Consent
- the Māori Infrastructure Fund – unlocks a wider range of Māori-led housing projects, such as developments on whenua Māori (Māori freehold land), papakāinga (multiply-owned affordable rental housing, typically on whenua Māori), or rural developments with on-site infrastructure needs. At 30 June 2024, HUD has contracted 2,014 infrastructure sites, 500 of which have now been completed.

In addition, through Budget 2023, HUD received:

- $70 million to deliver temporary housing solutions to assist Māori displaced from their homes by Cyclone Gabrielle and extreme weather events in the North Island during 2023. HUD delivered 400 cabins by 30 June 2024, and continues to work with providers, hapū and iwi to deliver more housing in high-need areas
- $150 million to deliver an additional 75 homes and $10 million of capability building for Māori housing providers.

One example of how the Ministry has partnered with Māori providers to deliver better housing outcomes is Te Ngae Road Housing Development. In 2021, HUD partnered with Ngāti Uenukukōpako Iwi Trust to deliver 15 affordable homes in Rotorua, which was completed in June 2023. The project was delivered in partnership with Habitat for Humanity and provided wrap-around support services using kaupapa Māori approaches. Whānau are now living in the homes, reconnecting to their whenua.

The Housing Acceleration Fund

The Housing Acceleration Fund (HAF) was established in March 2021 to increase the pace, scale, diversity and affordability of new housing supply for buyers and renters. The key components of the HAF are:

- the Infrastructure Acceleration Fund, which unlocks a mix of private sector and government-led developments in locations facing the biggest housing supply and affordability challenges. Twenty-eight funding agreements, for 128 projects, have been signed, with $908 million allocated
- Kāinga Ora Large-Scale Projects (LSPs), which are large urban redevelopment projects that develop build-ready land and infrastructure upgrades in locations where large numbers of public homes are reaching the end of their useful lives. There are six LSPs in total; five in Auckland (Mt Roskill, Mangere, Tāmaki, Northcote and Oranga) and one in Eastern Porirua. HUD advises on significant investment decisions and has an ongoing role in monitoring LSP delivery. Since 2018, about 5,000 homes have been enabled on the land owned by Kainga Ora, with an estimated 14,000 new homes anticipated to be enabled by 2030
- the Land for Housing Programme, which acquires vacant or under-utilised Crown and private land throughout Aotearoa New Zealand that is suitable for residential development, in collaboration with iwi and private developers
- the Māori Infrastructure Fund, which has had $350 million from the HAF ring-fenced to unlock a wider range of Māori-led housing projects, such as developments on whenua Māori, papakāinga developments or rural developments with on-site infrastructure needs. To date, this fund has enabled 2,014 infrastructure sites around the country.

The Land for Housing programme

Under the Land for Housing programme, the land purchased is later on-sold to a development partner on a deferred payment basis to deliver new housing, with targets for affordable homes and social housing. Since 2015, a total of 323.79 hectares of land has been purchased or is administered under the programme. These sites are estimated to provide over 10,000 new houses; delivering a combination of social, affordable, and open-market homes. To date, 2,131 homes have been built and 12 full developments have been completed.

In 2023/24, the programme delivered just over 440 homes over seven sites across Aotearoa New Zealand. The sites were in Flat Bush, Manurewa, Onehunga, Ōtara, Wiri – all in Auckland; and also in Wellington and Queenstown. The delivered homes included a mix of social housing, KiwiBuild and open-market homes. Other Auckland sites making good progress in the early stages of delivering are in Ōtāhuhu and Glenfield.

One land acquisition was settled, and one development agreement completed negotiations in 2022/23 but was signed in 2023/24.

The Affordable Housing Fund

The Affordable Housing Fund provides financial support for the development of new affordable homes for low-to-moderate income families and whānau in areas facing the biggest housing supply and affordability challenges. There are two pathways in the Affordable Housing Fund: the Build-Ready Development Pathway and the Affordable Rental Pathway (which is discussed in the later section on improving the experience of renting and other types of living arrangements).

Build-Ready Developments

The Build-Ready Development Pathway helps deliver affordable housing through build-ready developments that, due to changing market conditions affecting residential housing, might not proceed without government support. For eligible build-ready developments in areas with high unmet housing needs and where construction hasn't started, we work with developers to enable them to unlock finance. This approach involves either pre-purchasing or underwriting homes 'off the plans', which provides the required support for the developer with minimal risk to the Crown.

The first round of the Pathway in 2022/23, provided targeted support for developments in regional areas with high unmet housing needs. In this round, $82.7 million of pre-purchase and underwrite commitments unlocked 144 homes across eight proposals. Additional funding for this Pathway provided in May 2023, enabled more developments to be supported in 2023/24, given the ongoing challenging market conditions. In 2023/24, $52.9 million of prepurchase and underwrite funds were approved to unlock 91 homes in Whangārei, Te Awamutu, Waipawa and Waipukurau.

At 30 June 2024, four developments had been completed with Crown exposure fully removed on two. HUD continues to actively work with developers for the remaining sites as construction progresses. This includes identifying and working with appropriate third parties where on-sells are required. Three developments are no longer proceeding through the Pathway (Whangārei, Waipawa and Waipukurau).

Progressing any further new commitments was paused due to the change of Government and in 2024/25, Cabinet agreed to end the Build-Ready Development Pathway.

Community Housing Regulatory Authority (CHRA)

The Community Housing Regulatory Authority (CHRA) is responsible for the registration and regulation of CHPs who intend to offer social and affordable rental housing. In April 2024, CHRA celebrated its 10-year anniversary.

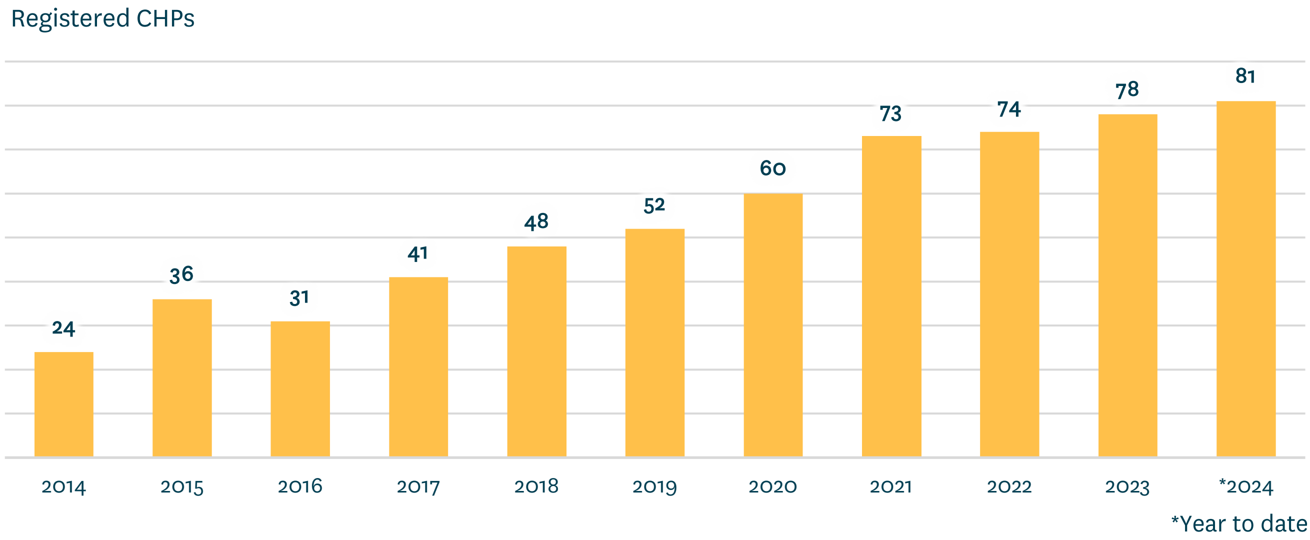
Registered CHPs have the same responsibilities under the *Residential Tenancies Act 1986* and other key legislation as private landlords. They offer stable tenure for the duration of housing need, maintain a focus on positive tenant outcomes by putting tenants in touch with support services where appropriate, encourage and act on tenant feedback, ensure that tenancy management is transparent and responsive, and provide responsive property and asset management services.

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

Over the 10 years CHRA has regulated the CHP sector, the number of registered CHPs has grown from 24 to 81 registered CHPs. Thirty-one CHPs self-identify as Māori organisations (38%). Registered CHPs now provide around 19,000 social and affordable housing properties, with around 13,000 properties receiving the IRRS.

Registered CHPs are required to report annually to CHRA on their operations. This ensures that registered CHPs continue to remain in compliance with the prescribed Performance Standards.

Snapshot of the registered community housing sector

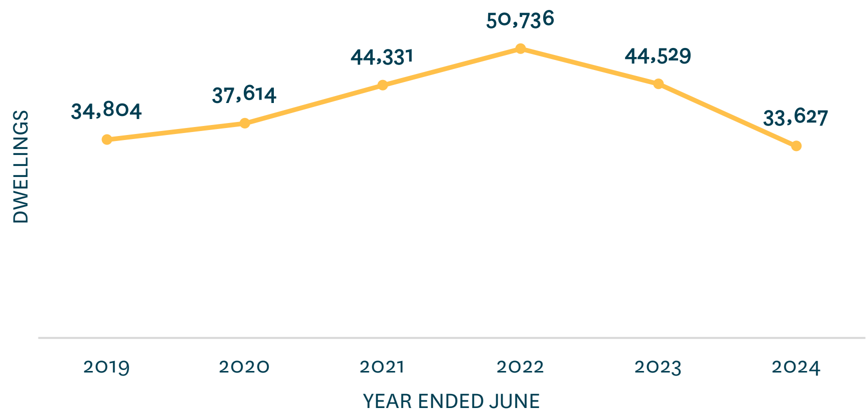


Assets
$4.0 billion
Previous year: **$3.6 billion**
Percentage growth: **9.9%**

Property
$2.4 billion
Previous year: **$2.2 billion**
Percentage growth: **6.5%**

Revenue
$1.3 billion
Previous year: **$1.1 billion**
Percentage growth: **19.4%**

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

<table>
<tr><th>Indicators</th><th>Results</th><th>Trend</th></tr>
<tr><td>Number of new residential building consents[1]</td><td>Number of new residential building consents

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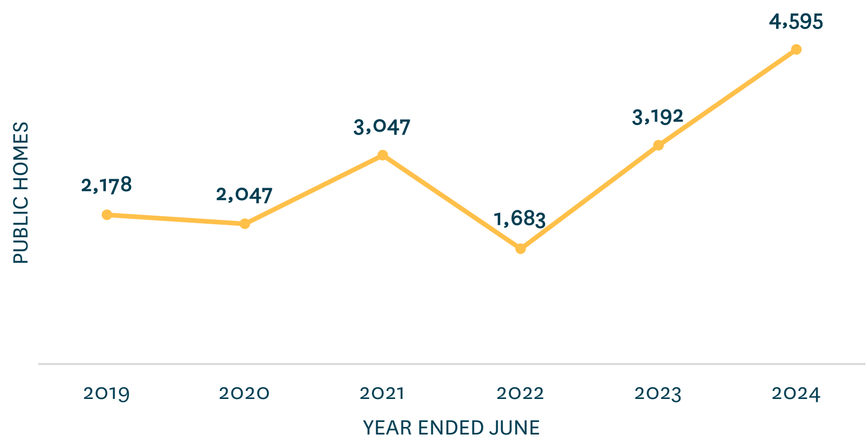
<tr><td>Number of additional public homes added to the stock each year[2]</td><td>Number of additional public homes added to the stock

</td><td></td></tr>
<tr><td>Number of registered Māori Community Housing Providers</td><td><table><tr><th></th><th>JUNE 2021</th><th>JUNE 2022</th><th>JUNE 2023</th><th>JUNE 2024</th></tr><tr><td>Māori Community Housing Providers</td><td>19</td><td>24</td><td>28</td><td>31</td></tr></table></td><td></td></tr>
</table>

[1] Statistics New Zealand (2023). Building consents issued: June 2023. www.stats.govt.nz/information-releases/building-consents-issued-june-2023#:~:text=In%20June%202023%2C%20the%20seasonally,the%20year%20ended%20June%202022

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

New infrastructure to support the development of housing

Infrastructure investment is critical to enable the building of homes and communities. We work to align investment plans across different government agencies and councils, for greatest impact.

Urban Growth Partnerships

Urban Growth Partnerships are in place for Auckland, Hamilton-Auckland Corridor (FutureProof), Tauranga-Western Bay of Plenty (Smartgrowth), Wellington-Horowhenua, Greater Christchurch and Queenstown Lakes.

The development and implementation of joint spatial plans, including Future Development Strategies (FDSs) required under the NPS-UD, is an important output of these partnerships. Joint spatial plans provide a long-term place-based framework for the coordination of the most critical infrastructure and land use availability to help deliver on Going for Housing Growth.

HUD worked alongside local authorities, iwi/Māori, and government agencies to develop FDSs to help manage future urban growth. For our partnership areas, FDSs were endorsed for Auckland, the Wellington Region, Hamilton-Waikato and Rotorua. Joint spatial plans or FDSs were endorsed for Greater Christchurch and Tauranga-Western Bay of Plenty.

Over the last year:

- the Auckland Partnership established a leads group for the Northwest Auckland Joint Priority Development Area, made up of seven central government agencies, Auckland Council and Council-controlled organisations. The group aims to integrate planning and investment to get the best urban outcomes. The group has identified three immediate priorities: delivering an economic development masterplan focused on job creation; updating the Council development contributions policy to fund necessary growth-related infrastructure; and completing the Northwest Rapid Transit business case
- HUD supported the FutureProof urban growth partnership (covering the Hamilton, Waipā, Waikato and Matamata-Piako sub-region) and SmartGrowth urban growth partnership (Tauranga and Western Bay of Plenty), to prepare and adopt formal strategies. These strategies set out how the partnerships will address the housing, land, and infrastructure needs of their communities while planning for growth over the long term
- the Greater Christchurch Spatial Plan was unanimously endorsed by the Greater Christchurch Partnership Committee on 16 February 2024. During March 2024, all Partner Councils also adopted the Greater Christchurch Spatial Plan as their FDS
- the Rotorua Housing Accord was formalised in December 2022 to address Rotorua's housing crisis with partners; Rotorua Lakes Council, Ngāti Whakaue, Te Arawa and the Crown. Since the Accord's signing, we have given support to iwi developments totalling 200 new homes.

Legislation and regulations

Resource Management Act

We are supporting a programme of changes to the *Resource Management Act 1991* (RMA) and subordinate legislation (National Direction). So far, the Government has introduced the Fast-track Approvals Bill, repealed the previous RMA replacement, and introduced a bill that includes changes to speed up and simplify the process for developing national direction. The next tranche of legislation and national direction includes a housing and urban development package that will deliver some of the key elements of the land pillar of Going for Housing Growth, including establishing Housing Growth Targets and strengthening the NPS-UD. Overall, the national direction package will reduce barriers to development, make it easier to construct infrastructure, and get more houses built.

In Phase three, the Government intends to replace the RMA with new resource management legislation aimed at removing unnecessary regulatory barriers to residential construction, enabling urban areas to grow and change, helping reduce the cost of development, and improve housing affordability.

Infrastructure Funding and Financing Act

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

In August 2023, the Government authorised the Infrastructure Funding and Financing (Wellington Sludge Minimisation Facility Levy) Order 2023, which enables a Special Purpose Vehicle (SPV) owned by Crown Infrastructure Partners to provide up to $400 million of funding towards the construction costs of Wellington City Council's new sludge minimisation facility. Sewage sludge is a natural and unavoidable by-product of the wastewater treatment process. Wellington's new sludge minimisation facility is intended to reduce the volume of solid waste sludge going into the Southern Landfill and help Wellington City Council achieve its waste minimisation and emissions reduction goals.

The finance raised by a SPV will sit off Wellington City Council's balance sheet and will be funded by a new annual levy charged to the beneficiaries of the infrastructure (i.e. Wellington City Council ratepayers). The levy commences on 1 July 2024 and concludes on 30 June 2057, with the finance intended to be repaid over the first 30 years.

This is the second time the model enabled by the IFF Act has been used. The first was by Tauranga City Council for the Western Bay of Plenty Transport Systems Plan. A third levy proposal was received and assessed by HUD in 2024 but was not authorised by the Government during the reporting period.

Reform of the IFF Act to improve its functioning and make it a more viable funding and financing tool for infrastructure projects is being undertaken as part of the Going for Housing Growth programme.

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

Indicators	Results	Trend

Amount of funding available with the purpose of supporting new infrastructure	Within the Housing Acceleration Fund, $50 million has been allocated to the Land for Housing Programme and the remainder to the Infrastructure Fund. Within the Infrastructure Fund there are three components that have been allocated funding:
	• Kāinga Ora Large-Scale Projects (LSPs)
	  ○ Funding for LSPs was reduced to $1.86 billion, from $2.3 billion. This includes $371 million for Eastern Porirua's LSP.
	• Infrastructure Acceleration Fund
	  ○ To date, 28 funding agreements, covering 128 projects, have been signed, with 35 of those projects in construction or completed as at 30 June 2024. The allocated $908 million will support critical infrastructure projects in 28 cities and towns.
	• Infrastructure for Māori housing
	  ○ $350 million has been allocated to the Māori Infrastructure Fund. This fund is administered by the Whai Kāinga Whai Oranga interagency team.
		Reduced due to Budget 2024 decisions for LSPs

Indicators	Results	Trend
Number of projects focused on new infrastructure to support the development of housing	In the year ended June 2024: • The Land for Housing Programme, which received additional funding through the Housing Acceleration Fund, settled four land acquisitions estimated to deliver a combination of 725 KiwiBuild, public and market-priced homes in the future. One Development Agreement was also signed that will support the development of 96 homes in a mixed community of KiwiBuild and market-priced homes. • This year, the Housing Acceleration Funding for Large-Scale Projects was reduced to \$1.86 billion, from \$2.3 billion. This funding is anticipated to enable about 14,000 new homes on Kāinga Ora land, with a further 12,000 on privately-owned land. To date, LSPs have enabled 5,300 houses since 2018. • Projects being supported through the Infrastructure Acceleration Fund are expected to enable around 30,000 to 35,000 new homes over the next 10 to 15 years. To date, 1,341 homes have been completed. • The Māori Infrastructure Fund administered by the Whai Kāinga Whai Oranga interagency team has been allocated \$350 million funding to enable 2,700 infrastructure sites to be delivered by June 2025. Of the 2,700 target to date, a total of 2,014 infrastructure sites have been approved, which will be delivered by 89 projects.	Minimal change

Increased home ownership

Housing needs to be affordable and available in a mix of sizes and types that suit the diverse needs of individuals and whānau. We have a number of funds and programmes to increase supply and support people into home ownership.

Progressive Home Ownership

The Government's $440 million Progressive Home Ownership (PHO) Fund is expected to help between 1,500 and 4,000 families buy their own homes. The fund offered approved PHO providers funding via an interest free loan. The providers use that money to fund homes that are then used to partner with individuals, families and whānau in a rent-to-buy, shared equity or leasehold arrangement. The fund is committed in a multi-year appropriation with the expectation that it would be allocated by June 2024.

In August 2023, five key changes were made to ensure PHO continues to provide homes for as many whānau as possible up to June 2024:

- allowing buyers to purchase existing homes
- increasing the PHO income cap from $130,000 to $150,000
- broadening the income cap exemption for intergenerational whānau to include larger whānau
- increasing flexibility of the timing of funding applications
- extending the recyclability of funding.

Due to the increased uptake through the First Home Partner Pathway following these changes, $37 million in additional funding was transferred to the PHO fund from the Kiwibuild – Buying Off the Plans appropriation. Funding had previously been transferred from the Christchurch Housing Initiative specifically to support Christchurch-based developments.

Between the launch of the fund in December 2020 and June 2024, 1,340 households have been helped into home ownership. At 30 June 2024, the total number of houses contracted through the fund, which includes those already delivered, is 2,121.

Additional providers have also been approved through the Te Au Taketake Pathway this year, including Kaenga Hou Trust, Owhata Kōhanga Rākau LP, Tauhara North Kāinga Ltd, Te Arawa Lakes Trust and Te Taiwhenua o Heretaunga. This has brought the total number of providers with loans approved, across both Te Au Taketake and the Provider Pathways, to 27.

First Home Products

First Home Products help eligible first-time buyers with a First Home Grant to top up their deposit, or with a low-deposit First Home Loan. The First Home Products sit alongside other initiatives to support first home buyers, including the PHO Scheme and KiwiBuild programme. In 2023/24, there were 11,543 First Home Grants paid. In 2023/24, there were 2,730 homes bought with a First Home Loan.

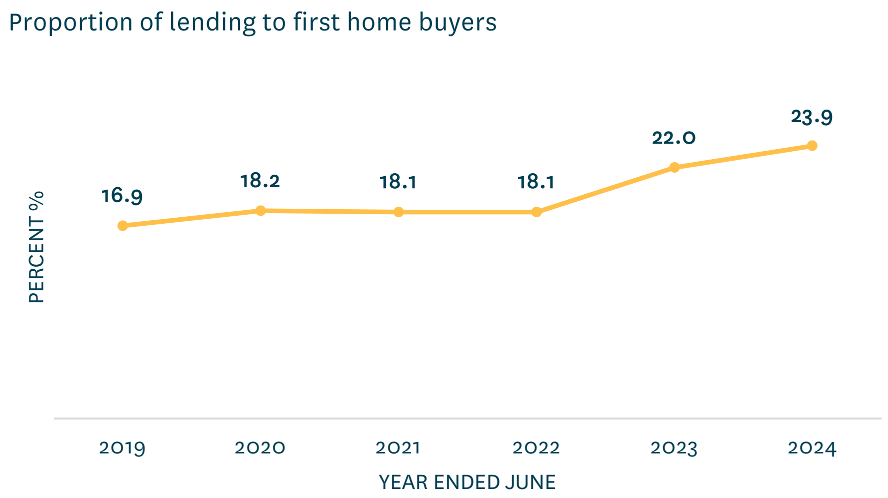
The First Home Grant scheme was closed with immediate effect on 22 May 2024. Exemptions were enabled for a short period of time for certain individuals based on two key criteria; being people with an existing pre-approval that had expired prior to the announcement of the First Home Grant closure and people who signed a Sale and Purchase Agreement on or before 22 May 2024. Buyers must meet both criteria to be considered for an exemption. They must also continue to meet other First Home Grant eligibility requirements, such as income and house price caps.

KiwiBuild

KiwiBuild was set up in 2017 to increase the supply of modest and affordable homes for first home buyers and second chancers[3]. KiwiBuild aims to complement, rather than compete, with the private residential housing sector. The Government partners with private developers, local councils, infrastructure providers, and Māori and mana whenua to deliver KiwiBuild homes. All KiwiBuild homes are new builds, so they are modern, warm and dry.

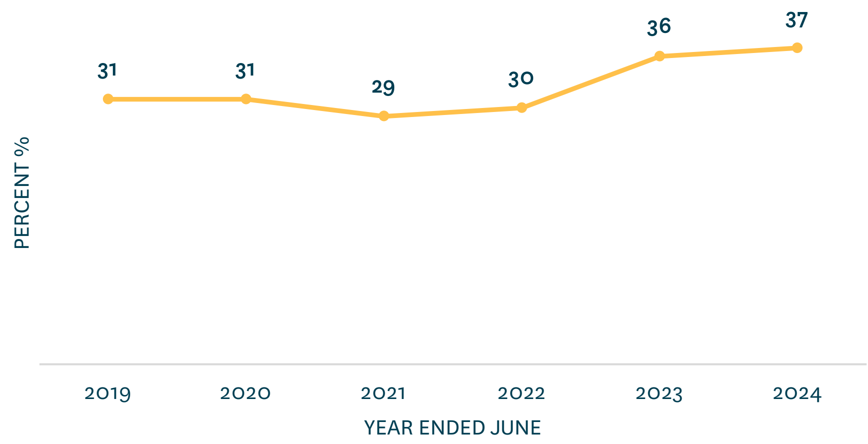
In July 2022, KiwiBuild policy changes were made to increase delivery particularly outside Auckland. In 2021/22, immediately before the policy changes, four underwrite contracts were signed including one outside Auckland. In 2023/24, this had increased to 15 underwrite contracts with six outside Auckland. In 2023/24, 667 KiwiBuild homes were delivered bringing the total number completed to 2,533. A further 734 KiwiBuild homes are under construction. On 1 July 2024, the Government agreed to disestablish KiwiBuild and work to implement this decision is underway.

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

Indicators	Results	Trend
Percentage of people living in owner-occupied homes[4]	In 2023, 63.8 percent of people were living in owner-occupied dwellings. For Māori this was 48.2 percent and for Pacific peoples it was 31.1 percent. In 2022, 64.2 percent of people were living in owner-occupied dwellings. For Māori this was 47.9 percent and for Pacific peoples it was 32.1 percent. In 2021, 63.5 percent of people were living in owner-occupied dwellings. For Māori this was 47.5 percent and for Pacific peoples it was 32.7 percent. In 2020, 62.7 percent of people were living in owner-occupied dwellings. For Māori, this was 44.5 percent and for Pacific peoples it was 30.3 percent. In 2019, 62.8 percent of people were living in owner-occupied dwellings. For Māori, this was 45.7 percent and for Pacific peoples it was 31.6 percent.	
Proportion of lending to first home buyers (out of all buyer types)[5]		

[3] Second chancers are people who have previously owned a home but who no longer do so, and who now find themselves in a similar financial position as a first home buyer. For instance, a divorcing couple may sell their home in order to separate their finances but this can leave both people with an insufficient deposit to purchase a new home.
[4] Statistics New Zealand (2023). HES Tenure by Ethnicity 2018-2022. https://catalogue.data.govt.nz/dataset/hes-2022-household-counts-and-proportions-of-tenure-and-damp-or-mould-by-ethnicity
[5] Reserve Bank of New Zealand Te Pūtea Matua (2023). www.rbnz.govt.nz/statistics/series/lending-and-monetary/new-residential-mortgage-lending-by-borrower-type

Part C
Part B
Part A

Indicators	Results	Trend
Proportion of mortgage commitments to first home buyers[6]	Proportion of mortgage commitments to first home buyers 	
Deposit Affordability Index[7]	In the year ended June 2024, the following regions had an improvement in deposit affordability: • Auckland region (+5%) • Bay of Plenty region (+5%) • Canterbury region (+2%) • Gisborne region (+3%) • Hawke's Bay region (+7%) • Manawatu-Whanganui region (+4%) • Marlborough region (+2%) • Nelson region (+6%) • Northland region (+5%) • Southland region (+3%) • Taranaki region (+7%) • Tasman region (+2%) • Waikato region (+2%) • Wellington region (+4%). In the year ended June 2024, the following regions had no change in deposit affordability: • Otago region (0%). In the year ended June 2024, the following regions had a decrease in deposit affordability: • West Coast region (-4%).	

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

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

Part C
Part B
Part A

Improving the experience of renting and other types of living arrangements

More New Zealanders are now living in rental accommodation for longer periods of time, including children and older people. Tenancy laws and rental standards have been modernised, giving renters more stability as well as access to warm and dry places to call home.

Affordable Rental Pathway

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

Between September 2023 and February 2024, applications from round two of the Affordable Rental Pathway were approved by Ministers. Through round two, there was $100 million available for affordable rental developments across Aotearoa New Zealand, prioritising areas with the greatest need for affordable housing. The additional funding will enable 385 affordable rentals through 23 partnerships with providers from around the country, including:

- in Northland, $5.1 million for 16 new houses will be shared between Te Pae ki te Rangi Limited Partnership and Tambourine Trust
- in the Bay of Plenty region, $21.4 million for 64 new houses will be shared between Western Bay of Plenty District Council, Home in Place NZ Limited and Tauhara North Kāinga Limited
- Hawkes Bay region will share $22 million for 65 houses between Te Taiwhenua o Heretaunga and Hastings District Council
- Nelson Marlborough region will see $11.5 million for 32 new houses developed by Marlborough Sustainable Housing Trust, Nelson Tasman Housing Trust and Habitat for Humanity Nelson
- Christchurch City will see $6 million for 24 new houses constructed by Ōtautahi Community Housing Trust in partnership with Paenga Kupenga, the economic arm of Ngāi Tūāhuriri Rūnanga.

Build-to-rent

Build-to-rent is a type of medium-to high-density residential development, specifically built to provide long-term rental housing. Its benefits include enabling significant dedicated rental supply and providing better tenant experiences and wellbeing outcomes. In March 2024, the Government announced that it would amend the *Overseas Investment Act 2005* to provide a streamlined pathway for overseas investment in build-to-rent and similar assets. The Overseas Investment (Build To Rent and Similar Rental Developments) Amendment Bill was introduced and had its first reading in June 2024. The bill proposes changes to better support build-to-rent housing developments.

HUD has a role in assessing and registering build-to-rent land for the exclusion from the property interest limitation rules. Since the legislation was enacted, 23 build-to-rent developments, representing 871 homes, have been registered.

Legislation and regulations

Residential Tenancies Amendment Bill

In May 2024, the coalition Government introduced the Residential Tenancies Amendment Bill to improve tenancy laws and help increase the supply of rental properties. The proposed changes would:

- reintroduce landlords' ability to give notice to end a fixed-term tenancy at the end of the term without requiring a specific reason
- reintroduce 90-day 'no cause' terminations for periodic tenancies, meaning landlords can end a periodic tenancy without requiring a specific reason
- introduce pet bonds (set at a maximum of two weeks' rent) that can be charged in addition to the existing bond where a tenant wants to have a pet at the property
- provide that tenants may only have a pet or pets with the consent of the landlord, who can only withhold consent on reasonable grounds
- make tenants liable for all pet damage to properties beyond fair wear and tear.

The Government expects most of the changes in the Bill would come into effect in early 2025, with the pet changes coming once the bond system has been updated, which is expected to be later in 2025.

Healthy homes standards

The healthy homes standards aim to close the quality gap between rental properties and owner-occupied homes. The regulations include minimum standards for heating, insulation, ventilation, moisture ingress (dampness) and drainage, and draught stopping. The final date by which all private landlords must comply with the standards is 1 July 2025, while Kāinga Ora and CHPs were required to comply by 1 July 2024.

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

The final provisions of the *Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Act 2022* came into force on 9 May 2024. These changes aim to give more transparency and strengthen the rules around the duties and expectations of body corporates. The remaining provisions to take effect relate to the long-term maintenance regime, the contract of service with a body corporate manager, and the Regulator's powers. This last tranche includes new regulations and updates to existing regulations regarding:

- the types of information that have to be provided to the Regulator on request
- electronic voting rules and procedures
- other minor matters including clarification around proxy voting procedures and requirements in the pre-purchase disclosure statements for off-the-plan units.

Retirement Villages Act

We are leading a review of the *Retirement Villages Act 2003* and its associated regulations and codes to ensure they remain fit for purpose and strike a balance between the rights and responsibilities of residents and retirement village operators. The review also seeks to ensure the ongoing viability of the retirement village sector and its ability to provide a range of retirement housing options and consumer choice. The retirement villages sector plays a significant role in meeting the needs of older New Zealanders and in adding to our overall housing supply. Currently around 50,000 people live in retirement villages, and this is expected to increase to 80,000 by 2033.

In 2023, HUD invited feedback on a discussion paper, *Retirement Villages Act 2003: Options for Change*. The discussion paper outlined proposals relating to three phases of retirement village living – moving in, living in and moving out – as well as a range of general topics. Four workshops were held in main centres to get in-person feedback. In 2024, we analysed over 11,000 submissions, which will help to inform the next stages of the review.

Granny flats

The coalition Government committed to amending the *Building Act 2004* and the resource consent system to make it easier to build granny flats or other small structures. A discussion document was published by the Ministry of Business, Innovation and Employment in June 2024 with proposed changes to the Building Act and the resource management system. The discussion document proposes that a new schedule is added to the Building Act to provide for simple standalone houses up to 60 square metres in size, without resource consent.

The following indicators demonstrate HUD's impact on the system in relation to the intended outcome of improving the experience of renting and other types of living arrangements.

Indicators	Results	Trend
Regional Rental Affordability Index[8]	In the year ended June 2024, the following regions had an improvement in rental affordability: • Auckland region (+2%) • Bay of Plenty region (+2%) • Canterbury region (+1%) • Hawke's Bay region (+1%) • Manawatu-Whanganui region (+3%) • Marlborough region (+6%) • Nelson region (+2%) • Northland region (+4%) • Tasman region (+2%) • Waikato region (+1%) • Wellington region (+3%) In the year ended June 2024, the following regions had no change in rental affordability: • Southland region (0%) • Taranaki region (0%). In the year ended June 2024, the following regions had a decrease in rental affordability: • Gisborne region (-1%) • Otago region (-1%) • West Coast region (-7%).	

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

Indicators	Results	Trend
Percentage of households reporting living in homes with dampness or mould[9]	In 2022/23, 4.6 percent of people lived in households reporting a major problem with dampness or mould. This figure was 10.0 percent for Māori and 8.6 percent for Pacific peoples. In 2022/23, 23.5 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 29.5 percent for Māori and 35.2 percent for Pacific peoples. In 2021/22, 4.4 percent of people lived in households reporting a major problem with dampness or mould. This figure was 9.1 percent for Māori and 9.3 percent for Pacific peoples. In 2021/22, 22.2 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 26.8 percent for Māori and 30.9 percent for Pacific peoples. In 2020/21, 4.3 percent of people lived in households reporting a major problem with dampness or mould. This figure was 8.3 percent for Māori and 10.4 percent for Pacific peoples. In 2020/21, 18.3 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 26 percent for Māori and 21.5 percent for Pacific peoples. In 2019/20, 5 percent of people lived in households reporting a major problem with dampness or mould. This figure was 10.3 percent for Māori and 14.3 percent for Pacific peoples. In 2019/20, 20.1 percent of people lived in households reporting a minor problem with dampness or mould. This figure was 25.9 percent for Māori and 30.5 percent for Pacific peoples.	↑
Level of compliance with the Healthy Homes Standards[10]	As of March 2024, 90 percent of landlords say they have done things to prepare their rental property/properties to meet the Healthy Homes Standards or that their rental is already compliant. As of December 2022, 92 percent of landlords say they have done things to prepare their rental property/properties to meet the Healthy Homes Standards or that their rental is already compliant. As of August 2021, 85 percent of landlords say they have done things to prepare their rental property/properties to meet the Healthy Homes Standards or that their rental is already compliant. As of August 2020, 77 percent of landlords had done things to prepare their rental property/properties to meet the Healthy Homes Standards or that their rental is already compliant.	Minimal change

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

[10] Kantar Public (2024). Healthy Homes Guarantee Act Monitoring Topline Report Wave 4 March 2024. https://www.hud.govt.nz/assets/Uploads/Documents/Healthy-Homes-Guarantee-Act-Monitoring-Topline-Report-Wave-4-March-2024.pdf

More support provided to people in housing need

Our goal is to prevent homelessness where possible, and if it does happen, help people who are experiencing it back into stable housing as quickly as possible, giving them the support they need so they don't go through it again.

Aotearoa New Zealand Homelessness Action Plan

The Aotearoa New Zealand Homelessness Action Plan (HAP) 2020-2023 built on and supported work already underway and put in place essential changes to address responses to homelessness. This was to contribute to the vision that homelessness is prevented where possible, and is rare, brief and non-recurring when it does happen.

Since its publication in February 2020, significant progress has been made in implementing the HAP. The HAP contains 18 immediate actions, which address the most critical points in our progress on longer-term homelessness actions. While most of the actions have now been implemented, some continue to be underway.

The Rangatahi Supported Accommodation Service seeks to meet the needs of 16-25 year old rangatahi with higher and/or more complex needs who are experiencing, or are at risk of, homelessness. Rangatahi with high and/or complex needs often require intensive longer-term support before they can exit homelessness. There are currently limited housing solutions available for these rangatahi, which often do not meet their needs. The Rangatahi Supported Accommodation Service focuses on filling this gap. As of mid-2024, two providers are operating in Auckland and a third provider has recently opened their site in Hamilton.

Outreach services will address barriers for people disconnected from the housing support system who are currently experiencing, or are at risk of, homelessness and who have been missed or overlooked by other existing services. Outreach involves building relationships with people experiencing homelessness and connecting them with services that can provide a pathway out of it. Nine providers have been contracted for three years by HUD to facilitate Outreach Services. All have previous experience supporting people to exit homelessness and delivering people-centred services that are culturally responsive to Māori and Pacific peoples.

Work is underway to deliver a pilot programme of kaupapa Māori responses to homelessness through the He Ara Hiki Mauri prototype in partnership with Te Matapihi and Arohanui ki te Tangata. This agreement will enable funding to be accessed from 2023 for He Ara Hiki Mauri to empower whānau who need it most, through place-based, Māori-led solutions.

Through the HAP, $16.6 million was available over a three-year period for the Local Innovation and Partnership Fund (LIPF) to support local initiatives that respond to and prevent homelessness. Close to $6 million was allocated to 10 providers in September 2022 in the second round of LIPF. Alongside the six initiatives continuing from the first round, all 10 round two initiatives were operational by the end of 2022. The third round of LIPF was completed in July 2023 with the remaining funding being allocated to eight providers.

Support services

There are several additional services available to help those who are homeless or are at risk of becoming homeless. For people who have been experiencing homelessness for at least a year, Housing First helps them into permanent housing. Once a person is housed, the programme provides ongoing and tailored support to help them remain housed and address the underlying issues that led to their homelessness. HUD's role in Housing First is to bring together local health and social service providers, housing providers, local government, iwi and other agencies to develop localised community responses to homelessness. At 30 June 2024, 2,750 contracted places were available for chronically homeless households to be placed and supported into secure and stable accommodation.

Rapid Rehousing aims to support people who have recently become homeless or are at risk of becoming homeless, and who have low-to-medium complexity social service needs. Rapid Rehousing helps individuals, families and whānau quickly exit homelessness and return to permanent housing. Once in stable housing, it provides support to help people maintain their tenancies and avoid a return to homelessness. At 30 June 2024, there were 671 contracted places available for homeless households to be supported under the Rapid Rehousing programme.

Part C
Part B
Part A

Sustaining Tenancies is a service for tenants in private rentals or social housing who are at risk of losing their place to live. Service providers work with tenants on issues such as paying the rent, dealing with mental or physical health concerns, or risk factors such as addiction or family violence. At 30 June 2024, there were 2,431 contracted places available for households to be supported under the Sustaining Tenancies programme.

Ending large-scale and long-term use of emergency housing

In March 2024, the Government made a commitment to move families with children out of emergency housing quicker and into permanent homes. This commitment established the Priority One category on the social housing register. It is part of a broader priority to end the large-scale and long-term use of emergency housing. In April 2024, the Government set a goal of reducing the number of households in emergency housing by 75 percent by 2030.

The new Priority One category moves families with dependent children in emergency housing for longer than 12 weeks higher on the social housing register, enabling them to move into social housing more quickly. The Priority One fast track was implemented by the Ministry of Social Development in April 2024.

There will also be changes to tighten the gateway to emergency housing and ensure it is targeted to those with the highest needs, who have no other options available. These changes will be implemented by the end of August 2024.

Rotorua Housing Accord

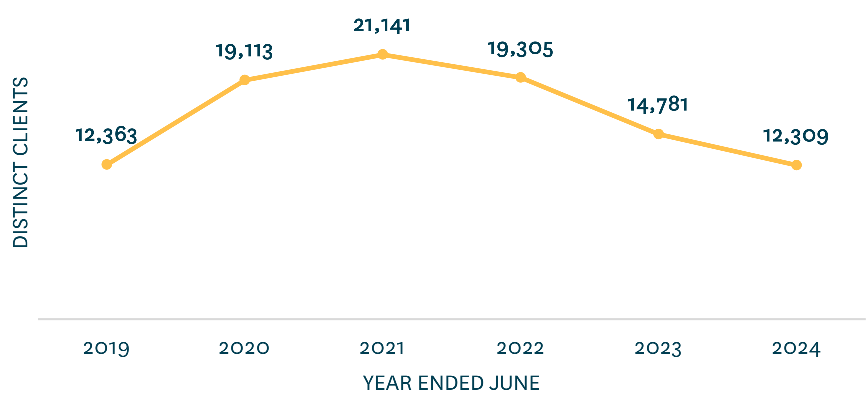
In collaboration with partners to the Rotorua Housing Accord, a coordinated and significant reduction in whānau in emergency housing has occurred. The Accord is committed to reducing the use of emergency housing in Rotorua as soon as possible.

Contracted Emergency Housing (CEH) continues to be piloted in Rotorua. HUD contracted 13 motels and support services for onsite management, to cater for whānau with children who needed emergency accommodation. In December 2022, HUD was granted resource consent for a two-year period for the 13 CEH motels. Resource consent expires in December 2024.

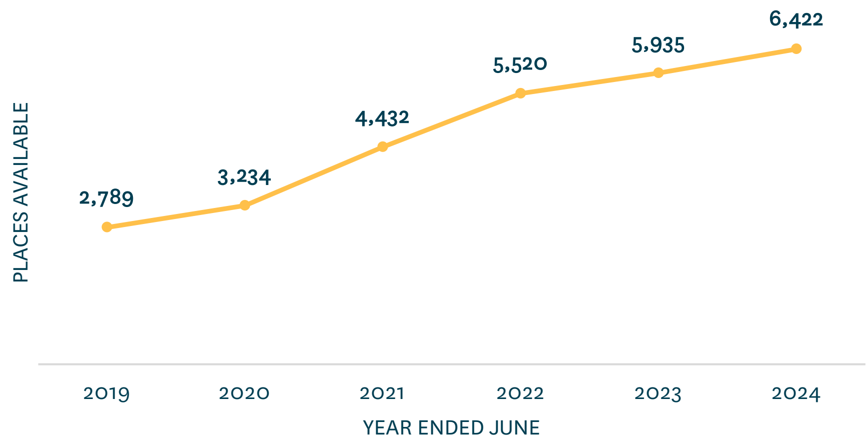
There has been a reduction in the overall demand for emergency housing with 588 households reported across both CEH and EH-SNG motels in December 2021 compared to 204 households in June 2024. Most households requiring emergency housing in Rotorua are families with children who reside in CEH. Although HUD has exited three of the 13 CEH motels, it is not possible, based on reduced demand alone, that a full exit of CEH motels can be achieved by December 2024 without significant impacts and disruption.

HUD is currently seeking resource consent for seven motels for a further one-year period until December 2025. HUD will continue to take a phased approach to reduce its reliance on CEH motels. The recently established Priority One category which enables families to receive a fast-track preference to social housing after a 12-week consecutive period in emergency housing will assist with exiting motels. HUD expects a full exit from motels by December 2025, with a progressive reduction in the number of motels in use as families are placed into alternative sustainable housing.

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

Indicators	Results	Trend
Support provided to people in housing need	In 2023/24, 2,224 households achieved housing stability through engaging in Housing First[11] (984 households) and Sustaining Tenancies[12] (1,240 households). In 2022/23, 1,654 households achieved housing stability through engaging in Housing First (684 households) and Sustaining Tenancies (970 households). In 2021/22, 1,350 households achieved housing stability through engaging in Housing First (604 households) and Sustaining Tenancies (746 households). In 2020/21, 1,064 households achieved housing stability through engaging in Housing First (810 households) and Sustaining Tenancies (254 households). In 2019/20, 505 households achieved housing stability through engaging in Housing First.[13]	↑
Number of distinct clients[14] who were granted Emergency Housing Special Needs Grants each year[15]	Number of distinct clients granted Emergency Housing Special Needs Grants  	↓

[11] Housed over the year.
[12] Households successfully exiting the service over the year.
[13] Sustaining Tenancies data is only available from October 2020. Data prior to October 2020 is incomplete since a small portion of Sustaining Tenancies providers were reporting at the time.
[14] Distinct clients will only count clients once in a period.
[15] Annual figures provided by the Ministry of Social Development.

Indicators	Results	Trend
Total number of transitional housing places available[16]	Number of transitional housing places available  	

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

Strengthening Māori-Crown relationships

Te whakarenarena i ngā hononga Māori ki te Karauna

Te Tūāpapa Kura Kāinga is committed to improving services and outcomes for, with and by Māori, through strengthened Māori-Crown relationships. As part of the Crown, we have responsibility for operating as a Treaty partner and ensuring Māori housing aspirations are achieved.

The *Public Service Act 2020* section 14 explicitly recognises the role of the public service to support the Crown in its relationships with Māori under Te Tiriti o Waitangi (the Treaty of Waitangi).

To strengthen the Māori-Crown relationship, HUD has engaged with several post-settlement governance entities through high level arrangements. Through Iwi-Crown Accord Treaty of Waitangi settlement commitments, we supported Ministers in their engagement with iwi. This included Ministers engaging with Waikato Tainui, Ngāti Hauā, Te Hiku o Te Ika, and Parihaka Papakāinga. Discussions focused on the health and wellbeing of the Māori-Crown relationship, and strategic priorities that support Māori housing ambitions. In 2023/24, we continued to engage with iwi through the Iwi-Crown Accord engagement process and through the historical settlement process.

As part of the historical Treaty of Waitangi settlement process led by Te Arawhiti – the Office for Māori Crown Relations, we also meaningfully engaged with mandated iwi entities on their relationship redress.

Historical Treaty of Waitangi settlement commitments

As of 30 June 2023, HUD were responsible for seven Treaty of Waitangi settlements (Ngāi Tūhoe, Te Aupōuri, Ngāi Takoto, Ngāti Kuri, Ngā Mana Whenua o Tāmaki Makaurau, Te Rarawa and Taranaki Whānui ki Te Upoko o Te Ika) of which there were 24 commitments. The status of these commitments is summarised below:

The status of our Treaty of Waitangi settlement commitments

Most of the commitments we are responsible for have been completed (83%) or are yet to be triggered (4% or 1 settlement). A small portion of our commitments (13% or 3 commitments) are on track, and these relate to an annual hui that is convened by the Ministry of Social Development as lead agency. We will continue to track and update our commitments as required.

Ngā takohanga whakataunga Tiriti o Waitangi aronehe

Nō te 30 o Hune 2023, nō HUD te haepapa ki ngā whakataunga Tiriti e whitu (Ngāi Tūhoe, Te Aupouri, Ngāi Takoto; Ngāti Kuri; Ngā Mana Whenua o Tāmaki Makaurau, Te Rarawa me Taranaki Whānui ki Te Upoko o Te Ika), ā, e 24 ngā takohanga. Kua whakarāpopotohia te kokenga o ēnei takohanga ki raro iho nei:

Te kokenga o ā mātou takohanga whakataunga Tiriti o Waitangi

Kua tutuki te nuinga o ō mātou takohanga (83%), kāore anō rānei kia huatakitia (4%, arā, 1 whakataunga). E whai haere tonu ana tētahi wāhanga iti o ō mātou takohanga (13%, arā, ngā takohanga e 3), me te aha, e hāngai ana ēnei ki tētahi hui ā-tau ka karangahia e te Manatū Whakahiato Ora hei umanga matua. Ka whai tonu, ka whakahou tonu anō hoki mātou i ō mātou takohanga mehemea me pērā.

MAIHI and place-based partnerships

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

Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework for Action places whānau at the centre of our housing response, applying kaupapa Māori principles and driving our delivery in partnership with iwi and Māori.

MAIHI supports a cohesive Crown approach and draws on the collective strengths of government agencies, with everyone in the system working together. This gives us the best opportunity to deliver positive housing outcomes and support 'by Māori, for Māori, with Māori' solutions.

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

MAIHI me ngā mahitahitanga ā-wāhi

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

Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework ka whakatau i ngā whānau ki te pūtahi o ā mātou urupare whare, ka whakaurua ko ngā mātāpono kaupapa Māori me te koke i ā mātou ratonga mā te mahitahi ki ngā iwi me ngā Māori. Ka tautoko a MAIHI i tētahi huarahi Karauna tūhonohono, ā, ka tō i ngā pūkenga ngātahi o ngā tari kāwanatanga me ngā tāngata katoa kei roto i te pūnaha e mahitahi ana. Mā tēnei e nui ake ai te tūpono ka hua he putanga whare pai, ka tautoko hoki i ngā rongoā 'nā te Māori, mō te Māori, me te Māori'.

Ko te Kaupapa Mahitahi o MAIHI ka whakamāmā i te āhua ki ngā hapū, ngā iwi me ngā kaituku whare Māori ki te kimi me te toro ki te pūtea me ngā tautoko e wātea ana mai i ngā tari kāwanatanga maha mō ngā kaupapa whare e arahina ana e te Māori.

Ko te Kaupapa Mahitahi o MAIHI ka aro ki te whakapiki i te nui o ngā whare Māori me ngā āheinga whare puta noa i te hātepe whare Māori me te waihanga ara putanga whare 'nā te Māori, mō te Māori, me te Māori'.

Wai 2750: Stage 1 response

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

In May 2023, the Waitangi Tribunal released Kāinga Kore: The Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness. The Tribunal determined that the Crown had breached the Treaty of Waitangi principles of active protection, equity and good government. The Crown is taking a phased approach in responding to the Stage One findings.

Wai 2750: Stage 2

The Tribunal has confirmed Stage Two of the Inquiry will consider claims grouped into four pakitara (themes):

- Whenua Māori – Use and development of Māori land for housing
- Te Ao Kāinga – Housing policy, practice and regulation of the housing market
- Whānau Kāinga – Social housing and the provision of ‘public housing’ by central and/or local government
- Hauora – Relationship between poor physical and mental health (and other socio-economic factors) and housing.

We are awaiting an update from the Waitangi Tribunal about when the stage two hearings will commence.

Wai 2750: Urupare ki a Wāhanga 1

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

I te marama o Mei 2023, i puta i Te Rōpū Whakamana i te Tiriti o Waitangi te Kāinga Kore: The Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness. Nā te Taraipiunara te whakatau, i takahia e te Karauna Te Tiriti o Waitangi me ōna mātāpono, arā, te tiaki, te tautika me te kāwanatanga tika. E whai ana te Karauna i tētahi tukanga ā-tūāoma i tāna urupare ki ngā kitenga o te Tūāoma Tuatahi.

Wai 2750: Wāhanga 2

E ai ki ngā whakatau a te Taraipiunara, ko tā te Wāhanga Tuarua o te Pakirehua he riro i ngā kerēme ki raro i ngā pakitara (kaupapa) e whā:

- Whenua Māori – Te whakamahinga me te whanaketanga hoki o ngā whenua Māori mō ngā take whare.
- Te Ao Kāinga – Ngā kaupapa here whare, ngā tukanga me ngā waeture o te mākete whare.
- Whānau Kāinga – Te nōhanga ahupori me te rato ‘whare tūmatanui’ a te Kāwanatanga me ngā kāwanatanga ā-rohe.
- Hauora – Te hononga o te rawakore o te hauora ā-tinana, ā-hinengaro (me ngā āhuatanga oha-pori) ki ngā take whare.

E tāria ana te kupu a Te Rōpū Whakamana i te Tiriti o Waitangi e pā ana ki te wā e huatakitia ai ngā whakawātanga o te tūāoma tuarua.

Our capability
Tā mātou āheinga

Our people

At 30 June 2024, there were 359 people working at HUD (341 permanent and 18 fixed-term). The majority of our people (86 percent) work in Wellington with the rest working in Auckland and the regional North Island.

Ensuring we have the right capability to deliver on our priorities remains a key focus for us, and over the last six months, we have been undertaking a phased organisational change programme to streamline, simplify, and strengthen how we work. The drivers for this change are to continue to shift the housing system, adapt to Government priorities, and meet the Government's fiscal sustainability expectations. We have made changes to our organisational structure, capability and resourcing, and further changes will be made in the 2024/25 financial year.

In 2023/24, we worked with the Public Service Association (PSA) on a new Collective Agreement. Negotiations took place from December 2023, and the new agreement was ratified by PSA members on 28 March 2024. The term of the Collective Agreement is 1 April 2024 to 31 March 2027.

Diversity and inclusion

We know that to respond effectively to the housing challenges for all people in Aotearoa New Zealand we need to be a Ministry that embraces diversity and the new and better ways of doing things that it brings. Our Diversity, Equity and Inclusion Workplan outlines our focus on enabling a thriving workplace community where our workforce reflects our Kaupapa, where all our people feel a sense of belonging, and where they are valued for their different ideas and contributions. This Workplan is guided by the Papa Pounamu priority areas for the public service, and Kia Toipoto, Public Service Pay Gaps Action Plan.

Key to enabling and embedding MAIHI Ka Ora is supporting our internal cultural capability and growing our people's understanding of Aotearoa New Zealand history, specifically to understand the indigenous Māori history, culture and tikanga. We have continued to provide specific learning that supports those joining us to understand the history of housing in Aotearoa and its influence on the current state of housing.

We are proud of our workforce diversity, and we remain focused on continuing to grow our diversity. We participated in the Tupu Tai internship programme for Pacific tertiary students (led by the Ministry of Business, Innovation and Employment) over the summer of 2023/24, hosting three interns.

We develop the capability of our leaders to ensure we are a safe, positive and inclusive workplace. Inclusive leadership features in our selection process for leaders and we offer inclusive leadership learning, tools and resources. We monitor the leadership that our people experience through the 'pulse' surveys we run three times each year.

Our six People-led Networks celebrate diversity, provide safe spaces, and encourage thought leadership across HUD. During 2023/24, our network groups have continued to lead a range of events for the organisation and we have seen increased collaboration between the groups on events and initiatives for our workplace. These events ranged from guest speakers through to all staff gatherings in support of a positive workplace culture, such as supporting White Ribbon Day.

We remain focused on reducing our gender and ethnic pay gaps over time through improvements to our people systems and how we work. In 2019, our gender pay gap was 16.9 percent, and this has reduced to 8.2 percent at 30 June 2024. The main driver of our gender pay gap remains vertical segregation, which sees more females in lower and mid-level roles. Overall, 64 percent of our workforce identify as female and 64 percent of our leaders identify as female.

At 30 June 2024, our Māori pay gap is 1.8 percent, and our Asian pay gap is 19.5 percent. Our pools of Pasifika and MELAA (Middle Eastern, Latin American, African) and other ethnicities are too small to report this year. As with previous years, the main drivers of our ethnic pay gaps continue to be vertical and occupational segregation.

Health, safety and wellbeing

We have continued to mature our Health, Safety and Wellbeing (HSW) approaches over 2023/24. Our internal health and safety risk remains low, and while we have a greater level of risk relating to our external housing providers, we continue to mitigate this.

Internally, we have improved our HSW management approaches, and we reviewed our HSW policy and practices. We provide a safe, positive and inclusive workplace and equip people to be healthy, safe and well in their work through good leadership, and through access to online modules and personalised support from our employee assistance programme.

In 2023/24, there were 16 workplace incidents involving employees, compared to five in 2022/23. While one incident was serious it was not notifiable to WorkSafe, and the remainder were low-level incidents. In 2023/24, we received 10 reports of discomfort and pain from employees, compared to 20 reports in 2022/23. We have ensured that lessons have been learnt from the incidents to avoid them recurring.

Externally, we have made significant progress in maturing our approach, processes and practices to Persons Conducting a Business or Undertaking (PCBU) roles and responsibilities relating to external housing providers, particularly in our transitional housing and land acquisition and development areas.

Improving Māori-Crown relationship capability

In 2021, Te Tūāpapa Kura Kāinga developed two key strategic plans, Taukaea – Our Māori Language Plan and our Whāinga Amorangi Organisational Plan.

Taukaea - Our Māori Language Plan

Our Māori language plan under *Te Ture Reo Māori Act 2016* provides short- and long-term goals to promote the status and critical awareness of te reo and tikanga Māori within Te Tūāpapa Kura Kāinga, which contributes to the necessary micro-immersions that influence macro-outcomes in the revitalisation of te reo Māori in Aotearoa New Zealand. Taukaea sets out the aspirations of Te Tūāpapa Kura Kāinga for our people to develop te reo and tikanga Māori understanding, enabling the connection between our people and the communities they serve. Taukaea recognises that te reo and tikanga Māori are key to the success of the partnership created through the Treaty of Waitangi.

Whāinga Amorangi Organisational Plan

The Whāinga Amorangi Organisational Plan sets out targeted actions, initiatives and milestones focused on building capability in six competency areas, in order to partner, understand and respond to the needs and aspirations of Māori in a genuine way. The six key competencies are:

1. Aotearoa New Zealand history and the Treaty of Waitangi
2. Te Reo Māori
3. Kawa and tikanga
4. Understanding racial equity and institutional racism
5. Worldview knowledge
6. Engagement with Māori.

Since the development of our Whāinga Amorangi Organisational Plan, Te Tūāpapa Kura Kāinga have built a strong foundation and culture that supports our people to grow their capability through efforts to normalise te reo and tikanga Māori across our work. Te Tūāpapa Kura Kāinga has continued to develop a clear, accessible, and sustainable learning and development pathway, to build the capability of our people.

Through our commitment to Whāinga Amorangi, we have had increased partnership across business units, established quality, accessible and sustainable learning and development opportunities, and investment in our people and culture have seen progress toward our own aspirations and milestones.

The formal learning and development initiatives that have been undertaken demonstrate our commitment to building capability and understanding across all key competencies to strengthen the Māori-Crown relationship.

The following data demonstrates the progress we have had towards achieving our Whāinga Amorangi goals:

- 64.4 percent of our people have completed wānanga, online learning, and workshops focused on building understanding of Aotearoa New Zealand history and the Treaty of Waitangi literacy to the comfortable (tipu) level
- 65.2 percent of our people have completed or are undertaking learning and development opportunities focused on building understanding of te reo Māori to the comfortable (tipu) level.

Te whanake i te āheitanga ā-hononga i waenga i a ngāi Māori me te Karauna

I 2021, i whakawhanake a Te Tūāpapa Kura Kāinga i ngā mahere rautaki matua e rua, ko Taukaea – Our Māori Language Plan me Whāinga Amorangi Organisational Plan.

Taukaea

Tā mātou mahere reo Māori i raro i Te Ture Reo mō te Reo Māori 2016 i ētahi whāinga paetata, paetawhiti anō hoki ki te whakatairanga i te mana me te Mārama pū o te reo me ngā tikanga Māori i roto i Te Tūāpapa Kura Kāinga. Ka whāngai nei tērā i ngā rumakitanga-whāiti ka whakaawe nei i ngā hua-whānui i te whakarauoratanga o te reo Māori i Aotearoa. Ka whakatakoto a Taukaea i ngā wawata o Te Tūāpapa Kura Kāinga mō ō mātou tāngata kia piki ai te mārama ki te reo me ngā tikanga Māori, e hua ake ai ko te taukaea i waenganui i ō mātou tāngata me ngā hapori i Aotearoa e manaaki nei rātou. Ka tohua a Taukaea i te reo me ngā tikanga Māori hei ara e angitu ai te haere kōtui i hua ake ai i Te Tiriti o Waitangi.

Mahere Whakahaere mō Whāinga Amorangi

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

1. Te Hītori o Aotearoa me Te Tiriti o Waitangi
2. Te Reo Māori
3. Kawa me ngā Tikanga
4. Te mārama ki te tōkeke ā mātāwaka me te kaikiri torowhare
5. Mātauranga Tirohanga ā Ao
6. Te whai wāhi ki a ngāi Māori.

Nō te whakawhanaketanga o te Whāinga Amorangi Organisational Plan, kua whakatakoto a Te Tūāpapa Kura Kāinga i tētahi tūāpapa mārohirohi me tētahi ahurea e tautoko ana i ā mātou tāngata ki te whakapiki i tō rātou mātau ā-ahurea mā roto mai i ngā mahi whakataunoa i te reo me ngā tikanga Māori puta noa i ā mātou mahi. Kua whakawhanake tonu a Te Tūāpapa Kura Kāinga i tētahi ara ako, ara whakawhanake mārama, tomopai, toitū anō hoki, hei whakapiki i te mātau ā-ahurea o ā mātou tāngata.

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

Ko ngā kaupapa ako me ngā kaupapa whakawhanake ōkawa kua whāia e whakaatu ana i tō mātou takohanga ki te whakapiki i te mātau ā-ahurea me te māramatanga puta noa i ngā āheitanga matua katoa hei whakapakari ake i te hononga i waenga i a ngāi Māori me te Karauna.

E waiwai ana ēnei e whai ake nei i ngā kauneke whakamua kia tutuki ō mātou whāinga i raro i a Whāinga Amorangi:

- 64.4% o ā mātou tāngata kua whakaoti i ngā wānanga, ngā akoranga ā-ipurangi me ngā mahi ako e aro ana ki te whakapiki i te mārama ki te hītori o Aotearoa me te mātau ki Te Tiriti o Waitangi ki te taumata hāneanea (tipu)
- 65.2% o ā mātou tāngata kua whakatutuki, e whai ana rānei i ngā ara ārahi, whakawhanake anō hoki e aro ana ki te whakapiki i te mārama ki te reo Māori ki te taumata hāneanea (tipu).

Our next steps

Te Tūāpapa Kura Kāinga has built a strong foundation through Whāinga Amorangi and is ready to take the next step. Te Arawhiti in its development of Whāinga Amorangi sets out additional core competency areas which the Crown needs to strengthen. Te Tūāpapa Kura Kāinga will explore opportunities to embed the following:

1. Understanding of Māori Crown relations
2. Treaty of Waitangi analysis
3. Knowledge of Treaty of Waitangi settlement commitments
4. Data and evidence
5. Partnership capability.

Ngā tūāoma ka whai ake

He kokenga tēnei mea te whakatipu mātau ā-ahurea, ā, kua whakapau kaha a Te Tūāpapa Kura Kāinga ki te whakatakoto tūāpapa. E rite ana kia koke whakamua. Nō te whanaketanga o Whāinga Amorangi kua whakatūria e Te Arawhiti ētahi anō āheitanga matua hei whakakaha mā te Karauna. Ka whai huarahi a Te Tūāpapa Kura Kāinga kia whakaūngia ai tana hōtaka ako, hōtaka whanaketanga ki ēnei e whai ake nei:

1. Whai māramatanga mō te hononga o Ngāi Māori me te Karauna
2. He tātari o te Tiriti o Waitangi
3. He mōhio ki ngā takohanga mō ngā whakataunga Tiriti
4. Tatauranga me ngā taunaki
5. Te Mātau Mahitahi.

Our critical assets

We are primarily a policy and information services organisation, and we do not provide frontline customer services to the public. We lease our property (office space), we do not own or operate a vehicle fleet, and we lease our computer hardware such as laptops and mobile devices, as well as most software applications including Microsoft 365 and Oracle Fusion Cloud. While we do not own any service critical assets, we have three critical technology assets:

- Aho: This asset provides our supplier contract information and manages payments to all suppliers, including housing providers. This system is a Software as a Service (SaaS) solution provided by Oracle (Oracle Fusion Cloud), and all upgrades, management, and patching is conducted by Oracle directly, while HUD manages the configuration and content of the application. There is no short to medium-term need to replace this system.
- Kuhu: This asset was implemented in 2024 to provide interactions with housing suppliers (it had previously been described as our "Provider and Property Management solution"). The system is a Power Platform application provided by Microsoft, and all upgrades, management, and patching is conducted by Microsoft directly, while HUD manages the content of the application. There is no short to medium-term need to replace this system.
- Microsoft 365: This asset provides communication and knowledge management for HUD. The system is Microsoft 365, including Exchange, SharePoint, Teams, and Power BI. All upgrades, management, and patching is conducted by Microsoft directly, while HUD manages the configuration and content of the platform. There is no short to medium-term need to replace this system.

Our governance and risk management

Effective risk management is critical to sound governance. We have an enterprise risk management framework and policy. We monitor and report on our strategic risks in line with relevant government frameworks. Key parts of our work programme are driven by our responsibility to manage risk in the system, including our system intelligence work programmes that monitor for emerging challenges and opportunities. The Senior Leadership Team (SLT) reviews strategic risks, which affect both the system and organisation, and makes decisions to support mitigation activity. Oversight of other organisational, project and programme risks are provided by the SLT subcommittees and other internal governance structures.

Our independent Strategic Advisory 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. We also have an internal assurance programme that provides independent assurance to the Chief Executive that important processes and systems are operating effectively.

Crown entity monitoring

One of HUD's functions is Crown entity monitoring. HUD acts on behalf of the Minister of Housing to give effect to the Minister's role as joint responsible Minister and to protect the Crown's ownership, investment and purchase interests in Kāinga Ora and Tāmaki Regeneration Company. We support the Minister with overseeing delivery and performance. We facilitate engagement between the Minister and the entities. We also advise Ministers on investment decisions.

In December 2023, the Government announced an independent review into Kāinga Ora. The review was tasked with reviewing the financial situation, procurement, and asset management practices of Kāinga Ora. The report from the review was delivered in March 2024. HUD provided support for the panel during the review and provided advice and support to Ministers responding to the findings of the review. We will continue work to respond to the findings in 2024/25.

Our carbon footprint

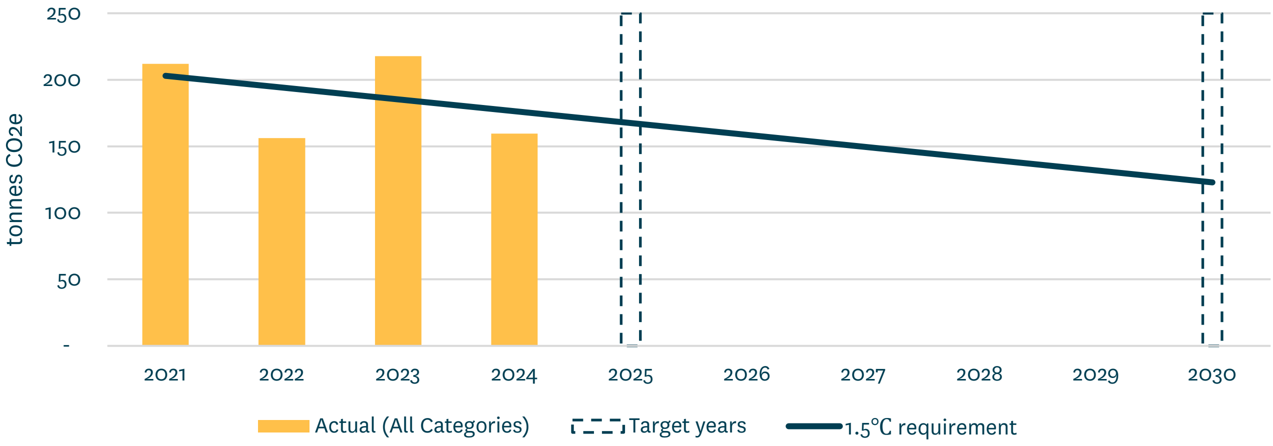
HUD remains committed to meeting the requirements of our internally focussed Carbon Neutral Government Programme and operating in a low-emissions and energy-efficient environment. Management of our emissions is an important component of our environmental and sustainability objectives. Our sustainability 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. The base year for reporting is 2020/21, as this represents our first full year of available data.

Our greenhouse gas emissions measurement (emissions data and calculations) is 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. The 2023/24 measurement is provisional pending verification.

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. We are making positive progress towards our ability to meet our targets. Our targets also align 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 tCO_2-e, representing a 21.8 percent reduction in gross emissions (all categories) compared to base year 2020/21
- 2030 target: Gross emissions (all categories) to be no more than 122.23 tCO_2-e, representing a 42.5 percent reduction in gross emissions (all categories) compared to base year 2020/21

Absolute GHG emissions (all Categories) for Ministry of Housing and Urban Development



In 2023/24, we emitted 161 tCO_2e (tonnes of carbon dioxide equivalent), which was a 24 percent decrease on our base year (2020/21: 213 tCO_2e). Besides ongoing efforts to reduce emissions, the major drivers for this reduction are a tighter fiscal environment and decrease in overall FTE. Most of our emissions came from domestic air travel and purchased electricity for our two offices.

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

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

Table 1: Emissions profile broken down by scope and total annual emissions (tCO_2-e)

Category		Scope	2020/21 tCO_2-e	2021/22 tCO_2-e	2022/23 tCO_2-e	2023/24 tCO_2-e
1.	Direct emissions	Scope 1	0	0	0	0
2.	Indirect emissions from imported energy	Scope 2	19.42	16.07	9.62	11.53
3.	Indirect emissions from transportation	Scope 3	165.97	117.21	194.77	145.62
4.	Indirect emissions from products used by the organisation		27.19	22.92	13.40	5.19
5.	Indirect emissions associated with the use of products from the organisation		0	0	0	0
6.	Indirect emissions from other sources		0	0	0	0
Total gross emissions (all measured emissions) in tCO_2-e			**212.58**	**156.20**	**217.78**	**162.34**
Change in gross emissions (all categories) since base year				**-27%**	**+3%**	**-24%**

Table 2: Total emissions broken down by emission source

Source	2023/24 tCO_2-e	2023/24 percentage
Business travel - transport (non-company owned vehicles)	123.58	76.87
Imported electricity	11.54	7.18
Working from home	8.73	5.43
Business travel - accommodation	7.26	4.52
Mobile combustion (including company owned or leased vehicles)	4.42	2.75
Disposal of solid waste - landfilled	1.48	0.92
Disposal of solid waste - not landfilled	1.31	0.81
Purchased goods and services	1.28	0.79
Transmission of energy (T&D losses)	0.84	0.52
Disposal of liquid waste - not wastewater	0.18	0.11

2021/22 results verified against ISO14064-1:2018
2022/23 results verified.
2023/24 results provisional and unverified.

Part B: Our performance

Ngā kōrero mō te paearu mahi

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 2024 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 2025 and its operations for the year ending on that date.

Andrew Crisp

Chief Executive – Toihau
Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
30 September 2024

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of the Ministry of Housing and Urban Development's Annual Report for the year ended 30 June 2024

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

- the financial statements of the Ministry on pages 64-89, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2024 on pages 9-28 and 48-62;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2024 on pages 109-124 and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 90-108 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2024;
  - the schedules of expenses; revenue and capital receipts for the year ended 30 June 2024; and
  - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2024:
  - presents fairly, in all material respects, for the year ended 30 June 2024:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry are presented fairly, in all material respects, in accordance with the requirements of section 45A of the *Public Finance Act 1989.*
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
  - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2024; and
  - expenses; revenue and capital receipts for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Chief Executive for the information to be audited

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

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

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

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

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

Responsibilities of the auditor for the information to be audited

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

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

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Strategic Intentions 2021-2026 and relevant Estimates and Supplementary Estimates of Appropriations 2023/24, and the 2023/24 forecast financial figures included in the Ministry's 2022/23 annual report.

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

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

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

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

Our responsibilities arise from the *Public Audit Act 2001*.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1-124 but does not include the information we audited, and our auditor's report thereon.

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

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

Independence

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

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

Rehan Badar

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

Statement of Performance
Tauākī whakatutukitanga

For the year ended 30 June 2024

Assessing our service performance

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

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

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

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

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

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

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

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

Annual Report for Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

The appropriations reported in this Annual Report and included in this Statement of Performance are:

Multi-Category Expenses and Capital Expenditure

- Managing the Housing and Urban Development Portfolio

  Departmental Output Expenses:
  - Facilitating the Purchase and Redevelopment of Land for Housing Purposes
  - Management of Housing Provision and Services
  - Policy Advice and Ministerial Servicing
- Public Housing

  Non-Departmental Output Expenses:
  - Purchase of Public Housing Provision
  - Services for People in Need of or at Risk of Needing Public Housing
- Transitional Housing

  Non-Departmental Output Expenses:
  - Provision of Transitional Housing Places
  - Transitional Housing Services.

Departmental Capital Expenditure

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

Minister's Report on Non-Departmental Appropriations

The appropriations included in the Minister's Report on Non-Departmental Appropriations for Vote Housing and Urban Development are:

Non-Departmental Output Expenses

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

Non-Departmental Capital Expenditure

- Affordable Housing Fund - Capital Funding (Multi-Year Appropriation)
- Housing Infrastructure Fund Loans (Multi-Year Appropriation)
- Kāinga Ora – Homes and Communities Crown Lending Facility (Multi-Year Appropriation)
- Land purchase within the Housing Agency Account
- Progressive Home Ownership Fund (Multi-Year Appropriation)
- Tāmaki Regeneration Company Limited – Equity Injection (Multi-Year Appropriation).

Multi-Category Expenses and Capital Expenditure

- Amortisation of Upfront Payments
- Housing Acceleration Fund (Multi-Year Appropriation)
  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.
- Housing Programme Fair Value Impairment Loss and Inventory Disposal
- Upfront Payments.

Annual Report for Kāinga Ora – Home and Communities

The following appropriations are reported in the Annual Report for Kāinga Ora – Home and Communities:

Non-Departmental Benefits or Related Expenses

- First Home Grants.

Non-Departmental Other Expenses

- Housing Assistance
- Kāinga Ora – Homes and Communities
- Kāinga Ora Land Programme (Multi-Year Appropriation).

Multi-Category Expenses and Capital Expenditure

- Community Group Housing.

Exemptions

The remaining appropriations included in the Estimates of Appropriations and Supplementary Estimates are not reported in the reports noted above, as resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity; and an exemption has been granted under s15D(2)(b) of the Public Finance Act 1989.

Exemption under section 15D(2)(b)(iii) of the *Public Finance Act 1989* as the amount of these annual appropriations for a non-departmental output expense is less than $5 million:

Non-Departmental Output Expense

- Independent Review of Kāinga Ora – Homes and Communities
- Public Housing
  - Services Related to the Provision of Public Housing
- Management of Crown Properties held under the Housing Act 1955.

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

Non-Departmental Output Expense

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

Non-Departmental Other Expense

- Land for Housing Operations (Multi-Year Appropriation).

Non-Departmental Capital Expenditure

- Land for Housing Programme – developers' loan payments (Multi-Year Appropriation).

Our performance framework

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

The housing and urban development system
Government Policy Statement on Housing and Urban Development

Outcomes			
Thriving and resilient communities	Wellbeing through housing	Māori housing through partnership	An adaptive and responsive system

Impacts					
Ensure more affordable houses are built	Ensure houses meet needs	Enable people into stable, affordable homes	Plan and invest in our places	Support whānau to have safe, healthy, affordable homes with secure tenure	Re-establish housing's primary role as a home rather than a financial asset

Te Tūāpapa Kura Kāinga – The Ministry of Housing and Urban Development
He kāinga ora, he hapori ora – Thriving communities where everyone has a place to call home

Our outcome indicators The impact that we have on the system				
More houses, including more Māori-led housing	New infrastructure to support the development of housing	Increased home ownership	Improving the experience of renting and other types of living arrangements	More support provided to people in housing need

Our role How we ensure the system is working well and outcomes are realised					
Grow understanding of the system	Understand what's happening now and identifying future trends	Help focus effort across the system	Ensure the right settings, tools and funding are in place	Enable and ensure delivery	Drive action through collaboration and partnership

Our outputs Departmental appropriations in Vote Housing and Urban Development		
Facilitating the purchase and development of land for housing purposes	Policy advice and Ministerial servicing	Management of housing provision and services

How we work	
Māori and Iwi Housing Innovation (MAIHI)	Place-based approaches

Our values		
Wānangatia – Curiosity	Kōkiritia – Drive	Arohatia – Empathy

Disclosure of judgements

Reporting entity

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) is a New Zealand government department as defined by section 5 of the *Public Service Act 2020*. The relevant legislation governing our operations includes the *Public Finance Act 1989* and *Public Service Act 2020*. HUD's ultimate parent is the New Zealand Crown.

We are the Government's advisor and steward for the housing and urban development system. This means we consider whether the products we administer, and the system as a whole, are effective and efficient, work as intended, achieve the intended outcomes and are fit for purpose. We do not operate to make a financial return and we are a Public Benefit Entity (PBE) for performance reporting purposes.

Further information regarding our roles and responsibilities can be found on pages 6-8 of this document.

Statement of Compliance

The section on *Our performance* covers all our activities as set out in the Estimates of Appropriations 2023/24 for Vote Housing and Urban Development. The section on *Our progress* includes other indicators as outlined in our Statement of Strategic Intentions 2021-2026.

The *Our performance* section has been prepared in accordance with the requirements of the *Public Finance Act 1989*, which includes the requirement to comply with New Zealand Generally Accepted Accounting Principles (NZGAAP).

The Statement of Performance has been prepared in accordance with Tier 1 PBE financial reporting standards including PBE FRS 48, which applies to the service performance reporting.

We apply the standard PBE FRS 48 for Service Performance Reporting with its principles-based requirements to ensure service performance information and reporting is appropriate and meaningful to users. This includes maintaining consistency of reporting, and ensuring performance information is comparable, relevant, reliable, neutral, understandable and complete.

We have made judgements on the application of reporting standards, and estimates and assumptions concerning the future, as discussed below. The estimates and assumptions may differ from the subsequent actual results.

Critical reporting judgements, estimates and assumptions

Performance measures were selected through consultation with internal subject matter experts and approved by the Senior Leadership Team. Selection of measures was based on the availability of reliable data and relevance to the impact we are trying to achieve.

In determining key service performance information for each outcome, management has used judgement based on indicators that align with the mission and key annual activities of HUD. While we do have discretion over these, HUD seeks to maintain consistency across years where appropriate and to determine service performance information that is relevant, reliable, neutral, understandable, and complete. In selecting measures, we have made judgements to determine which aspects of performance are relevant and material to readers.

We set targets for output performance measures based on historical performance, with consideration of factors that may impact future performance. We may also identify and factor in opportunities for improvement. As such, future performance may differ from budgeted performance.

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

Policy advice

In keeping with the Policy Quality Framework provided by the Department of the Prime Minister and Cabinet (DMPC), we measure:

- the quality of our policy advice by applying the framework's prescribed measures for quality of policy advice, and
- Ministerial satisfaction that all government agencies with a policy advice appropriation must apply.

This includes a target score for both the quality of policy advice and Ministerial satisfaction. More information can be found at The Policy Project's Progress and Performance section on DPMC's website (dpmc.govt.nz).

The Policy Quality Framework sets a common set of standards that specify what good-quality policy advice looks like. Its purpose is to assess and improve the quality of our written policy and other advice. The advice may be for a Minister, Cabinet or other decision-makers, and may be jointly provided with other agencies.

Quality is assessed by an assurance panel that reviews a random sample of policy advice papers every year. The panel, made up of external and internal members, considers whether each paper meets or exceeds the quality standards of 'acceptable'. Results are based on these characteristics:

- context – the paper explains why the decision-maker is getting this and where it fits
- analysis – the paper is clear, logical and informed by evidence
- advice – the paper engages the decision-maker and tells the full story
- action – the paper identifies who is doing what next.

The overall result comes from calculating the average score of papers assessed using a 5-point scale from 1 (unacceptable) to 5 (outstanding).

The Ministerial Satisfaction Survey contains a common set of questions provided by DPMC. The survey asks about general satisfaction, the quality of policy advice and overall performance, using a 5-point scale. There are also 3 free-text questions about satisfaction. The survey is done once per year.

The survey for the Housing portfolio covered the period from the issuing of Ministerial warrants on 27 November 2023 to 30 June 2024.

Service delivery

HUD reports on several service delivery measures each year. They are a commitment of what we will deliver with the funding provided. The type of performance measure may vary by appropriation, depending on the focus of the service being provided. For example, for some appropriations, the focus may be on the volume or quantity of what is being delivered or negotiated, while for other appropriations the focus may be on the timeliness of delivering services.

HUD is primarily a policy and information services organisation, and we do not provide front-line customer services to the public. As such, HUD does not report on customer experience or satisfaction.

Organisational health

Organisational health indicators provide information on how HUD is using its resources to deliver for government and ensure performance is sustainable. A number of indicators are externally mandated, such as targets under the Carbon Neutral Government Programme, gender pay gap reporting and timeliness in paying invoices to domestic suppliers.

Performance measures explanatory notes

Explanatory notes for non-financial performance measures are included where they provide meaningful additional information. This could include, for example, a definition for what is included, the reason for not achieving a particular target, or a correction to a previously reported result.

All measures are reported to the latest time period available, or 30 June 2024. Data may not be available up to June 2024 (the reporting period for this Annual Report) for a number of reasons, such as it is pulled from a survey or report from another agency and the data is not yet available for the reporting period.

Significant Budget initiatives

The following table provides information on significant new initiatives for HUD that have been funded through the past three Budgets, and where to find further information on the delivery of these initiatives. The table below does not include Budget initiatives that were for cost pressures, technical accounting movements, drawdowns of funding, or movements of funding across years.

No new significant initiatives from Budget 2024 impact the 2023/24 financial year.

Budget	Budget initiative	Funding commitment over the four-year forecast period	About the initiative	Location of performance information
2023	Public Housing Supply – Additional 3,000 places	$3,565 million	This initiative provides funding for 3,000 new public housing places for delivery by 30 June 2025.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More houses (pages 9-14).
	Māori Housing Supply, Capability Building and Repairs	$150 million	This initiative provides funding to support Māori-led housing supply, capability building and repairs. This will maintain momentum created through existing Māori housing delivery programmes such as Whai Kāinga Whai Oranga.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More Māori-led housing within More houses (page 11).
	North Island Weather Events: Temporary Accommodation Response	$70 million	This initiative provides funding for the coordinated provision of temporary accommodation supply and services to people displaced from their homes because of the extreme adverse North Island weather events. Funding is also provided to enable Temporary Accommodation Services to maintain the workforce needed to respond to the large-scale events across multiple regions.	Progress made in delivering this initiative was reported in the 2022/23 Annual Report (page 14).
	Transitional housing motels – Extending funding	$176 million	This initiative provides funding beyond 30 June 2023 for the use of motels as transitional housing for the chronically homeless.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More houses (pages 9-14).
	Organisation support services	$5 million	This initiative provides funding to deliver technology that will enable Enterprise Planning, which connects people, financial and contract data to improve forecasting, planning and reporting processes for the Ministry of Housing and Urban Development.	Progress made in delivering this initiative is reported in the *Our capability* section, particularly under the subheading of Our critical assets (page 39).

Budget	Budget initiative	Funding commitment over the four-year forecast period	About the initiative	Location of performance information
	Property Provider Management System	$5 million	This initiative provides funding to enable the development of a purpose-built technology solution to interact with housing providers about their properties, contracts, and services.	Progress made in delivering this initiative is reported in the *Our capability* section, particularly under the subheading of Our critical assets (page 39).
2022	Affordable Housing Fund	$344 million	This initiative will support the development of the affordable housing sector through establishing the Affordable Housing Fund. The fund will focus on supporting the development of affordable homes for low-to-moderate income households in locations facing the biggest housing supply and affordability challenges.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheadings of More houses (pages 9-14) and Improving the experience of renting and other types of living arrangements (pages 21-24).
	Improving the provision of emergency housing in Rotorua and potential expansion	$29 million	This initiative provides funding for the continued contracting of motels as emergency housing with wrap-around support services in Rotorua. It will also fund the continued operation of Te Pokapu – the Rotorua Housing Hub, and the provision of support services for whānau in non-contracted emergency housing motels. The initiative provides an immediate, placed-based response to urgent housing need in Rotorua, and complements the implementation of initiatives under the Aotearoa New Zealand Homelessness Action Plan.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More support provided to people in housing need (pages 25-28).
	First Home Products	$105 million	This initiative adjusts the First Home Loan and First Home Grant settings to ensure more first home buyers are able to access the products, and reduce the barriers to owning a first home.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of Increased home ownership (pages 18-20).
	Homelessness Action Plan	$75 million	This initiative provides funding for the expansion of rangatahi/youth-focused transitional housing places, the design and delivery of a new supported accommodation service for rangatahi/young people with higher and more complex needs, homelessness outreach services, and the provision of kaupapa Māori support services.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More support provided to people in housing need (pages 25-28).

Budget	Budget initiative	Funding commitment over the four-year forecast period	About the initiative	Location of performance information
	Public and Transitional Housing – Maintaining and Increasing Public, Transitional and COVID-19 Housing Supply	$1,006 million	This initiative provides funding to support the current delivery of public and transitional housing, including the delivery of new places committed to through the Public Housing Plan 2021-2024. It will also enable the extension of existing contracted transitional housing motels and motel places contracted at the start of the COVID-19 outbreak.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More houses (pages 9-14).
2021	Housing Acceleration Fund	$3,800 million	This fund will increase the pace and scale of new housing supply through supporting the provision of infrastructure and housing, and expanding the Land for Housing Programme. This will include increasing affordable homes, whether for rent or home ownership, and will focus on locations with high housing need, including Kāinga Ora Large-Scale Projects.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of New infrastructure to support development of housing (pages 15-17).
	Whai Kāinga Whai Oranga	$241 million	This initiative will see the delivery of new housing and repairs to existing stock for Māori across Aotearoa New Zealand. This is a joint initiative between the Ministry of Housing and Urban Development and Te Puni Kōkiri.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More Māori-led housing within More houses (page 11).
	Short-Term Housing and Support Services – Extension	$199 million	This initiative extends key programmes that support those experiencing chronic homelessness or those at increased risk of homelessness, including Housing First, Rapid Rehousing, and Sustaining Tenancies.	Progress made in delivering this initiative is reported in the *Our progress* section, particularly under the subheading of More support provided to people in housing need (pages 25-28).

The following table provides information on initiatives that have been stopped, scaled back, or returned savings through Budget 2024, and which impact 2023/24.

Budget initiative	Funding returned	About the initiative
Return of Funding for the Emergency Housing Review and Homelessness Action Plan	$46 million	This savings initiative returns funding allocated to the Emergency Housing Review and Homelessness Action Plan arising from projected underspends due to sector delivery capacity constraints. This initiative contributes to the baseline savings target for the Ministry of Housing and Urban Development.
Return of Funding for the Affordable Housing Fund Innovation Pathway	$60 million	This savings initiative returns $10 million total operating and $50 million total capital funding remaining in the Affordable Housing Fund.

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.

Performance information

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
97.6%	The satisfaction rating (see Note 1) given by the Minister for overall satisfaction annually	74.1%	Reach or exceed 70%

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

Financial performance

2023 Actuals $000	Financial performance	2024 Actuals $000	2024 Budget $000
	Departmental output expenses		
	Revenue		
	Revenue – Crown		
6,500	Facilitating Purchases and Development of Land for Housing Purposes	6,720	6,720
25,955	Management of Housing Provision and Services	27,328	27,329
48,318	Policy Advice and Ministerial Servicing	44,447	44,446
	Revenue – Departmental		
56	Facilitating Purchases and Development of Land for Housing Purposes	32	-
223	Management of Housing Provision and Services	129	-
415	Policy Advice and Ministerial Servicing	284	533
	Revenue – Third Party		
25	Facilitating Purchases and Development of Land for Housing Purposes	29	25
100	Management of Housing Provision and Services	116	90
188	Policy Advice and Ministerial Servicing	189	286
81,780	**Total revenue**	**79,274**	**79,429**
	Expenses		
6,648	Facilitating Purchases and Development of Land for Housing Purposes	5,796	6,745
27,085	Management of Housing Provision and Services	26,981	27,419
44,438	Policy Advice and Ministerial Servicing	42,402	45,265
78,171	**Total expenses**	**75,179**	**79,429**

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

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
4	Number of settled land acquisitions	1 (see Note 1)	4
1	Number of signed Development Agreements	1 (see Note 2)	3

Note 1 – One acquisition process was completed early in 2023/24. Progressing further land acquisitions was paused due to the caretaker conventions during the General Election and subsequently setting new Government priorities. Government priorities for the housing system include increasing the supply of developable land for housing. The role of the Land for Housing programme, which facilitates the purchase and redevelopment of land for housing purposes, is being considered as part of work on improving the effectiveness and value for money of expenditure across the housing system.

Note 2 – A Development Agreement in the final stages at the end of 2022/23 was signed early in 2023/24. Progressing further Development Agreements was paused due to the caretaker conventions during the General Election and subsequently setting new Government priorities. Interim setting changes, agreed by Cabinet after 30 June 2024, will enable Development Agreements for three sites to progress, and to be initiated for two further sites. The role of the Land for Housing programme, which facilitates the purchase and redevelopment of land for housing purposes, is being considered as part of work on improving the effectiveness and value for money of expenditure across the housing system.

Management of Housing Provision and Services

This category is intended to achieve effective management and regulation of housing and housing support providers (including Kāinga Ora – Homes and Communities) through negotiating, managing and paying contracts.

Performance information

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
80.8%	An annual monitoring report will be provided within 120 working days of receiving a Community Housing Provider annual return	83.6%	80% (see Note 1)
90%	Percentage of contracts monitored against their performance and reporting requirements	93%	90%
90% (see Note 2)	Percentage of payments to contracted housing and support providers processed within 10 working days	99.5%	95%

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

Note 2 – The performance target for 2022/23 of payments to contracted housing and support providers processed within 10 working days was 100%. It was reset for 2023/24 to recognise that each year there are limited circumstances where it is not possible to process payments within 10 working days (for example, where there are disputes to resolve or clarifications required).

Policy Advice and Ministerial Servicing

This category is intended to provide 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

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
3.56	Technical quality of policy advice papers will be assessed against the policy quality framework	3.46	Achieve an average score of at least 3/5
Percentage of requests completed within either specified or statutory timeframe:			
97.8%	Ministerial correspondence	95.8%	95% or above
99.1%	Written Parliamentary Questions	99.1%	95% or above
97.2%	Ministerial Official Information Act 1982 requests	98.4%	95% or above
97.6%	Departmental Official Information Act 1982 requests	100%	95% or above

Public Housing

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

Performance information

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
3,192 (see Note 1)	The net increase in additional public housing places (see Note 2) will be at least:	4,595 (see Note 3)	3,300

Note 1 – The performance target for 2022/23 of the net increase in public housing places was at least 3,350.

Note 2 – 'Public housing places' is made up of total tenancies (Kāinga Ora and Community Housing Providers Income Related Rent Subsidy places and market renters) plus unoccupied Kāinga Ora public homes (for example homes under refurbishment, being redeveloped or being made available to let).

Note 3 – The additional public housing places target has been exceeded due to an increase in delivery by Kāinga Ora as places delayed over the previous two years, where delivery was impacted by headwinds across the construction sector and the extreme adverse weather events in January and February 2023, have now been delivered.

Financial performance

2023 Actuals $000	Financial performance	2024 Actuals $000	2024 Budget $000
	Non-departmental output expenses		
1,391,486	Purchase of Public Housing Provision	1,573,377	1,660,155
75,769	Services for People in Need of or at Risk of Needing Public Housing	96,007	103,890
221	Services Related to the Provision of Public Housing	916	300
1,467,476	**Total expenses**	**1,670,300**	**1,764,345**

Purchase of Public Housing Provision

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

Performance information

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
73,529 (see Note 1)	The number of tenancies subsidised by an Income-Related Rent Subsidy will be at least:	78,037	77,500

Note 1 – The performance target for 2022/23 of the number of tenancies subsidised by an Income-Related Rent Subsidy was at least 75,500.

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

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
2,755 (see Note 1)	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:	2,750 (see Note 2)	2,830
2,357	The number of contracted places available for households to be supported under the Sustaining Tenancies programme will be at least:	2,431 (see Note 3)	2,350
681	The number of contracted places available for homeless households to be supported under the Rapid Rehousing programme will be at least:	671 (see Note 4)	545

Note 1 – The performance target for 2022/23 of contracted Housing First places was at least 2,640.

Note 2 – The target number of places has not been contracted, having considered current sector capacity constraints.

Note 3 – The target number of contracted places was exceeded due to the contracting of additional Sustaining Tenancies places funded under the Emergency Housing System Review.

Note 4 – The target number of contracted places was exceeded as HUD was able to negotiate higher volumes at a lower cost. Additional Rapid Rehousing places funded under the Emergency Housing System Review were also contracted.

Transitional Housing

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

Financial performance

2023 Actuals $000	Financial performance	2024 Actuals $000	2024 Budget $000
	Non-departmental output expenses		
186,440	Provision of Transitional Housing Places	192,222	229,953
133,294	Transitional Housing Services	168,768	250,748
319,734	**Total expenses**	**360,990**	**480,701**

Provision of Transitional Housing Places

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

Performance information

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
415 (see Note 1)	The net increase in additional transitional housing places in areas of demand will be at least:	487 (see Note 2)	335

Note 1 – The performance target for 2022/23 of the net increase in additional transitional housing places was at least 340.

Note 2 – The net increase in additional transitional housing places target was exceeded due to the delivery of additional places funded under the Emergency Housing System Review and funding provided for youth transitional housing.

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

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
100%	Percentage of new transitional housing places contracted that receive associated services	100%	100%

Departmental Capital Expenditure

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

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

Performance information

2022/23 Performance	Performance measure	2023/24 Performance	2023/24 Target
Achieved	Capital expenditure is in accordance with the Capital Asset Management Plan	Achieved	Achieved

Financial performance

2023 Actuals $000	Financial performance	2024 Actuals $000	2024 Budget $000
3,409	**Total expenses**	**1,256**	**6,850**

Part C:
Our financial statements
Ngā kōrero mō te pūtea

Departmental financial statements
Ngā tauākī pūtea tari

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget* 2024 $000	Unaudited Revised Budget* 2024 $000	Unaudited Forecast* 2025 $000
	Revenue					
80,773	Revenue Crown		78,495	72,863	78,495	60,987
1,007	Other revenue	2	779	300	934	-
81,780	**Total revenue**		**79,274**	**73,163**	**79,429**	**60,987**
	Expenses					
55,116	Personnel costs	3	55,112	57,886	61,775	47,196
749	Depreciation and amortisation	7,8	854	846	1,328	1,501
219	Impairment	7,8	723	-	-	-
397	Capital charge	4	477	477	477	477
233	Restructuring costs		1,300	-	1,800	-
21,457	Other operating expenses	5	16,713	13,954	14,049	11,813
78,171	**Total expenses**		**75,179**	**73,163**	**79,429**	**60,987**
3,609	**Net surplus and total comprehensive revenue and expenses**		**4,095**	**-**	**-**	**-**

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

Explanations of significant variances against the original 2023/24 budget are detailed in Note 17.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget* 2024 $000	Unaudited Revised Budget* 2024 $000	Unaudited Forecast* 2025 $000
	Assets					
	Current assets					
12,829	Cash and cash equivalents		16,159	6,886	7,788	8,639
133	Trade and other receivables	6	118	322	133	133
89	Debtor Crown		1,358	-	-	-
810	Prepayments		604	404	810	810
13,861	**Total current assets**		**18,239**	**7,612**	**8,731**	**9,582**
	Non-current assets					
4,243	Property, plant and equipment	7	3,703	4,934	4,725	5,034
3,224	Intangible assets	8	3,443	6,450	8,264	7,604
7,467	**Total non-current assets**		**7,146**	**11,384**	**12,989**	**12,638**
21,328	**Total assets**		**25,385**	**18,996**	**21,720**	**22,220**
	Liabilities					
	Current liabilities					
3,208	Trade and other payables	9	2,181	4,711	3,208	3,208
3,609	Return of operating surplus	10	4,095	-	-	-
299	Deferred revenue		352	-	-	-
-	Provisions	11	1,300	-	1,800	-
4,161	Employee entitlements	12	4,506	1,520	3,761	3,761
11,277	**Total current liabilities**		**12,434**	**6,231**	**8,769**	**6,969**
	Non-current liabilities					
65	Provisions	11	106	206	65	65
450	Employee entitlements	12	409	123	450	450
515	**Total non-current liabilities**		**515**	**329**	**515**	**515**
11,792	**Total liabilities**		**12,949**	**6,560**	**9,284**	**7,484**
9,536	**Net assets**		**12,436**	**12,436**	**12,436**	**14,736**
	Equity					
9,536	Taxpayers' funds	13	12,436	12,436	12,436	14,736
9,536	**Total equity**		**12,436**	**12,436**	**12,436**	**14,736**

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

Explanations of significant variances against the original 2023/24 budget are detailed in Note 17.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget* 2024 $000	Unaudited Revised Budget* 2024 $000	Unaudited Forecast* 2025 $000
9,536	**Balance as at 1 July**		9,536	9,536	9,536	12,436
3,609	Total comprehensive revenue/(expense)		4,095	-	-	-
	Owner transactions					
-	Capital injections		2,900	2,900	2,900	2,300
(3,609)	Repayment of operating surplus to the Crown	10	(4,095)	-	-	-
9,536	**Balance as at 30 June**	13	**12,436**	**12,436**	**12,436**	**14,736**

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

Explanations of significant variances against the original 2023/24 budget are detailed in Note 17.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2024

Actual 2023 $000		Actual 2024 $000	Unaudited Budget* 2024 $000	Unaudited Revised Budget* 2024 $000	Unaudited Forecast* 2025 $000
	Cash flows from operating activities				
80,816	Receipts from revenue Crown	77,392	72,863	78,495	60,987
120	Receipts from department	100	-	-	-
993	Receipts from other revenue	746	300	894	-
(23,790)	Payments to suppliers	(17,097)	(14,207)	(14,872)	(12,066)
(54,626)	Payments to employees	(54,808)	(57,886)	(61,775)	(48,996)
(397)	Payments for capital charge	(477)	(477)	(477)	(477)
224	Goods and Services Tax (net)	(561)	253	253	253
3,340	**Net cash flows from operating activities**	**5,295**	**846**	**2,518**	**(299)**
	Cash flows from investing activities				
(185)	Purchase of property, plant and equipment	(7)	(1,400)	(1,400)	(1,400)
(3,224)	Purchase of intangible assets	(1,249)	(5,450)	(5,450)	(2,300)
(3,409)	**Net cash flows from investing activities**	**(1,256)**	**(6,850)**	**(6,850)**	**(3,700)**
	Cash flows from financing activities				
(4,067)	Repayment of surplus to the Crown	(3,609)	-	(3,609)	-
-	Capital injection	2,900	2,900	2,900	2,300
(4,067)	**Net cash flows from financing activities**	**(709)**	**2,900**	**(709)**	**2,300**
(4,136)	**Net (decrease)/increase in cash and cash equivalents**	3,330	(3,104)	(5,041)	(1,699)
16,965	Cash and cash equivalents at the beginning of the year	12,829	9,990	12,829	10,338
12,829	**Cash and cash equivalents at the end of the year**	**16,159**	**6,886**	**7,788**	**8,639**

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

Explanations of significant variances against the original 2023/24 budget are detailed in Note 17.

Part C

Part B

Part A

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 this is consistent with the presentation basis of the other primary financial statements.

Actual 2023 $000		Actual 2024 $000
3,609	**Net surplus**	4,095
	Add/(less) non-cash items	
968	Depreciation, amortisation and impairment expense	1,577
968	**Total non-cash items**	**1,577**
	Add/(less) non-operating non-financial liability items	
(5)	Pension liability movement	-
(5)	**Total non-operating non-financial liability items**	**-**
	Add/(less) movements in Statement of Financial Position items	
97	(Increase)/decrease in receivables and prepayments	(1,048)
(2,134)	Increase/(decrease) in payables	(1,027)
101	Increase/(decrease) in deferred revenue	53
-	Increase/(decrease) in current provisions	1,300
623	Increase/(decrease) in employee entitlements	345
105	Increase/(decrease) in non-current employee entitlements	(41)
(24)	Increase/(decrease) in non-current provisions	41
(1,232)	**Total net movements in Statement of Financial Position items**	**(377)**
3,340	**Net cash flows from operating activities**	**5,295**

The accompanying notes form part of these financial statements.

Statement of Commitments

As at 30 June 2024

Capital commitments

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

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

Non-cancellable operating lease commitments

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

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

Actual 2023 $000		Actual 2024 $000
	Capital commitments	
-	Leasehold improvements	-
-	**Total capital commitments**	**-**
	Operating leases as lessee	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
2,788	Not later than one year	2,788
10,283	Later than one year and not later than five years	9,483
1,988	Later than five years	-
15,059	**Total non-cancellable operating lease commitments**	**12,271**
15,059	**Total commitments**	**12,271**

The accompanying notes form part of these financial statements.

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2024

Unquantifiable contingent liabilities

As at 30 June 2024, the Ministry has no unquantifiable contingent liabilities (2023: $nil).

Quantifiable contingent liabilities

Employment claims

As at 30 June 2024, the Ministry had two quantifiable contingent liabilities, both for employment claims, yet to be settled at year-end.

The total estimate for these quantifiable liabilities is $2,000 (2023: $nil).

Contingent assets

The Ministry has no contingent assets (2023: $nil).

The accompanying notes form part of these financial statements.

Notes to the Departmental Financial Statements

For the year ended 30 June 2024

Notes index

Notes to the Departmental Financial Statements

For the year ended 30 June 2024

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.

In addition, the Ministry reports on Crown activities that it administers in the non-departmental statements and schedules on pages 90-108.

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

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

These financial statements of the Ministry are for the year ended 30 June 2024, and the Chief Executive approved them for issue on 30 September 2024.

Basis of preparation

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

Statement of Compliance

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

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

Presentation currency and rounding

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

New or amended standards adopted

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023.

The Ministry has adopted the revised PBE standards, and the adoption did not result in any significant impact on the Ministry's financial statements.

Other changes in accounting policies

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

Standards issued and not yet effective and not early adopted

Standards and amendments issued but not yet effective and not early adopted are:

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025.

The Ministry has not yet assessed the impact of this amendment in detail.

Summary of significant accounting policies

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

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

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

Foreign currency transactions

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

Cash and cash equivalents

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

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Critical accounting estimates and assumptions

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

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

Critical judgements in applying accounting policies

There have been no critical judgements in applying accounting policies.

Budgeting and forecasting figures

Basis of the budget and forecast figures

The 2024 budget figures are for the year ended 30 June 2024 and were published in the 2022/23 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 2023/24.

The revised budget figures are those included in the Supplementary Estimates of Appropriations (Budget) for the year 2023/24.

The 2025 forecast figures are for the year ending 30 June 2025, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year 2024/25.

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

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

The 30 June 2025 forecast figures have been prepared in accordance and comply with PBE FRS 42 *Prospective Financial Statements*.

The Chief Executive approved the forecast financial statements for issue on 24 April 2024.

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

Although the Ministry regularly updates its forecasts, it will not publish updated forecast financial statements for the year ending 30 June 2025.

Significant assumptions used in preparing the forecast financial statements

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities, and are based on several assumptions about what might occur during 2024/25. 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 that were adopted as at 24 April 2024 were as follows:

- the Ministry's activities and output expectations will remain substantially the same as in the previous year, focusing on the Government's priorities
- personnel costs were based on 330 full-time equivalent staff, which considers staff turnover
- operating costs are based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred. Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes
- estimated year-end information for 2023/24 was used as the opening position for the 2024/25 forecasts.

The actual financial results achieved for 30 June 2025 are likely to vary from the forecast information presented, and the variations might be material.

2. Revenue

Accounting policy

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

Revenue Crown

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

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

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

Revenue – Department and third party

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

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

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

Breakdown of other revenue and further information

Actual 2023 $000		Actual 2024 $000
	Other revenue	
694	Revenue from departments	445
313	Revenue from third parties	334
1,007	**Total other revenue**	**779**

3. Personnel costs

Accounting policy

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

Superannuation schemes

Defined contribution schemes

Employer contributions to defined contribution schemes, including contributions to the State Sector Retirement Savings Scheme, KiwiSaver, and the Global Retirement Fund, are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

Actual 2023 $000		Actual 2024 $000
46,680	Salaries and wages	51,110
5,917	Contract employees	1,631
1,373	Contributions to defined contribution and benefit schemes	1,544
754	Other personnel expenses	307
56	ACC employer contributions	60
336	Increase/(decrease) in employee entitlements	460
55,116	**Total personnel costs**	**55,112**

4. Capital charge

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

Further information

The Ministry pays a capital charge to the Crown based on its taxpayers' funds excluding any memorandum accounts as at 30 June of the previous financial year and 31 December of the current financial year. The capital charge rate for the year ended 30 June 2024 was 5.0% (2023: 5.0%).

5. Other operating expenses

Accounting policy

Operating leases

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

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

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

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

Other operating expenses

Other expenses are recognised as goods and services are received.

Breakdown of other operating expenses and further information

Actual 2023 $000		Actual 2024 $000
	Fees to Auditors:	
294	- fees to Audit New Zealand for audit of financial statements	317
2,446	Consultancy fees	2,395
2,950	Leasing and renting costs	3,460
2,394	Legal fees	1,609
563	Subscriptions	415
6,664	Professional services	3,352
3,012	Computer operating costs	2,341
3,134	Other operating costs	2,824
21,457	**Total other operating expenses**	**16,713**

6. Trade and other receivables

Accounting policy

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

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

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

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.

Breakdown of trade and other receivables and further information

Actual 2023 $000		Actual 2024 $000
14	Receivables from departments and Crown entities	118
119	Receivables from third parties	-
-	*Less:* allowance for credit losses	-
133	**Total trade and other receivables**	**118**

Those specific debtors that are insolvent are fully provided for. As at 30 June 2024, the Ministry has identified no debtors that are insolvent. Receivables from other Government agencies are $118,000 at 30 June 2024 (2023: $14,000). 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 2024, all overdue receivables have been assessed for impairment and no provisions have been applied.

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

7. Property, plant and equipment

Accounting policy

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

Property, plant and equipment is shown at cost less accumulated depreciation and impairment losses.

Individual assets are capitalised if their cost is greater than $5,000.

Additions

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

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

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

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

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

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

Impairment

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

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

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

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

Critical accounting estimates and assumptions

Useful lives of property, plant and equipment

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

Breakdown of property, plant, and equipment and further information

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

	Computer Hardware $000	Furniture and Fittings $000	Leasehold Improvements $000	Actual $000
Cost or valuation				
Balance as at 30 June 2022	1,404	981	4,333	6,718
Additions	23	-	162	185
Balance as at 30 June 2023	**1,427**	**981**	**4,495**	**6,903**
Additions	7	-	-	7
Balance as at 30 June 2024	**1,434**	**981**	**4,495**	**6,910**
Accumulated depreciation				
Balance as at 30 June 2022	883	294	515	1,692
Depreciation charge for the year	218	197	334	749
Impairment charge for the year	219	-	-	219
Balance as at 30 June 2023	**1,320**	**491**	**849**	**2,660**
Depreciation charge for the year	21	196	330	547
Impairment charge for the year	-	-	-	-
Balance as at 30 June 2024	**1,341**	**687**	**1,179**	**3,207**
Carrying amounts				
As at 30 June 2023	107	490	3,646	4,243
As at 30 June 2024	**93**	**294**	**3,316**	**3,703**

Work in progress

There was no work in progress at 30 June 2024 (2023: $nil).

Impairment

There was no impairment at 30 June 2024 (2023: $219,278).

8. Intangible assets

Accounting policy

Software acquisition and development

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

Staff training costs are recognised as an expense when incurred.

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

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

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

Amortisation

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

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

Type of asset	Estimated life (years)	Depreciation Rate
Acquired computer software	3 years	33.3% to 42.6%
Internally developed computer software	7 years	14.29%

Critical accounting estimates and assumptions

Useful lives of software

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

Breakdown of intangible assets and further information

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

	Internally Generated $000	Actual $000
Cost or valuation		
Balance as at 30 June 2022	-	-
Additions	3,224	3,224
Balance as at 30 June 2023	**3,224**	**3,224**
Additions	1,249	1,249
Impairment charge for the year	(723)	(723)
Balance as at 30 June 2024	**3,750**	**3,750**
Accumulated amortisation		
Balance as at 30 June 2022	-	-
Amortisation charge for the year	-	-
Balance as at 30 June 2023	**-**	**-**
Amortisation charge for the year	307	307
Balance as at 30 June 2023	**307**	**307**
Carrying amounts		
As at 30 June 2023	3,224	3,224
As at 30 June 2024	**3,443**	**3,443**

Restrictions

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

Work in progress

There was no work in progress at 30 June 2024 (2023: $3.2 million).

Impairment

During the year an impairment expense to internally generated software of $722,640 was recognised, due to the Enabling Organisation Support Services (EOSS) software not being integrated with the Property, Provider Management (PPM) software as originally intended (2023: $nil).

9. Trade and other payables

Accounting policy

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

Breakdown of trade and other payables and further information

Actual 2023 $000		Actual 2024 $000
	Payables under exchange transactions	
2,257	Trade and accrued expenses	1,563
	Payables under non-exchange transactions	
951	GST, FBT and PAYE payable	618
3,208	**Total trade and other payables**	**2,181**

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

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

10. Return of operating surplus

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

Actual 2023 $000		Actual 2024 $000
3,609	Net surplus	4,095
-	Less retention of underspends	-
3,609	**Total return of operating surplus**	**4,095**

11. Provisions

Accounting policy

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

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

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

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

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

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has been announced publicly to those affected or implementation has already begun.

Breakdown of provisions and further information

Actual 2023 $000		Restructuring $000	Make-Good $000	Actual 2024 $000
	Current			
-	Balance at 1 July	-	-	-
-	Expense recognised during the year	1,300	-	1,300
-	**Total current provisions**	**1,300**	**-**	**1,300**
	Non-current			
89	Balance at 1 July	-	65	65
-	Expense recognised during the year	-	41	41
(24)	Unwind of provision	-	-	-
65	**Total non-current provisions**	**-**	**106**	**106**
65	**Total provisions**	**1,300**	**106**	**1,406**

Restructuring provision

The Chief Executive approved a detailed and formal restructuring plan that was announced in February 2024. The restructuring plan and associated payments are expected to be completed by December 2024. The provision represents the estimated costs of redundancies, and the amount of the liability is considered to be reasonably certain.

Lease make-good provision

In respect of 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.

12. Employee entitlements

Accounting policy

Short-term employee entitlements

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

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

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

Long-term employee entitlements

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

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

Part C
Part B
Part A

Presentation of employee entitlements

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

Breakdown of employee entitlements

Actual 2023 $000		Actual 2024 $000
	Current portion	
1,456	Salary and wages	1,409
2,443	Annual leave	2,801
129	Long service leave	184
133	Sick leave	112
4,161	**Total current employee benefits**	**4,506**
	Non-current portion	
450	Long service leave	409
450	**Total non-current employee benefits**	**409**
4,611	**Total employee entitlements**	**4,915**

13. Equity

Accounting policy

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

Breakdown of equity and further information

Actual 2023 $000		Actual 2024 $000
	Taxpayers' funds	
9,536	Opening balance	9,536
3,609	Net surplus	4,095
-	Capital injections	2,900
(3,609)	Return of operating surplus to the Crown	(4,095)
9,536	**Total equity as at 30 June**	**12,436**

Capital management

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

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

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

14. Related party transactions

The Ministry is a wholly owned entity of the Crown.

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

Key management personnel compensation

Actual 2023 $		Actual 2024 $
2,555,094	Salaries and other short-term employee benefits	2,711,393
7.0	Full-time equivalent members	6.9

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

15. Events after balance date

There are no significant events after balance date.

16. Financial instruments

16A. Financial instruments categories

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

Actual 2023 $000		Notes	Actual 2024 $000
	Financial assets measured at amortised cost		
12,829	Cash and cash equivalents		16,159
133	Receivables	6	118
12,962	**Total**		**16,277**
	Financial liabilities measured at amortised cost		
2,257	Payables	9	1,563
2,257	**Total**		**1,563**

16B. Fair value hierarchy

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

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

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

16C. Financial instrument risks

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

Market risk

Currency risk

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

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

Fair value interest rate risk

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

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

Credit risk

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

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

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

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

Although cash and cash equivalents as at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

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

Part C
Part B
Part A

Liquidity risk

Management of liquidity risk

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

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

Contractual maturity analysis of financial assets and financial liabilities

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

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2023				
Receivables (see Note 6)	133	-	-	-
Payables (see Note 9)	2,257	-	-	-
2024				
Receivables (see Note 6)	118	-	-	-
Payables (see Note 9)	1,563	-	-	-

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

The table below provides a reconciliation between the opening and closing balances of the repayment of surplus provision at balance date.

Repayment of surplus provision	$000
Balance as at 30 June 2022	4,067
Cash flows	
- Surplus repayment	(4,067)
Provision for repayment current year	3,609
Balance as at 30 June 2023	**3,609**
Cash flows	
- Surplus repayment	(3,609)
Provision for repayment current year	4,095
Balance as at 30 June 2024	**4,095**

17. Explanation of major variances against budget

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

Statement of Comprehensive Revenue and Expense

Revenue Crown

Revenue Crown exceeded budget by $5.6 million. During the year, total departmental funding increased by $5.6 million, due to funding transfers from 2022/23 to 2023/24 and a drawdown from the Waitangi Tribunal Housing Policy and Services Kaupapa Inquiry – tagged operating contingency.

Personnel Costs

Personnel costs were under budget by $2.8 million. This was due to the Ministry cutting back on recruitment and not filling vacant positions. These decreases have been partially offset by salary increases, as a result of the collective bargaining process (negotiated with the PSA) from 1 July 2023.

Other operating expenses

Other operating expenses were over budget by $2.8 million. Rental renewals of office premises increased during the year. In addition funding for the Waitangi Tribunal Housing Policy and Services Kaupapa Inquiry was drawn down during the financial year for spend required over and above the initial budget set.

Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents were over budget by $9.3 million. This was largely to do with more crown revenue from expenses transfers which were confirmed post budget, coupled with an un-forecasted surplus from the prior year of $ 4.1 million (as per Treasury instruction we do not forecast surplus/deficits). The surplus cash relating to the departmental underspend, remains with the Ministry until it is required to be returned to the Crown by 31 October 2024. Until then, it forms part of the return of operating surplus.

Intangible assets

Intangible assets were underspent by $3.0 million; the original budget did not anticipate a write off of $722,640 made during the year to the Enabling Organisation Support Services (EOSS) asset as a result of obsoletion, with the remaining variance due to other EOSS system enhancements not occurring as planned, largely due to the delay in the delivery of the Property, Provider Management (PPM) software.

Trade and other payables

Trade and other payables were underspent by $2.5 million. From mid-late 2023, as part of the fiscal sustainability programme, the Ministry undertook measures to tighten up its departmental expenditure; this has affected the trade and other payables balance at year end.

Employee entitlements

Employee entitlements were over budget by $3.0 million. During the year the budget was increased by $2.2 million for expected increased salary accrual, annual leave and long service leave balances.

Statement of Cash Flows

Receipts from revenue Crown

Receipts from revenue Crown are over budget by $4.5 million directly attributable to the increase in revenue crown above.

Payments to suppliers

Payments to suppliers are over budget by $2.9 million. As noted above. operating expenses were over budget due to rental renewals of office premises being increased during the year, and funding for the Waitangi Tribunal Housing Policy and Services Kaupapa Inquiry was drawn down for spend required over and above the initial budget set.

Payments to employees

Payments to employees were underspent by $3.1 million. As stated above the Ministry has cut back on recruitment since the Budget was finalised as vacancies have not been filled.

Purchase of intangible assets

Purchase of intangible assets were underspent by $4.2 million due to EOSS related system enhancements not happening as planned whilst awaiting the delivery of the PPM software.

Repayment of surplus to the Crown

Repayment of surplus to the Crown was over budget by $3.6 million, as the Ministry does not budget for a surplus at each year end.

Non-departmental statements and schedules

Ngā tauākī pūtea, ngā āpiti anō hoki o tari kē

For the year ended 30 June 2024

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 2024

Actual 2023 $000		Actual 2024 $000	Unaudited Budget* 2024 $000
20,276	Land for Housing property sales	20,028	30,000
17,940	Other revenue	8,283	200
38,216	**Total non-departmental revenue**	**28,311**	**30,200**

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2024

Actual 2023 $000		Actual 2024 $000	Unaudited Budget* 2024 $000
1,041	Return of equity by Crown entities	-	-
1,041	**Total non-departmental capital receipts**	**-**	**-**

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

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

For a full understanding of the Crown’s financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

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

Schedule of Non-Departmental Expenses

For the year ended 30 June 2024

Actual 2023 $000		Actual 2024 $000	Unaudited Budget* 2024 $000
1,467,476	Public housing (see Note 1)	1,670,300	1,761,163
319,734	Transitional housing (see Note 1)	360,990	410,427
80,921	Progressive Home Ownership write-downs	159,839	155,961
28,439	Land for Housing expenses	26,228	62,118
61,970	First Home Grants	68,001	145,150
24,295	Shovel-ready projects	46,280	53,884
29,781	Housing Acceleration Fund	77,890	251,737
9,023	Māori housing supply	51,352	60,393
400	Progressive Home Ownership grants	736	6,000
96	Buying off the Plans expenses	27,469	100
252,842	Other operating expenses	17,276	45,550
93,195	GST input expense	111,055	155,765
2,368,172	**Total non-departmental operating expenses**	**2,617,416**	**3,108,248**

Note 1 – Refer to other sections in this document: *Our Progress* and *Statement of Performance*.

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

Explanations of significant variances against budget are detailed in Note 11. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

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

Schedule of Non-Departmental Assets

As at 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget* 2024 $000
	Current assets			
258,507	Cash and cash equivalents		162,341	158,781
28,255	Prepayments	2	21,651	28,889
16,834	Trade and other receivables	3	1,188	89,755
477,622	Inventory	4	507,339	643,322
-	Loans receivable	5	3,987	-
781,218	**Total current assets**		**696,506**	**920,747**
	Non-current assets			
30,990	Loans receivable	5	26,838	26,255
138,364	Prepayments	2	337,789	450,724
39,000	Property, plant and equipment	6	39,000	29,900
229,882	Investment in Crown entity		705,258	400,506
438,236	**Total non-current assets**		**1,108,885**	**907,385**
1,219,454	**Total non-departmental assets**		**1,805,391**	**1,828,132**

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

The Ministry monitors two Crown entities:

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

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

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

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

Schedule of Non-Departmental Liabilities

As at 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget* 2024 $000
	Current liabilities			
147,440	Trade and other payables	7	192,206	140,175
7,796	Deferred revenue		5,433	-
875	Loan commitments	8	109	-
156,111	**Total current liabilities**		**197,748**	**140,175**
	Non-current liabilities			
155,720	Loan commitments	8	197,124	72,452
155,720	**Total non-current liabilities**		**197,124**	**72,452**
311,831	**Total non-departmental liabilities**		**394,872**	**212,627**

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

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

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

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

Schedule of Non-Departmental Commitments

As at 30 June 2024

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

Actual 2023 $000		Actual 2024 $000
	Non-cancellable operating lease commitments	
7,092	Not later than one year	8,555
-	Later than one year and not later than five years	-
-	Later than five years	-
7,092	**Total non-cancellable operating lease commitments**	**8,555**

Capital commitments

The Ministry, on behalf of the Crown, has no non-cancellable capital commitments as at 30 June 2024 (2023: $nil).

Contingent rents

During the 2023/24 year, the Ministry on behalf of the Crown paid $242.7 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 affect the amount of subsidy that the Crown contributes, and these factors depend on the tenant's 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 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.

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 2024.

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

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2024

Unquantified contingent liabilities

The Ministry, on behalf of the Crown, has no unquantifiable contingent liabilities (2023: $nil).

Contingent liabilities

The Ministry, on behalf of the Crown, has no quantifiable contingent liabilities (2023: $nil).

Contingent assets

The Ministry, on behalf of the Crown, has no contingent assets (2023: $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 2024.

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

Notes to the Non-Departmental Schedules

For the year ended 30 June 2024

Notes index

Notes to the Non-Departmental Schedules

For the year ended 30 June 2024

1. Statement of Accounting Policies

Reporting entity

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

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2024. 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 2024.

Basis of preparation

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

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

Presentation currency and rounding

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

New or amended standards adopted

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023.

The Ministry has adopted the revised PBE standards, and the adoption did not result in any significant impact on the Ministry's financial statements.

Other changes in accounting policies

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

Standards issued and not yet effective and not early adopted

Standards and amendments issued but not yet effective and not early adopted are:

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Amendments to PBE IPSAS 1 *Presentation of Financial Reports* change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025.

The Ministry has not yet assessed the impact of this amendment in detail.

Summary of significant accounting policies

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

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

Revenue

Revenue from sales of land not designated for First Home Buyers

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

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

Revenue from sales of land and dwellings designated for KiwiBuild properties

Revenue is measured at the fair value of consideration received and receivable. Exchange revenue is comprised mainly of KiwiBuild land and dwellings which are recognised at the point where all the conditions of the sale have been satisfied.

For land designated for KiwiBuild properties, the final condition is the act of on selling a KiwiBuild property to a first home buyer, only then can the land be recognised as revenue.

Interest unwind

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

Grant expenditure

Non-discretionary grants

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

Discretionary grants

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

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

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

Cash and cash equivalents

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

Commitments

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

The payment to CHPs is made up of Income Related Rent Subsidy, which have been deemed to be contingent rents as the future obligating event is the property been occupied by a suitable tenant and therefore these 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 CHP in certain circumstances have been recognised as prepayments and are to be amortised over the life of the contract beginning on the date the property is first tenanted.

Goods and Services Tax (GST)

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

Critical judgements in applying accounting policies

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

- Loans receivables – Land for Housing Loans and Community Housing Providers Loans (see Note 5).

Budget figures

The 2024 budget figures are for the year ending 30 June 2024 and are consistent with the best estimate financial information submitted to the Treasury for the BEFU for the year ending 30 June 2024.

2. Prepayments

Accounting policy

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

Breakdown of prepayments and further information

Actual 2023 $000		Actual 2024 $000
5,151	Public housing prepayments – current	4,562
80,366	Public housing prepayments – non-current	76,623
23,104	Upfront payments – current	17,089
57,998	Upfront payments – non-current	261,166
166,619	**Total prepayments**	**359,440**

3. Trade and other receivables

Accounting policy

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

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

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

Breakdown of trade receivables and further information

Actual 2023 $000		Actual 2024 $000
16,834	Debtors from non-related parties	1,188
16,834	**Total trade and other receivables**	**1,188**

4. Inventory

Accounting policy

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

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

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

Revaluations

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

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

The frequency of valuations, unless indicators suggest 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 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.

Part C
Part B
Part A

Breakdown of inventories and further information

Actual 2023 $000		Actual 2024 $000
477,622	Land intended for sale	500,097
-	Dwellings held for sale	7,242
477,622	**Total inventory**	**507,339**

The Ministry has acquired development sites, all of which have been gazetted under section 2A of the *Housing Act 1955* for the relevant financial year. No inventories are pledged as security for liabilities.

There were write-downs of inventories of $4.6 million during the period (2023: $57.4 million) and there were reversals of write-downs/adjustments to correct opening balances of $0.5 million (2023: $nil).

The total amount of inventories recognised as an expense during the period was $25.3 million, including the write-down above (2023: $86.1 million).

As at 30 June 2024, no inventories are pledged as security for liabilities (2023: $nil).

5. Loans receivable

Accounting policy

Loans offered at nil, or below-market, interest rates are initially recognised at the present value of their expected future cash flows, discounted using a rate for loans of a similar term and credit risk.

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

Critical judgements in applying accounting policies

The measurement of these loans requires significant estimates of when the loan proceeds are expected to be collected, the amount that will be collected, and the discount rate to apply to the initial measurement of the receivable. The Ministry considers the contractual terms of the loans and past collection experience in estimating the recoverability of the loans.

Breakdown of loans receivable and further information

Actual 2023 $000		Actual 2024 $000
31,938	Nominal value	25,205
(948)	Write-down on initial recognition, impairment, and other fair value changes	5,620
30,990	**Total loans**	**30,825**
	By maturity	
-	Expected to be repaid within one year	3,987
30,990	Expected to be outstanding for more than one year	26,838
30,990	**Total loans**	**30,825**
	Movement during the year	
22,097	Opening balance	30,990
11,185	Initial write-down to fair value	3,407
(737)	Repayments	(5,784)
-	Interest unwind	3,200
(1,555)	Adjustment to face value of drawdowns	(988)
30,990	**Closing balance loans**	**30,825**

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 2024, there were three signed loan agreements against two Auckland-based developments at Kerrs Road Wirihana and Hospital Road, and one Wellington-based development at Victoria Quarter.

These Land for Housing loans are offered at interest-free terms between five 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 their fair value. They are subsequently measured at fair value 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 following table outlines the sensitivity of loans fair value to discount rates:

Actual 2023 $000		Actual 2024 $000
(121)	Impact on fair value of a 1% increase in discount rate	(1,329)
121	Impact on fair value of a 1% decrease in discount rate	1,178

6. Property, plant and equipment

Accounting policy

Property, plant and equipment consists entirely of land held by the Crown that is not intended for immediate sale as inventory. Land is measured at fair value, which includes all incumbrances over land that is held by the Crown.

Individual assets or groups of assets are capitalised if their cost is greater than $5,000.

Revaluations

Land is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then the off-cycle asset classes are revalued. For land, fair value is determined on a class of asset basis. Additions between revaluations are initially recorded at cost.

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

The net revaluation results are accumulated to an asset revaluation reserve in equity for that class of asset.

Additions

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

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Depreciation

There is currently no depreciation charged on property, plant and equipment as the entire balance consists of land.

Subsequent costs

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

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

Impairment

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

For revalued assets, the impairment loss is recognised in the Schedule of Non-Departmental Expenses and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on a revalued asset is recognised in the Schedule of Non-Departmental Revenue and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Breakdown of property, plant and equipment and further information

	Land $000	Actual $000
Cost or valuation		
Balance as at 30 June 2022	29,900	29,900
Additions	-	-
Disposals	-	-
Revaluation	9,100	9,100
Balance as at 30 June 2023	**39,000**	**39,000**
Additions	-	-
Disposals	-	-
Revaluation	-	-
Balance as at 30 June 2024	**39,000**	**39,000**
Accumulated depreciation		
Balance as at 1 July 2022	-	-
Depreciation charge for the year	-	-
Eliminate on disposal	-	-
Balance as at 30 June 2023	**-**	**-**
Depreciation charge for the year	-	-
Eliminate on disposal	-	-
Balance as at 30 June 2024	**-**	**-**
Carrying amounts		
As at 30 June 2023	39,000	39,000
As at 30 June 2024	**39,000**	**39,000**

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

Impairment

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

The most recent valuation of land and buildings was performed by an independent registered valuer, Extensor Advisory Ltd. The valuation is effective as at 30 June 2023. 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.

Part C
Part B
Part A

7. Trade and other payables

Accounting policy

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

Breakdown of trade and other payables

Actual 2023 $000		Actual 2024 $000
	Payables under exchange transactions	
3,541	Trade payables	18,355
142,467	Accrued expenses	173,809
	Payables under non-exchange transactions	
1,432	GST payable	42
147,440	**Total payables**	**192,206**

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

8. Loan commitments

Accounting policy

Loan commitments relate to the initial write down of the Ministry's interest concession loans, which are non-interest bearing and are repaid within 20 years. They are measured at fair value upon initial recognition in accordance with PBE IPSAS 41.

They are subsequently measured at amortised cost.

Breakdown of loan commitments

Actual 2023 $000		Actual 2024 $000
61,492	Progressive Home Ownership loans	121,046
875	Land for Housing loans	109
94,228	Housing Infrastructure Fund loans	76,078
156,595	**Total loan commitments**	**197,233**

9. Events after balance date

There are no significant events after balance date.

Part C
Part B
Part A

10. Financial instruments

10A. Financial instrument categories

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

Actual 2023 $000		Notes	Actual 2024 $000
	Financial assets measured at amortised cost		
258,507	Cash and cash equivalents		162,341
16,834	Trade and other receivables	3	1,188
30,990	Loans receivables	5	30,825
306,331	**Total**		**194,354**
	Financial liabilities measured at amortised cost		
146,008	Trade and other payables	7	192,164
156,595	Loan commitments	8	197,233
302,603	**Total**		**389,397**

10B. Fair value hierarchy

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

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

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

10C. Financial instruments risks

Market risk

Currency risk

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

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

Fair value interest rate risk

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

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

Credit risk

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

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

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

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

Although cash and cash equivalents as at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

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

Liquidity risk

Management of liquidity risk

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

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

Contractual maturity analysis of financial assets and liabilities

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

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2023				
Trade and other receivables (see Note 3)	16,834	-	-	-
Loans receivable (see Note 5)	-	-	22,080	8,910
Trade and other payables (see Note 7)	146,008	-	-	-
Loan commitments (see Note 8)	-	-	875	155,720
2024				
Trade and other receivables (see Note 3)	1,188	-	-	-
Loans receivable (see Note 5)	-	3,987	16,434	10,404
Trade and other payables (see Note 7)	192,164	-	-	-
Loan commitments (see Note 8)	-	109	-	197,124

11. Explanation of major variances to budget

Explanations for major variances from the non-departmental budget figures are as follows:

Land for Housing Property Sales

Land for Housing Property Sales was under budget by $10 million due to lower than planned land sales under the Land for Housing programme

Public housing expenses

Was underspent by $90.9 million compared with budget. This is attributed to the timing of new public housing places being brought on and properties being vacant during the year where older public housing stock are being redeveloped.

Transitional housing expenses

Was underspent by $49.4 million compared with budget. This reflects the timing of bringing on new transitional housing accommodation and services during the year. In addition, the costs of putting people into transitional housing places is dependent on various factors such as market accommodation and contracted services costs negotiated with providers.

Land for Housing Expenses

Was underspent by $35.9 million compared with Budget. There have been fewer inventory purchases than budgeted and therefore holding costs were lower than budgeted.

First Home Grants

Was underspent by $77.1 million compared with Budget. The uptake for these grants from the public has been lower than the appropriation amount and is consistent with historical uptake levels. Although eligibility for this scheme was widened for first home buyers, this has not resulted in a significant increase in demand. Demand has been influenced by other factors such as access to finance.

Housing Acceleration Fund

Was underspent by $173.8 million compared with budget. Funding was reduced by $140.4 million during the year mainly due to the transfer of funding from 2023/24 to 2024/25 and 2025/26, to align expenditure with forecasted programme delivery.

Buying off the Plan Expenses

Was $27.4 million more than Budget; the triggering of underwrites during the year was not forecasted in the Budget. During the year, the Ministry was informed that new underwrites would be triggered and accordingly, in anticipation, the forecast was subsequently adjusted.

Other operating expenses

Was underspent by $28.3 million compared with Budget. During the financial year, funding for Kāinga Ora - Homes and Communities was reduced by $20 million from the 2023 Rapid Savings Exercise.

GST input expense

Was underspent by $44.7 million directly related to the underspends identified above.

Trade and other receivables

At 30 June 2024, trade and other receivables were $88.6 million less than budgeted, due to no deferred settlements being transacted during the year.

Inventory

At 30 June 2024, inventory was $136 million lower than budgeted, due to fewer land purchases than expected.

Part C
Part B
Part A

Prepayments (non-current)

At 30 June 2024, non-current prepayments were $113.0 million less than budgeted, due to a number of contracts awaiting signing due to a comprehensive review of the Ministry's funds.

Investment in Crown Entity

At 30 June 2024, the investment in Crown entity was $304.8 million higher than budgeted, due to a capital injection of $389 million paid to Kāinga Ora in June 2024 for the reimbursement of Large-Scale Projects. This was budgeted to be paid in 2024/25; the overspend is covered by funding in 2024/25, as funding is provided by a multi-year appropriation (which expires on 30 June 2026).

Trade and other payables

At 30 June 2024, trade and other payables were $52.0 million higher than budgeted; $24.3 million owed to Kāinga Ora – Homes and Communities for the 2022/23 operating supplement was still unpaid at year end. Also the accrual for the 2023/24 operating supplement was $29.1 million higher than expected.

Loan commitments (non-current)

At 30 June 2024, non-current loan commitments were $124.7 million more than budgeted, due to delays in signing of new Progressive Home Ownership agreements, leading to actual draw-downs being less than forecasted for 2023/24.

Appropriation statements
He tauākī whiriwhiri

The following statements report information about the expenses and capital expenditure incurred against each appropriation that the Ministry administers for the year ended 30 June 2024. They are prepared on a GST-exclusive basis.

Statement of Cost Accounting Policies

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

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Departmental costs

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner. Direct costs are those costs directly attributed to an output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

Non-departmental costs

All non-departmental costs are direct costs.

Statement of Budgeted and Actual Expenses and Capital Expenditure Incurred Against Appropriations

For the year ended 30 June 2024

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

Actual 2023 $000		Actual 2024 $000	Approved appropriation 2024 $000
	Vote Housing and Urban Development		
	Departmental multi-category expenses and capital expenditure		
78,171	***Managing the Housing and Urban Development Portfolio MCA***[17]	**75,179**	**79,429**
44,438	- Policy Advice and Ministerial Servicing[17]	42,402	45,265
27,085	- Management of Housing Provision and Services[17]	26,981	27,419
6,648	- Facilitating the purchase and redevelopment of land for housing purposes[17]	5,796	6,745
78,171	**Total departmental output expenses**	**75,179**	**79,429**
	Departmental capital expenditure		
3,409	Capital expenditure PLA[17]	1,256	6,850
3,409	**Total departmental capital expenditure PLA**	**1,256**	**6,850**
	Non-departmental output expenses		
79,227	Kāinga Ora – Homes and Communities[18]	66,585	82,392
-	Independent Review of Kāinga Ora[19]	283	500
29,153	Contracted Emergency Housing accommodation and services[20]	26,537	32,180
2,285	Local Innovations and Partnerships[20]	4,602	9,735
400	Support Services to increase home ownership[20]	736	13,111
8	Management of Crown Properties held under the Housing Act 1955[19]	8	8
111,073	**Total non-departmental output expenses**	**98,751**	**137,926**
	Benefits or related expenses		
61,970	First Home Grants[18]	68,001	145,150
61,970	**Total benefits or related expenses**	**68,001**	**145,150**
	Non-departmental other expenses		
232	Housing Assistance[18]	259	789
232	**Total non-departmental other expenses**	**259**	**789**
	Non-departmental capital expenditure		
23,349	Refinancing of Crown loans to Kāinga Ora – Homes and Communities	-	-
-	Land purchase within the Housing Agency Account[20]	30,346	40,000
23,349	**Total non-departmental capital expenditure**	**30,346**	**40,000**

[17] End of year performance information has been reported in this Annual Report for the Ministry of Housing and Urban Development.
[18] End of year performance information has been reported in the Annual Report for Kāinga Ora – Homes and Communities.
[19] There is no end of year performance reporting due to an exemption under section 15D of the Public Finance Act 1989.
[20] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Actual 2023 $000		Actual 2024 $000	Approved appropriation 2024 $000
	Non-departmental multi-category expenses and capital expenditure		
11,098	***Amortisation of Upfront Payments MCA*[21]**	**4,682**	**16,219**
	Non-departmental other expenses		
-	Amortisation of Upfront Payments – Affordable Housing Fund[22]	48	3,333
16	Amortisation of Upfront Payments – Community Housing Providers – Early Stage Operating Supplement[22]	243	1,221
5,399	Amortisation of Upfront Payments – He Kūkū ki te Kāinga[22]	299	7,013
198	Amortisation of Upfront Payments – Māori Infrastructure Fund[22]	3	131
1,446	Amortisation of Upfront Payments – Progressing the Pipeline of Māori Housing[22]	-	-
4,039	Amortisation of Upfront Payments – Public Housing Upfront Capital Payments[22]	4,089	4,120
-	Amortisation of Upfront Payments – Transitional Housing Providers[22]	-	401
23,231	***Community Group Housing MCA*[23]**	**30,404**	**30,895**
	Non-departmental output expenses		
13,891	Community Group Housing Market Rent Top-Up[23]	20,994	20,991
	Non-departmental other expenses		
3,540	Community Housing Rent Relief[23]	3,610	4,104
	Non-departmental capital expenditure		
5,800	Acquisition and Improvement of Community Group Housing Properties[23]	5,800	5,800
146,743	***Housing Programme Fair Value Impairment Loss and Inventory Disposal MCA*[21]**	**180,754**	**387,745**
	Non-departmental other expenses		
-	Fair Value Impairment Loss – Affordable Housing Fund[22]	-	14,000
20,465	Fair Value Impairment Loss – Housing Infrastructure Fund[22]	-	9,063
80,921	Fair Value Impairment Loss – Progressive Home Ownership Loans[22]	159,839	178,762
-	Sale of Developments Underwritten – Costs[22]	3,251	15,358
28,771	Sale of Land and Dwellings – Costs[22]	17,664	32,348
	Non-departmental capital expenditure		
16,586	Land for Housing – Deferred Settlements[22]	-	138,214
1,467,476	***Public Housing MCA*[24]**	**1,670,300**	**1,764,345**
	Non-departmental output expenses		
1,391,486	Purchase of Public Housing Provision[24]	1,573,377	1,660,155
75,769	Services for People in Need of or at risk of Needing Public Housing[24]	96,007	103,890
221	Services Related to the Provision of Public Housing[22]	916	300
319,734	***Transitional Housing MCA*[24]**	**360,990**	**480,701**
	Non-departmental output expenses		
186,440	Provision of Transitional Housing Places[24]	192,222	229,953
133,294	Transitional Housing Services[24]	168,768	250,748

[21] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.
[22] There is no end of year performance reporting due to an exemption under section 15D of the Public Finance Act 1989.
[23] End of year performance information has been reported in the Annual Report for Kāinga Ora – Homes and Communities.
[24] End of year performance information has been reported in this Annual Report for the Ministry of Housing and Urban Development.

Actual 2023 $000		Actual 2024 $000	Approved appropriation 2024 $000
87,769	***Upfront Payments MCA*[25]**	**196,825**	**345,968**
	Non-departmental capital expenditure		
-	Affordable Housing Fund – Prepayment of Grants[25]	26,785	100,000
4,461	Community Housing Providers – Early Stage Operating Supplement[25]	11,004	36,393
40,566	He Kūkū ki te Kāinga – Increasing Māori Housing Supply – Prepayment of Upfront Funds[25]	143,201	164,629
34,024	Māori Infrastructure Projects – Prepayment of Upfront Funds[25]	15,835	34,942
8,718	Progressing the Pipeline of Māori Housing – Prepayment of Upfront Funds[25]	-	-
-	Progressive Home Ownership - Prepayment of Grants[25]	-	1,983
-	Transitional Housing Providers - Prepayment of Upfront Funds[25]	-	8,021
2,134,222	**Total multi-category expense and capital expenditure**	**2,519,134**	**3,105,302**
2,334,255	**Total annual and permanent appropriations**	**2,717,747**	**3,436,017**

[25] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Details of Multi-Year Appropriations

Land for Housing Programme MYA

On 1 July 2022, a multi-year appropriation, Land for Housing Programme, was established in Vote Housing and Urban Development, non-departmental output expenses for the development of affordable homes through the acquisition and provision of land. This appropriation expires on 30 June 2027.

Appropriation for non-departmental output expense: Land for Housing Programme	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	294,218	294,218
Adjustment to appropriation	141,781	141,781
Adjusted total appropriation	**435,999**	**435,999**
Cumulative actual expenditure at 1 July	47,118	47,118
Current year actual expense[26]	19,344	39,437
Cumulative actual expenditure at 30 June	**66,462**	**86,555**
Appropriation remaining at 30 June	**369,537**	**349,444**

Operating the Land for Housing Programme MYA

On 1 July 2022, a multi-year appropriation, Operating the Land for Housing Programme, was established in Vote Housing and Urban Development, non-departmental output expenses to cover holding costs incurred as a result of the land held during the development of affordable homes under the Land for Housing Programme. This appropriation expires on 30 June 2027.

Appropriation for non-departmental output expense: Operating the Land for Housing Programme	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	7,000	7,000
Adjustment to appropriation	13,287	13,287
Adjusted total appropriation	**20,287**	**20,287**
Cumulative actual expenditure at 1 July	3,906	3,906
Current year actual expense[27]	4,223	4,210
Cumulative actual expenditure at 30 June	**8,129**	**8,116**
Appropriation remaining at 30 June	**12,158**	**12,171**

[26] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.
[27] There is no end of year performance reporting due to an exemption under section 15D of the Public Finance Act 1989.

Land for Housing Operations MYA

On 1 July 2021, a multi-year appropriation, Land for Housing Operations, was established in Vote Housing and Urban Development, non-departmental other expenses for operating expenditure incurred in the facilitation, acquisition, and development of land and residential properties, through the Land for Housing Programme. This appropriation expires on 30 June 2026.

Appropriation for non-departmental other expense: Land for Housing Operations	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	50,000	50,000
Adjustment to appropriation	69,858	69,858
Adjusted total appropriation	**119,858**	**119,858**
Cumulative actual expenditure at 1 July	57,358	57,358
Current year actual expense[28]	4,341	2,000
Cumulative actual expenditure at 30 June	**61,699**	**59,358**
Appropriation remaining at 30 June	**58,159**	**60,500**

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.

Appropriation for non-departmental capital expenditure: Land for Housing Programme – developers' loan payments	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	42,500	42,500
Adjustment to appropriation	100	100
Adjusted total appropriation	**42,600**	**42,600**
Cumulative actual expenditure at 1 July	37,673	37,673
Current year actual expense[28]	3,407	4,927
Cumulative actual expenditure at 30 June	**41,080**	**42,600**
Appropriation remaining at 30 June	**1,520**	**-**

[28] There is no end of year performance reporting due to an exemption under section 15D of the Public Finance Act 1989.

Land for Housing Programme – developers' loans – Fair value write down MYA

On 1 September 2021, a multi-year appropriation, Land for Housing Programme – developers' loans – Fair value write down, was established in Vote Housing and Urban Development, non-departmental other expenses for expenses incurred in the fair-value write down of interest-free loans offered to developers under the Land for Housing programme. However, a new multi-class appropriation called Housing Programme Fair Value Impairment Loss and Inventory Disposal was set up during the year, and any remaining funds were transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expires on 30 June 2025.

Appropriation for non-departmental other expense: Land for Housing Programme – developers' loans – Fair value write down	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	11,700	11,700
Adjustment to appropriation	(3,242)	(3,242)
Adjusted total appropriation	**8,458**	**8,458**
Cumulative actual expenditure at 1 July	8,458	8,458
Current year actual expense	-	-
Cumulative actual expenditure at 30 June	**8,458**	**8,458**
Appropriation remaining at 30 June	**-**	**-**

Buying off the Plans Programme MYA

On 1 July 2022, a multi-year appropriation, Buying off the Plans Programme, was established in Vote Housing and Urban Development, non-departmental output expenses for the development of affordable homes. This appropriation expires on 30 June 2027.

Appropriation for non-departmental output expense: Buying off the Plans Programme	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	271,500	271,500
Adjustment to appropriation	(37,000)	(37,000)
Adjusted total appropriation	**234,500**	**234,500**
Cumulative actual expenditure at 1 July	-	-
Current year actual expense[29]	23,882	28,982
Cumulative actual expenditure at 30 June	**23,882**	**28,982**
Appropriation remaining at 30 June	**210,618**	**205,518**

[29] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Operating the Buying off the Plans Programme MYA

On 1 July 2022, a multi-year appropriation, Operating the Buying off the Plans Programme, was established in Vote Housing and Urban Development, non-departmental output expenses to facilitate the development of affordable homes. This appropriation expires on 30 June 2027.

Appropriation for non-departmental output expense: Operating the Buying off the Plans Programme	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	3,000	3,000
Adjustment to appropriation	5,000	5,000
Adjusted total appropriation	**8,000**	**8,000**
Cumulative actual expenditure at 1 July	96	96
Current year actual expense[30]	336	100
Cumulative actual expenditure at 30 June	**432**	**196**
Appropriation remaining at 30 June	**7,568**	**7,804**

Affordable Housing Fund MYA

On 1 July 2022, a multi-year appropriation, Affordable Housing Fund, was established in Vote Housing and Urban Development, non-departmental output expenses to achieve the provision of affordable housing. This appropriation expires on 30 June 2027.

Appropriation for non-departmental output expense: Affordable Housing Fund	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	294,000	294,000
Adjustment to appropriation	(60,000)	(60,000)
Adjusted total appropriation	**234,000**	**234,000**
Cumulative actual expenditure at 1 July	-	-
Current year actual expense[30]	10,520	28,741
Cumulative actual expenditure at 30 June	**10,520**	**28,741**
Appropriation remaining at 30 June	**223,480**	**205,259**

[30] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Affordable Housing Fund – Capital Funding MYA

On 1 July 2022, a multi-year appropriation, Affordable Housing Fund – Capital Funding, was established in Vote Housing and Urban Development, non-departmental capital expenditure to achieve the provision of affordable housing. This appropriation expired on 30 June 2024.

Appropriation for non-departmental capital expenditure: Affordable Housing Fund – Capital Funding	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	50,000	50,000
Adjustment to appropriation	(50,000)	(50,000)
Adjusted total appropriation	**-**	**-**
Cumulative actual expenditure at 1 July	-	-
Current year actual expense[31]	-	-
Cumulative actual expenditure at 30 June	**-**	**-**
Appropriation remaining at 30 June	**-**	**-**

He Kūkū ki te Kāinga – Increasing Māori Housing Supply MYA

On 1 July 2022 a multi-year appropriation, He Kūkū ki te Kāinga – Increasing Māori Housing Supply, was established in Vote Housing and Urban Development, non-departmental output expenses for increasing the housing supply provided by Māori service providers. This appropriation expires on 30 June 2025.

Appropriation for non-departmental output expense: He Kūkū ki te Kāinga – Increasing Māori Housing Supply	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	190,550	190,550
Adjustment to appropriation	(120,187)	(120,187)
Adjusted total appropriation	**70,363**	**70,363**
Cumulative actual expenditure at 1 July	7,282	7,282
Current year actual expense[31]	31,357	52,081
Cumulative actual expenditure at 30 June	**38,639**	**59,363**
Appropriation remaining at 30 June	**31,724**	**11,000**

[31] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Progressing the Pipeline of Māori Housing 2022-2025 MYA

On 1 July 2022 a multi-year appropriation, Progressing the Pipeline of Māori Housing 2022-2025, was established in Vote Housing and Urban Development, non-departmental output expenses to increase the capability and capacity of Māori housing providers to deliver targeted Māori housing solutions and contribute to homelessness prevention. This appropriation expires on 30 June 2025.

Appropriation for non-departmental output expense: Progressing the Pipeline of Māori Housing 2022-2025	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	24,000	24,000
Adjustment to appropriation	10,155	10,155
Adjusted total appropriation	**34,155**	**34,155**
Cumulative actual expenditure at 1 July	1,741	1,741
Current year actual expense[32]	19,995	25,647
Cumulative actual expenditure at 30 June	**21,736**	**27,388**
Appropriation remaining at 30 June	**12,419**	**6,767**

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 10 years (or less) to Territorial Local Authorities to finance the infrastructure needed to unlock residential development. This appropriation expired on 30 June 2023, and the remaining funds were transferred to a new multi-year appropriation (effective from 1 July 2023) at the 2023 October Baseline Update. This new appropriation (which is shown below) expires on 30 June 2028.

Appropriation for non-departmental capital expenditure: Housing Infrastructure Fund Loans	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	215,301	215,301
Adjustment to appropriation	99,428	99,428
Adjusted total appropriation	**314,729**	**314,729**
Cumulative actual expenditure at 1 July	-	-
Current year actual expense[32]	64,697	106,448
Cumulative actual expenditure at 30 June	**64,697**	**106,448**
Appropriation remaining at 30 June	**250,032**	**208,281**

[32] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

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 expired on 30 June 2024, and the remaining funds will be transferred to a new multi-year appropriation (effective from 1 July 2024) at the 2024 October Baseline Update.

Appropriation for non-departmental capital expenditure: Progressive Home Ownership Fund	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	400,000	400,000
Adjustment to appropriation	(122,360)	(122,360)
Adjusted total appropriation	**277,640**	**277,640**
Cumulative actual expenditure at 1 July	88,848	88,848
Current year actual expense[33]	157,925	188,792
Cumulative actual expenditure at 30 June	**246,773**	**277,640**
Appropriation remaining at 30 June	**30,867**	-

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 were transferred to this new appropriation at the 2022 October Baseline Update. This appropriation expired on 30 June 2024.

Appropriation for non-departmental other expense: Write Down and Write-off of Progressive Home Ownership Loans	**Actual 2024 $000**	**Approved appropriation 2024 $000**
Opening appropriation	286,755	286,755
Adjustment to appropriation	(260,619)	(260,619)
Adjusted total appropriation	**26,136**	**26,136**
Cumulative actual expenditure at 1 July	26,136	26,136
Current year actual expense	-	-
Cumulative actual expenditure at 30 June	**26,136**	**26,136**
Appropriation remaining at 30 June	-	-

[33] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

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 expired on 30 June 2024, and the remaining funds will be transferred to a new multi-year appropriation (effective from 1 July 2024) at the 2024 October Baseline Update.

Appropriation for non-departmental output expense: Infrastructure Investment to Progress Urban Development	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	271,670	271,670
Adjustment to appropriation	(62,369)	(62,369)
Adjusted total appropriation	**209,301**	**209,301**
Cumulative actual expenditure at 1 July	119,363	119,363
Current year actual expense[34]	71,195	89,938
Cumulative actual expenditure at 30 June	**190,558**	**209,301**
Appropriation remaining at 30 June	**18,743**	-

Kāinga Ora Land Programme MYA

On 1 July 2021, a multi-year appropriation, Kāinga Ora Land Programme, was established in Vote Housing and Urban Development, non-departmental other expenses for operating expenditure including write downs incurred in the facilitation, acquisition, and development of land and residential properties through Kāinga Ora. This appropriation expires on 30 June 2026.

Appropriation for non-departmental other expense: Kāinga Ora Land Programme	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	230,000	230,000
Adjustment to appropriation	(5,000)	(5,000)
Adjusted total appropriation	**225,000**	**225,000**
Cumulative actual expenditure at 1 July	1,880	1,880
Current year actual expense[35]	7,936	9,183
Cumulative actual expenditure at 30 June	**9,816**	**11,063**
Appropriation remaining at 30 June	**215,184**	**213,937**

[34] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.
[35] End of year performance information has been reported in the Annual Report for Kāinga Ora – Homes and Communities.

Kāinga Ora – Homes and Communities Crown Lending Facility MYA

On 1 October 2022, a multi-year appropriation, Kāinga Ora – Homes and Communities Crown Lending Facility, was established in Vote Housing and Urban Development, non-departmental capital expenditure to provide lending to Kāinga Ora – Homes and Communities (and any of its subsidiaries) to meet its cashflow requirements to deliver its share of the government's housing commitments. This appropriation expires on 30 June 2027.

Appropriation for non-departmental capital expenditure: Kāinga Ora – Homes and Communities Crown Lending Facility	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	12,724,000	12,724,000
Adjustment to appropriation	-	-
Adjusted total appropriation	**12,724,000**	**12,724,000**
Cumulative actual expenditure at 1 July	2,150,000	2,150,000
Current year actual expense[36]	4,100,000	4,700,000
Cumulative actual expenditure at 30 June	**6,250,000**	**6,850,000**
Appropriation remaining at 30 June	**6,474,000**	**5,874,000**

Kāinga Ora – Homes and Communities Private Debt Refinancing Facility MYA

On 1 October 2022, a multi-year appropriation, Kāinga Ora – Homes and Communities Private Debt Refinancing Facility, was established in Vote Housing and Urban Development, non-departmental capital expenditure to enable Kāinga Ora – Homes and Communities (and any of its subsidiaries) to meet its refinancing commitments of bonds on issue. This appropriation expires on 30 June 2027.

Appropriation for non-departmental capital expenditure: Kāinga Ora – Homes and Communities Private Debt Refinancing Facility	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	450,000	450,000
Adjustment to appropriation	3,165,000	3,165,000
Adjusted total appropriation	**3,615,000**	**3,615,000**
Cumulative actual expenditure at 1 July	450,000	450,000
Current year actual expense	-	-
Cumulative actual expenditure at 30 June	**450,000**	**450,000**
Appropriation remaining at 30 June	**3,165,000**	**3,165,000**

[36] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Tāmaki Regeneration Company Limited – Equity Injection MYA

On 1 July 2023, a multi-year appropriation, Tāmaki Regeneration Company Limited – Equity Injection, was established in Vote Housing and Urban Development, non-departmental capital expenditure to provide for equity injections to Tāmaki Regeneration Company. This appropriation expires on 30 June 2027.

Appropriation for non-departmental capital expenditure: Tāmaki Regeneration Company Limited – Equity Injection	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	870,000	870,000
Adjustment to appropriation	1,900	1,900
Adjusted total appropriation	**871,900**	**871,900**
Cumulative actual expenditure at 1 July	-	-
Current year actual expense[37]	62,000	62,000
Cumulative actual expenditure at 30 June	**62,000**	**62,000**
Appropriation remaining at 30 June	**809,900**	**809,900**

Authority for the Residential Property Management Regime MYA

On 1 July 2023, a multi-year appropriation, Authority for the Residential Property Management Regime, was established in Vote Housing and Urban Development, non-departmental output expenses to fund the costs of the Real Estate Authority to establish its role as the Authority of the residential property management regime, and the Authority's initial operating costs of regulating the residential property management regime. This appropriation expires on 30 June 2027.

Appropriation for non-departmental output expense: Authority for the Residential Property Management Regime	Actual 2024 $000	Approved appropriation 2024 $000
Opening appropriation	7,510	7,510
Adjustment to appropriation	-	-
Adjusted total appropriation	**7,510**	**7,510**
Cumulative actual expenditure at 1 July	-	-
Current year actual expense[37]	187	762
Cumulative actual expenditure at 30 June	**187**	**762**
Appropriation remaining at 30 June	**7,323**	**6,748**

[37] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Details of multi-year multi-category appropriations

Housing Acceleration Fund

On 1 July 2022, a multi-year multi-category appropriation, Housing Acceleration Fund, was established in Vote Housing and Urban Development, to achieve the outcome of advancing housing supply through the provision of infrastructure investment. This appropriation expires on 30 June 2026.

There are two categories in this appropriation:

- Investment in Crown-owned Entities to Advance Development-Ready Land (non-departmental capital expenditure) for investments in Crown-owned entities to increase the amount of development-ready land
- Investment in Infrastructure to Advance Development-Ready Land (non-departmental other expenses) for contributions for infrastructure projects to advance development-ready land.

Housing Acceleration Fund	Actual 2024 $000	Approved appropriation 2024 $000
Non-departmental capital expenditure		
Investment in Crown-owned Entities to Advance Development-Ready Land		
Opening appropriation	1,682,000	1,682,000
Adjustment to appropriation	(11,719)	(11,719)
Adjusted total appropriation	**1,670,281**	**1,670,281**
Cumulative actual expenditure at 1 July	210,840	210,840
Current year actual expense[38]	408,852	104,100
Cumulative actual expenditure at 30 June	**619,692**	**314,940**
Appropriation remaining at 30 June	**1,050,589**	**1,355,341**
Non-departmental other expense		
Investment in Infrastructure to Advance Development-Ready Land		
Opening appropriation	2,047,000	2,047,000
Adjustment to appropriation	(636,873)	(636,873)
Adjusted total appropriation	**1,410,127**	**1,410,127**
Cumulative actual expenditure at 1 July	51,344	51,344
Current year actual expense[38]	77,890	111,329
Cumulative actual expenditure at 30 June	**129,234**	**162,673**
Appropriation remaining at 30 June	**1,280,893**	**1,247,454**
Total		
Opening appropriation	3,729,000	3,729,000
Adjustment to appropriation	(648,592)	(648,592)
Adjusted total appropriation	**3,080,408**	**3,080,408**
Cumulative actual expenditure at 1 July	262,184	262,184
Current year actual expense[38]	486,742	215,429
Cumulative actual expenditure at 30 June	**748,926**	**477,613**
Appropriation remaining at 30 June	**2,331,482**	**2,602,795**

[38] End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Note that Kāinga Ora spent $298 million on capital expenditure up to 30 June 24. 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

	Actual 2024 $000	Approved appropriation 2024 $000
Total annual and permanent appropriations	2,717,747	3,436,017
Total multi-year appropriations	5,068,087	5,558,677
Total Vote Housing and Urban Development	7,785,834	8,994,694

Statement of Expenses and Capital Expenditure Incurred Without, or In Excess Of, Appropriation or Other Authority

For the year ended 30 June 2024

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 2024

Actual 2023 $000		Actual 2024 $000	Approved appropriation 2024 $000
	Vote Housing and Urban Development		
-	Ministry of Housing and Urban Development – Capital Injection	2,900	2,900

Statement of Departmental Capital Injections Without, or In Excess Of, Authority

For the year ended 30 June 2024

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

Te Kāwanatanga o Aotearoa
New Zealand Government