

Annual report

2024/25



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

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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October 2025

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

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Chief Executive's foreword

Ngā kupu whakataki a te Toihau

Over the past year, we have made strong progress in reshaping the housing system to better meet the needs of New Zealanders. We have focused on delivering the Government's priorities and ensuring that the system settings drive better housing and urban development outcomes.

We remain committed to providing the right social houses in the right places for the right people in a financially sustainable way.

As of June 2025 almost 17,050 net additional social housing places have been delivered since 2018 with the balance to be delivered in the 2025/26 year. In context, this is a level of delivery not seen since the 1950's.

We have been working with Kāinga Ora to focus, through its turnaround plan, on the core mission of managing government-owned social housing. As part of the turnaround plan, over the two years to 30 June 2026, Kāinga Ora will be adding 2,650 new homes to the state housing stock, as well as renewing almost 3,000 homes.

The Ministry is also responsible for working with community housing providers to deliver more than 2,000 additional social homes funded through Budgets 24 and 25 in areas of New Zealand with high social housing need. To enable this, we have formed new strategic partnerships with five community housing providers to deliver a major portion of the homes. These partnerships are helping us build capability and deliver housing that reflects local needs. In addition, we are working with other community housing providers who have a strong presence in priority areas to deliver the remaining homes.

To achieve value for money in future, we are laying the groundwork for a more flexible and responsive investment approach, through the flexible fund established in Budget 2025. This approach will be underpinned by a new investment strategy and will focus on improving how we use our data, to support better targeting of investment to match need. It will also continue to build on changes we have made to improve financing for community housing providers.

Alongside this work, we have continued to fund support services such as transitional housing, Housing First, Rapid Rehousing and emergency housing, amongst others.

We continue to focus on strengthening our Māori crown relationships, upholding Te Tiriti o Waitangi commitments and working in ways that support our MAIHI and place-based approaches. Since November 2023, \$426 million has been committed towards the delivery of affordable housing for Māori. Collectively this funding supports the total delivery of nearly 1000 affordable homes, delivered in partnership with Māori housing providers and iwi collectives.

We are removing system barriers to unlock housing supply, through the Going for Housing Growth programme and resource management reform. Enabling efficient land markets supports long-term housing supply and improvements to housing affordability. Our work on the planning system and infrastructure funding and financing tools is crucial.

As part of our role protecting rights and obligations through efficient regulation, we are continuing the review the Retirement Villages Act to balance the rights and responsibilities of residents and operators, ensure consumer protections, and support sector growth and innovation. Additionally, we have consulted the sector on how some form of regulation of property managers could work and are advising the Government on a lighter regulatory option to address consumer harms without imposing high compliance costs.

Looking ahead, we will focus on the three strategic priorities outlined in our new statement of strategic intentions, published earlier this year: removing system barriers to unlock housing supply, ensuring our investment delivers value for money, and a place-focused approach. We are also anticipating the publication of the new Government Policy Statement on Housing and Urban Development. Both of these documents will outline how we will deliver better outcomes for New Zealanders.



Brad Ward

Acting Chief Executive – Toihau

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

Statement of responsibility

Te Tauākī Noho Haepapa

I am responsible, as Acting 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
- providing 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
- 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 2025 and its operations for the period ended on that date
- 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.



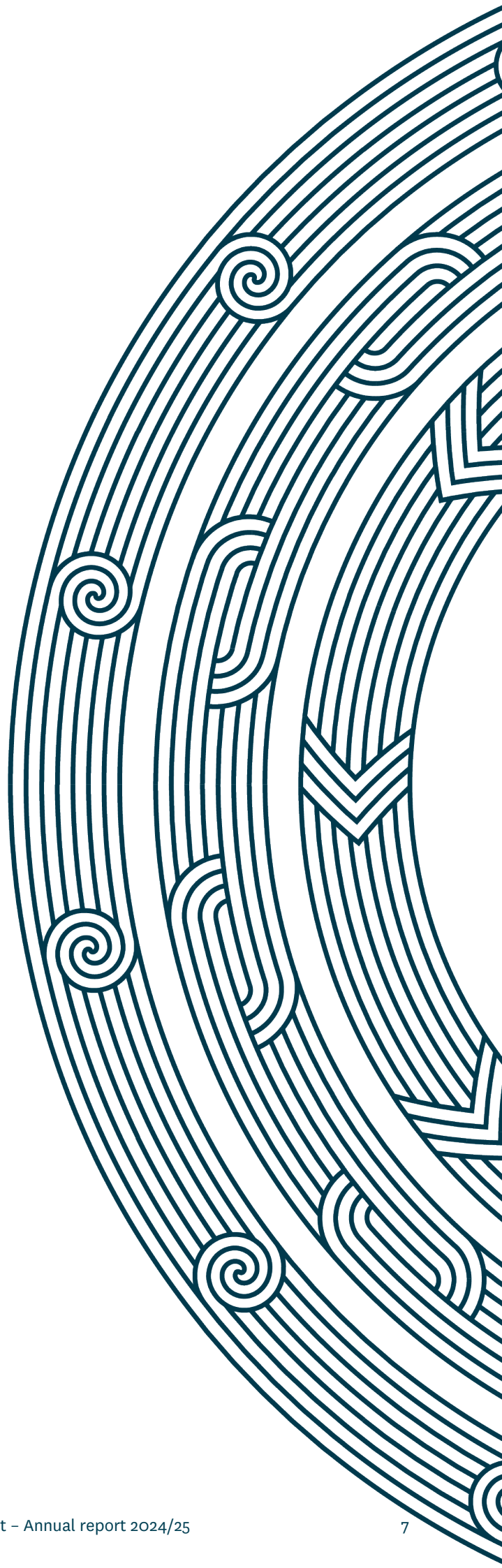
Brad Ward

Acting Chief Executive – Toihau

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

30 September 2025

Part A: Progress on our strategic intentions



Who we are and what we do

Ngā taipitopito mō mātou me ā mātou mahi

The Ministry is the government's system lead for housing and urban development. We are responsible for strategy, policy, funding, monitoring and regulation of Aotearoa New Zealand's housing and urban development system.

Our functions include:

- leading the design, implementation and review of the Government's strategy for housing and urban development
- designing and developing policy, and maintaining and reviewing legislation, regulations and settings across the housing and urban development system
- funding and coordinating the delivery of housing and urban development solutions and programmes.

We also regulate community housing providers and monitor Kāinga Ora – Homes and Communities and Tāmaki Regeneration Company.

We administer 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 2025, we directly supported two ministers:

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

Our strategic direction

Tō mātou ahunga rautaki

Our purpose is He kāinga ora, he hāpori ora – thriving communities where everyone has a place to call home.

This section provides a retrospective assessment of our progress towards our strategic objectives, as detailed in our statement of strategic intentions for 2021–2026, for the financial year ending 30 June 2025.

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. This includes the strategic direction for the system, which is set out in the Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora – the National Māori Housing Strategy - the role we play in the system and the shifts we need to make to fulfil our role.

We published a new statement of strategic intentions for 2025–2029 in June 2025. Future annual reports will report against the updated strategic objectives detailed in the latest statement of strategic intentions.

[Read our statement of strategic intentions](#)

Our progress

Ā mātou whanaketanga

Measuring our contribution to the housing and urban development system

This section includes our narrative and the results of our outcome indicators for:

- more houses
- more support provided to people in housing need
- supporting housing and urban development through planning and infrastructure
- improving the experience of renting and other types of living arrangements
- increased home ownership.

We measure the effectiveness of our contribution to the system through:

- our outcome indicators – we have developed indicators that assess our contribution to the system outcomes in the GPS-HUD. These indicators best reflect the impact that we have on the system
- our role – we keep the system working well and realise outcomes by enabling, catalysing and delivering change. Our performance in fulfilling our role is reported through the information in our annual report.

The performance framework on the next page summarises the main services that we provide, our intended impact and how this will contribute to the strategic intentions of the housing and urban development system.

We're currently revising this performance framework, including both the GPS-HUD outcomes and our own outcome indicators.

Our performance framework

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 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 whanau 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 – 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	More support provided to people in housing need	Supporting housing and urban development through planning and infrastructure	Improving the experience of renting and other types of living arrangements	Increased homeownership	
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		Arohatia – Empathy		Kōkiritia – Drive	

[Go to the text alternative version of this table.](#)

More houses

Kia maha ake ngā whare

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 availability and affordability. As of June 2025 almost 17,050 net additional social housing places have been delivered since 2018 with the balance to be delivered in the 2025/26 year.

In 2024/25, we continued or started work that will set us up to enable more houses in the medium term including:

- new approaches to social housing
- new housing investment approach
- Going for Housing Growth
- Resource Management Act reform.
- new approaches to social housing
- new housing investment approach.

We also continued to deliver a range of existing programmes in 2024/25 to enable more houses, including:

- transitional housing
- Māori-led housing
- residential development underwrite
- land for housing programme
- Community Housing Regulatory Authority (CHRA).

Some of our work programmes ended in 2024/25, following the housing and urban development system's refocus on new government priorities. The following work programmes closed to new applicants, but we continue to manage existing contracts to delivery:

- build ready development pathway of the affordable housing fund
- affordable rental pathway of the affordable housing fund
- KiwiBuild (see our 'supporting housing and urban development through planning and infrastructure' section)
- progressive home ownership (see our 'increased home ownership' section).

The following information and outcome indicators demonstrate the impact we had on the system in relation to the intended outcome of enabling more houses.

New approaches to social housing

Over the past 12 months, there has been significant, targeted investment into social housing. We have made good progress delivering on Budget 2024 initiatives, which included \$140 million in new funding for 1,500 new social housing places to be delivered by community housing providers from 1 July 2025 to 30 June 2027.

The first 500 places are 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. At 30 June 2025, 352 places were approved (with eight of those delivered), with the remaining places in the pipeline for approval.

The priority locations for allocation of these places were:

- 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 were also considered.

The other 1,000 places will mainly be delivered by strategic partners, or through the community-led approach in Rotorua and Hawke's Bay. Five community housing providers were selected based on their performance, capability and capacity to become strategic partners and will deliver new social housing in priority areas by July 2027. Our strategic partners are:

- Accessible Properties New Zealand Limited
- Community of Refuge Trust
- Emerge Aotearoa Housing Trust
- Te Āhuru Mōwai Limited Partnership
- The Salvation Army.

The priority locations for our strategic partners are:

- Auckland
- Tauranga
- Hamilton
- Porirua
- Nelson and Tasman
- Rotorua.

New housing investment approach

As part of Budget 2025, a new flexible fund has been established. The fund will consolidate new funding for housing into one stream, which moves away from our previous approach of using different funding streams to deliver a range of different housing products. This will allow greater flexibility to respond to significant housing need as it emerges.

To support this, we are developing a new investment approach. This approach will be underpinned by a new investment strategy and will focus on improving how we use our data, to support better targeting of investment to match need. It will also continue to build on changes we have made to improve financing for community housing providers.

We engaged with the banking and investment sector, and government agencies, including the Treasury to understand what changes could be made to improving financing for community housing providers. This resulted in establishment of Crown lending facilities of up to \$150 million to support the new Community Housing Funding Agency, and exploration of a bank loan guarantee scheme for community housing providers.

We also made improvements to our community housing provider contracts. We will continue making improvements to ensure providers are enabled to deliver effectively and investors are able to continue to support the sector to grow.

Going for Housing Growth

The Going for Housing Growth programme will help more houses to be built and is part of the Government's broader plan to tackle Aotearoa New Zealand's ongoing housing shortage. Going for Housing Growth 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. It is structured around three pillars that make system changes to address the underlying causes of the housing supply shortage. These are:

- pillar 1: freeing up land for urban development, including removing unnecessary planning barriers
- pillar 2: improving infrastructure funding and financing to support urban growth
- pillar 3: providing incentives for communities and councils to support growth.

Pillar 1 progress

In July 2024, the Minister announced decisions based on our policy advice relating to pillar 1 of Going for Housing Growth. This included:

- introducing new housing growth targets for councils in our key urban and provincial centres
- supporting greenfield growth to strengthen spatial planning processes
- expanding requirements for intensification
- providing for a greater mix of uses across urban areas, such as allowing dairies and cafes in residential areas by default
- making changes to balconies and floor area requirements for councils
- making the medium density residential standards (MDRS) optional for councils.

You can read more about these changes in-depth, and the Going for Housing Growth programme on our website.

[Going for Housing Growth programme](#)

Pillar 1 decisions will be primarily delivered through the new resource management system, which will replace the Resource Management Act 1991 (RMA). Public consultation on how the pillar 1 policies might work in the new resource management system started on 18 June 2025 and closed on 17 August 2025. Feedback from the consultation will be used to inform thinking on policy development for phase 3 of the resource management reform, which is being led by the Ministry for the Environment – Manatū Mō Te Taiao.

Pillar 2 progress

In February 2025, the Government announced decisions relating to pillar 2 of the Going for Housing Growth. Decisions include:

- replacing development contributions with a development levy system: this will provide councils with more flexibility to charge developers for the overall cost of growth infrastructure across an urban area
- making changes to improve the Infrastructure Funding and Financing Act 2020: this will broaden the scope of the Act and simplify the levy development and approvals process
- improving the flexibility of targeted rates for growth infrastructure: this will allow a council to set targeted rates that apply when a rating unit (for example, a separate property) is created at subdivision stage.

Legislation for the above changes is expected to be introduced in November 2025.

Pillar 3 progress

Our work on pillar 3 continues and decisions on pillar 3 will be made over the course of 2025 and 2026.

Legislation and regulations

Resource Management Act 1991

We are supporting a phased programme of changes to the Resource Management Act, including national direction. The success of the Going for Housing Growth programme is intrinsically linked to the effectiveness of the new resource management system that will replace the Act.

So far, the Government has:

- repealed the previous RMA replacement legislation (phase one)
- passed the Fast-track Approvals Act 2024 to establish a permanent fast-track approvals regime for a range of infrastructure and development projects
- passed the Resource Management (Freshwater and Other Matters) Amendment Bill to speed up and simplify the process for developing national direction.

In phase three, the Government intends to replace the RMA with new resource management legislation aimed at better supporting growth and development and better respecting private property rights within the framework of a market economy, while also improving environmental outcomes.

Infrastructure Funding and Financing Act 2020

The Infrastructure Funding and Financing Act provides an alternative way to fund and finance major infrastructure projects. 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.

No new infrastructure, funding and finance levies were authorised and no proposals to use the Act were submitted in 2024/25.

Reform of the Act to improve its functioning and make it a more viable funding and financing tool for infrastructure projects is being completed as part of the Going for Housing Growth programme. An amendment bill giving effect to these changes is scheduled to be introduced in late 2025.

2024/25 social housing delivery

At 30 June 2025, there are 3,130 more funded social housing places than at the end of June 2024. These contribute towards a total of 87,188 funded social housing places available across the country, consisting of 73,147 managed by Kāinga Ora and 14,041 from registered community housing providers.

As social housing places have increased, there has been a corresponding decrease in the number of people who are eligible for social housing and ready to be matched to a suitable property. Compared to the end of June 2024, 3,807 fewer applicants were on the housing register.

Transitional housing

We are also in the process of rebalancing the transitional housing portfolio to provide appropriate levels of supply and support where it's most needed. At 30 June 2025, there were 6,207 transitional housing places. This is a reduction from last year (when there were 6,422 places) and is primarily due to us stopping the use of most transitional housing motels by 30 June 2025. This is because we received time-limited funding during COVID-19 to provide transitional housing motels. Over the previous year, we worked with the providers of these motels to place people into general transitional housing, which we continue to fund.

About 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 provided by Kāinga Ora – Homes and Communities or registered community housing providers. People can access social housing when they are assessed by Ministry of Social Development – Te Manatū Whakahiato Ora as being in severe need of housing support and are placed on the housing register.

Transitional housing gives individuals and whānau a warm, dry and safe place to live while they are supported to find longer-term accommodation. It pairs accommodation with support services, including support to access social and health services, to help the household with barriers to finding a more permanent home. Transitional housing is designed to provide households with temporary accommodation and support, with further short-term support available, if needed, once they have found a more permanent place to live.

Māori-led housing

We are committed to improving housing outcomes for, with and by Māori, through local-led solutions that meet housing needs for whānau, underpinned by our MAIHI and place-based approaches.

In February 2025, the Government announced a \$200 million investment to support Māori housing providers to deliver 400 affordable rentals by June 2027. The affordable rentals will be delivered in priority regions including Te Tai Tokerau, Te Tairāwhiti, Bay of Plenty, Taranaki, Hawkes Bay, Waikato and Auckland. Some of these projects include:

- Manawa Gardens housing development, a partnership with Ngāti Whakaue Tribal Lands that will provide 80 new homes in Rotorua. This is part of their 3-stage development totalling 240 homes
- Te Kirikiri development, working alongside Ngāti Maniapoto to support delivery of 40 homes in Te Kuiti. This gives effect to the Crown's Treaty Settlement commitment to Ngāti Maniapoto made in Te Ōhākī Tapu, the relationship agreement between HUD and Ngāti Maniapoto.

This is on top of previous investment and forms part of the Government's broader commitment to accelerate Māori housing projects in priority regions.

We have now invested \$426 million in iwi and Māori providers to increase housing supply and reached approval of approximately 1,000 new homes. This investment includes housing related infrastructure, papakāinga housing, and affordable rentals. These homes are tracking well and are scheduled to be delivered between the end of 2026 and June 2027.

To enable long-term sustainable Māori-led housing delivery, we continue to work in partnership with our four iwi prototypes in high priority regions.

Through this partnership, we continue to support Toitū Tairāwhiti through their Tūranga Tangata Rite project that will deliver an additional 150 homes in Gisborne. These homes are expected to be delivered by December 2026.

We are also continuing to work with Ka Uruora, a collective of iwi and Māori partners to deliver an additional 100 affordable rental homes across the country.

Our partnership approach also extends to Waikato-Tainui to support delivery of 100 affordable rentals through their Hopuhopu development north of Ngāruawāhia.

Residential development underwrite

The residential development underwrite programme was launched in October 2024, as a new, time-limited initiative. The underwrite aims to help maintain capacity in the construction sector and support housing supply for when buyers return to the market.

The underwrite acts as the pre-sales needed for experienced and proven developers to secure bank finance for consented, costed and ready-to-begin projects.

The underwrite focuses on developments that:

- deliver housing aligned with local demand
- are financially feasible
- have strong developer equity
- are in high-demand locations like Auckland, Hamilton, Tauranga, Wellington and Christchurch.

As at June 2025, four underwrite projects were approved, underwriting 156 homes in Auckland, Wellington and Porirua. These four projects will help approximately 259 market homes to be built. A further 12 applications are in various stages of assessment. If approved, they could underwrite 394 homes and unlock around 519 market homes.

Land for housing

The land for housing programme increases the supply of housing by unlocking and developing land for residential purposes, particularly for affordable and market-priced homes.

The programme purchases land from Crown agencies (or in limited circumstances the private-sector) and is on-sold with deferred settlement to iwi and private development partners to deliver new housing. There is a requirement for each site to deliver at least 30 percent affordable, social, progressive home ownership or build-to-rent housing.

Since 2015, a total of 316.43 hectares of land has been purchased or is administered under the programme. These sites are estimated to provide around 9,000 new houses by 2034, including the 30 percent in alternative typologies. To date, 2,237 homes have been built and 14 full developments have been completed and a further site is being settled.

In 2024/25, the programme delivered over 164 homes across three sites in Auckland (Flat Bush, Manurewa and Ōtara). The homes were a mix of social, affordable and market homes.

Four development agreements were signed in 2024/25, to deliver 3,792 homes (being 94 homes Blenheim, 320 homes in Rotorua, 3,378 in Mt Albert, Auckland).

Build ready developments

In July 2024, Cabinet agreed to end the build ready development pathway, which supported affordable housing by underwriting or pre-purchasing projects that may not have commenced due to market shifts. We continue to support the approved developments.

At 30 June 2025, nine developments have been completed (which enabled 144 homes to be delivered) and five of those have had Crown exposure fully removed; those five developments enabled 61 homes to be completed. Of the four completed sites still with Crown exposure, one is scheduled for Crown purchase on 1 July 2025, two are in Crown ownership with ongoing negotiations for on-sales and one is under construction with the developer continuing market sales processes.

Affordable rental pathway

The affordable rental pathway of the affordable housing fund supported households who couldn't afford market rents but didn't qualify for social housing. It aimed to create long-term affordable rentals, at 80 percent or less

of market rent, through partnerships with investors, developers and housing providers. The fund is closed and is fully contracted.

Homes funded are to be retained for at least 15 years as rentals for low- to moderate-income households.

At 30 June 2025, the affordable rental pathway has supported 487 affordable rentals through 25 provider partnerships across Aotearoa, with 215 delivered and 272 due by 30 June 2027.

Community Housing Regulatory Authority (CHRA)

The Community Housing Regulatory Authority (CHRA) oversees the registration and ongoing regulation of community housing providers dedicated to delivering social and affordable housing. By monitoring registered community housing providers, CHRA safeguards the interests of tenants and supports the delivery of secure, affordable and well-managed housing.

Growth in the community housing sector

Since 2014, the number of registered community housing providers has increased from 24 to 92, with 36 of these identifying as Māori providers. The number of properties owned or managed has increased from 2,500 in 2014 to around 19,200 for 2025, with around 14,000 of these receiving the income-related rent subsidy.

Over the 2024/25 year, CHRA registered 14 new community housing providers, including Māori and Pacific community housing providers, charitable organisations and one for-profit organisation.

Strengthening accountability and transparency in community housing regulation

Over the last year, CHRA has developed a new operational approach to the annual monitoring of registered community housing providers that better reflects substantial sector growth and changing needs. The new 'real time regulation model' will be implemented from 1 July 2025, following consultation with the community housing sector.

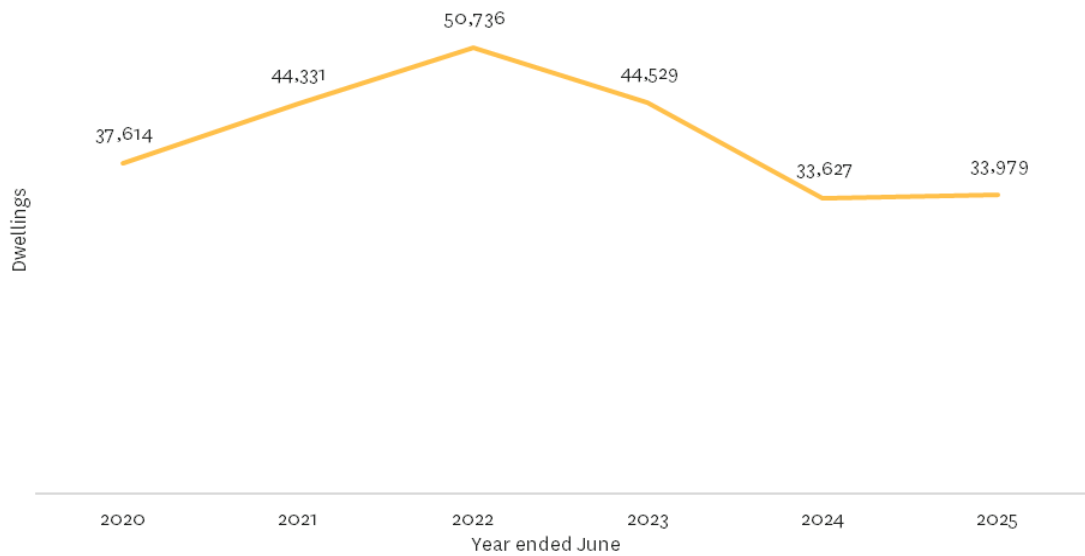
The annual assessment process will move from a detailed, desk-top review of board minutes, financial accounts and updated policies and procedures for each registered community housing providers, to a risk-focused assessment model that monitors performance. The previously requested supporting documents will be replaced by a targeted, risk focused questionnaire and key performance measures, targeting tenancy management and property and asset management practices.

Our approach will allow improved access to reliable community housing provider sector data on our website through publishing some of the key performance measures and property data from the 2025/26 financial year. The CHRA register will also provide greater transparency of each providers compliance with the five performance standards, clearly indicating whether each provider is meeting requirements or needs to take further action to maintain their registration.

[Community Housing Regulatory Authority \(chra.hud.govt.nz\)](https://chra.hud.govt.nz)

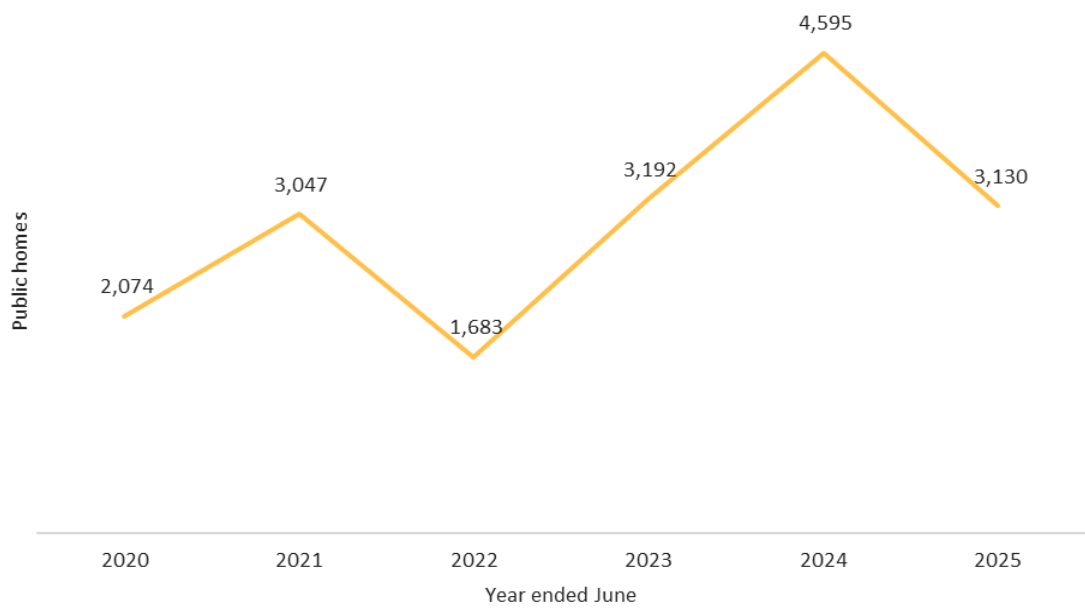
Outcome indicators

Number of new residential building consents¹



[Go to the text alternative of this graph](#)

Number of additional public homes added to the stock²³



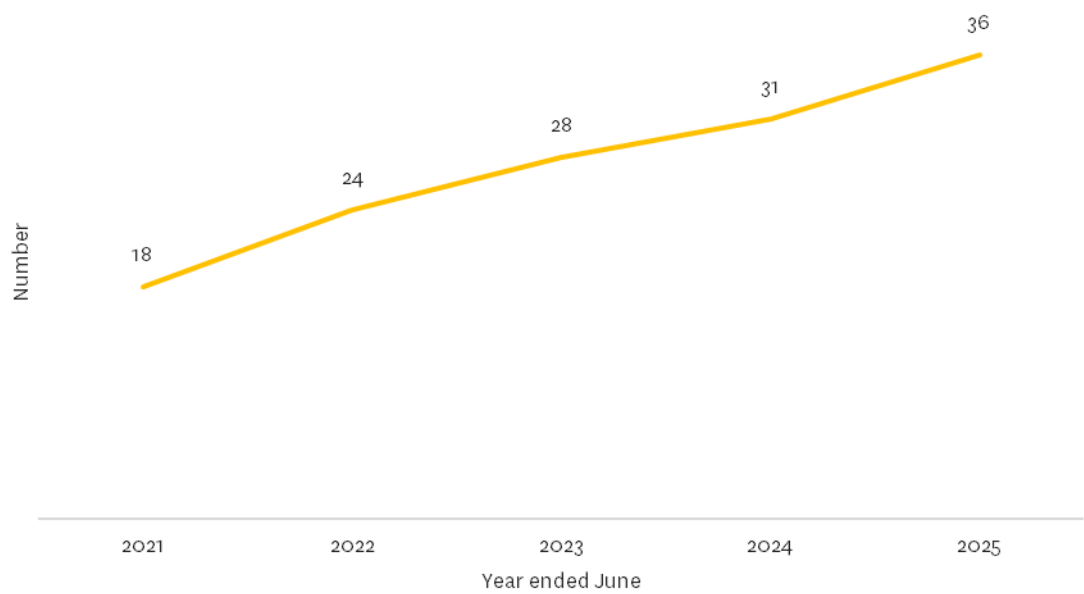
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¹ Statistics New Zealand (2025). Building consents issued: June 2025. <https://www.stats.govt.nz/information-releases/building-consents-issued-june-2025/>

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

³ In the previous annual report, the 2020 number of public homes added to the stock was incorrectly reported as 2,047, this has been corrected to 2,074.

Number of registered Māori community housing providers



[Go to the text alternative version of this graph](#)

More support provided to people in housing need

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

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.

There are additional services available to help those who are homeless or are at risk of becoming homeless. The following information and outcome indicators demonstrate the impact that we had on the system in relation to the intended outcome of more support provided to people in housing need.

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

At 30 June 2025, there was an 84 percent reduction in the number of households in emergency housing, bringing the total to 501, from a baseline of 3,141 households in December 2023.

In April 2024, the Government set a target to reduce the number of households in emergency housing by 75 percent by 2030, returning emergency housing to its intended purpose as a last resort used for short periods. We hold joint responsibility with the Ministry of Social Development – Te Manatū Whakahiato Ora for this target.

Notable progress has been made in reducing dependence on emergency housing through the emergency housing target delivery plan. The delivery plan focus areas are:

- reducing demand for emergency housing and only using it when necessary
- improving pathways out of emergency housing, including appropriate support to help people into stable housing
- increasing the supply of suitable housing and maximising the impact of the existing supply has on meeting the target.

During 2024/25, initiatives implemented include the priority one fast track for families with children, making changes to the gateway into emergency housing, a social outcomes contracting trial to support higher needs households without children into stable housing, and continued progress in the delivery of social housing funded through Budget 2024.

Now the target has been met, the focus is on consolidating progress and ensuring emergency housing is focused on its intended use. Efforts to enhance early interventions and transitions from state care and custody, along with planned exits from contracted emergency housing motels, continue to be priorities. Longer-term work to improve the wider housing supports system will also support maintenance of the target.

Fluctuations in the numbers of households in emergency housing are expected, and we will continue to monitor and report on initiatives to maintain progress and effectiveness.

Exiting from contracted emergency housing motels

At 30 June 2025, 53 households remained in contracted emergency housing motels in Rotorua. We continue to work to get whānau access the support they need, including housing, support or both that meets their needs.

Over the past 12 months we have been working to progressively exit from contracted emergency housing motels and refocus on building a more effective system that puts whānau into more suitable and stable housing. Referrals into contracted emergency housing stopped on 15 June 2025.

We plan to end the use of contracted emergency housing motels by 15 December 2025.

Housing first

At 30 June 2025, 3,711 chronically homeless households were being supported into secure and stable accommodation under the housing first programme.

Housing first helps people who have been experiencing homelessness for at least a year into permanent housing. Once a person is housed, the programme provides ongoing and tailored support to help them remain housed and address the underlying issues that led to their homelessness.

Housing first brings 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 2025, 313 households graduated from Housing First.

Rapid rehousing

At 30 June 2025, 1,019 homeless households were being supported under the rapid rehousing programme.

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 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 2025, 254 households graduated from Rapid Rehousing.

Sustaining tenancies

At 30 June 2025, there were 1,678 households being supported under the sustaining tenancies programme.

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.

Rangatahi supported accommodation service

The rangatahi supported accommodation service seeks to meet the needs of 16- to 25-year-old rangatahi with high support needs who are experiencing, or are at risk of, homelessness. Rangatahi can stay in accommodation until they reach 25 years old and includes services for six months following exit from supported accommodation. There are currently limited housing solutions available for these rangatahi, which often do not meet their needs. The rangatahi supported accommodation service fills this gap. At 30 June 2025, there are four providers operating in Auckland, and one in Hamilton.

Outreach services

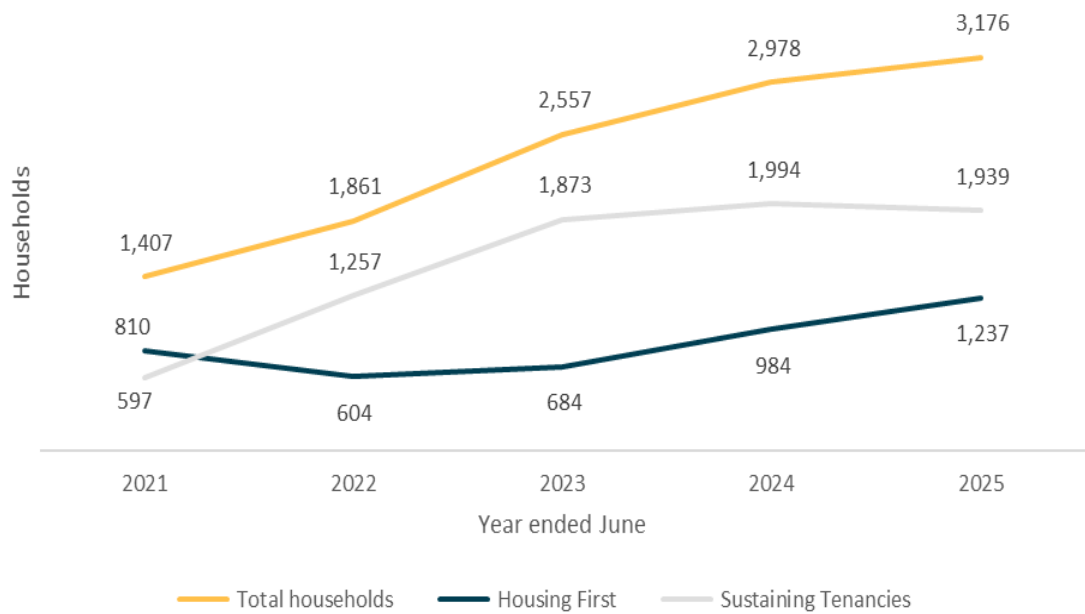
Outreach services are funded for nine providers to address barriers for people disconnected from the housing support system who are currently experiencing, or are at risk of, homelessness and who have been missed or overlooked by other existing services. Outreach involves building relationships with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

He ara hiki mauri

Work continues to deliver a 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 allowed funding to be accessed from 2023 for he ara hiki mauri to empower whānau who need it most, through place-based, Māori-led solutions.

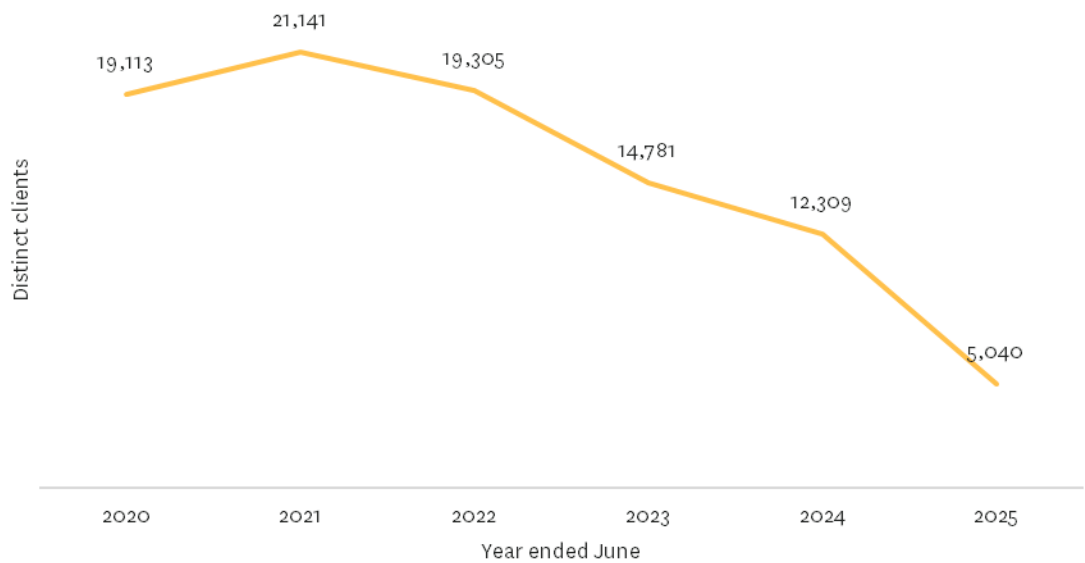
Outcome indicators

Support provided⁴ to people in housing need⁵ through Housing First⁶ and Sustaining Tenancies



[Go to the alternative text version of this graph](#)

Number of distinct clients⁷ who were granted Emergency Housing Special Needs Grants each year⁸



[Go to the text alternative version of this graph](#)

⁴ We have developed a new data process for housing first and sustaining tenancies, which means previously reported figures may now be different. For housing first, the new reporting process is applied from FY24/25 figures in the annual report. We have also updated the sustaining tenancies successful exit measure to count exits in which the tenancy was sustained. The previous sustaining tenancies measure counted successful exits as those who exited and completed a whānau-led plan. The updated measure is now aligned with the provider performance metrics.

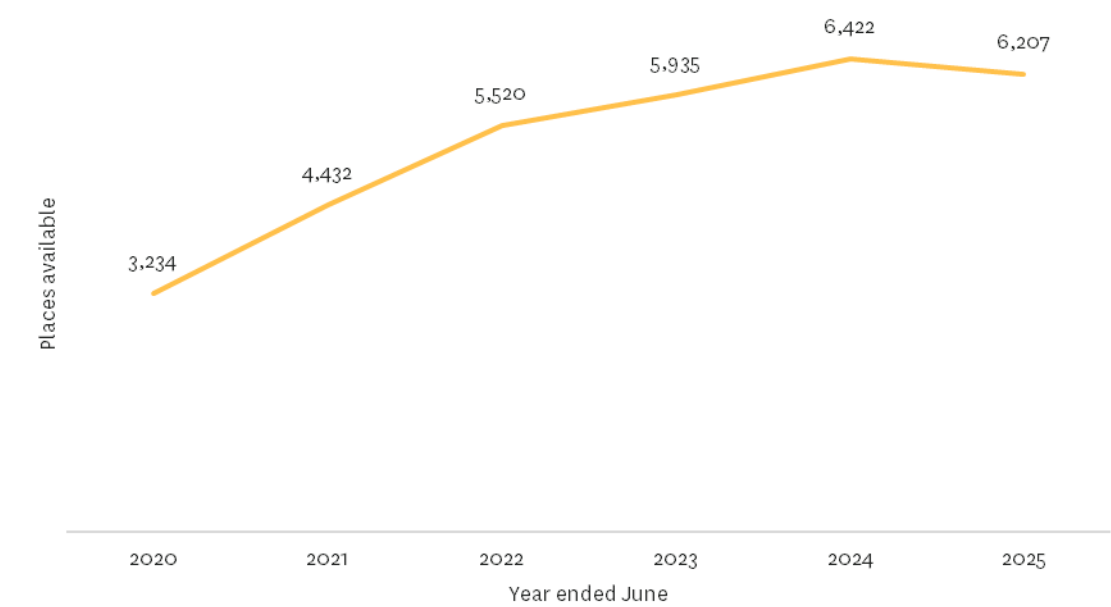
⁵ Reported figures on housing first and sustaining tenancies are revised regularly as the latest data from providers become available. Figures in the table are accurate as of the end of June 2025 and may be revised with updated data in upcoming months.

⁶ Housed over the year.

⁷ Distinct clients will only count clients once in a period.

⁸ Annual figures provided by the Ministry of Social Development – Te Manatū Whakahiato Ora.

Total number of transitional housing places available⁹¹⁰



[Go to the text alternative version of this graph](#)

⁹ The reduction in transitional housing places over the last year is primarily due to the progressive exit from transitional housing motels.
¹⁰ 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

Supporting housing and urban development through planning and infrastructure

Te tautoko i te whanaketanga whare me te tāone mā te whakamahere me te hanganga

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

We're continuing this work through a range of programmes, like Going for Housing Growth, which aims to support housing and urban development through planning and infrastructure. Along with this, we're working on changes to the Resource Management Act 1991 and our new housing investment approach, you can read more about this in our 'More houses' section.

The following narrative and outcome indicators demonstrate the impact that we had on the system in relation to the intended outcome of supporting housing and urban development through planning and infrastructure.

Housing acceleration fund

The housing acceleration fund was established to increase the pace, scale, diversity and affordability of new housing supply for buyers and renters. This included:

- the infrastructure acceleration fund and the Māori infrastructure fund, which unlocked a mix of private sector and government-led developments in locations facing the biggest housing supply and affordability challenges
- Kāinga Ora large-scale projects, 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
- providing additional funding for the land for housing programme to operate in more regions and deliver a wider range of affordable housing options.

In the year ended 30 June 2025, we contributed \$424 million to the housing and urban development system through the housing acceleration fund.

Budget 2024 reduced the Housing Acceleration Fund by \$435 million, through changes to large-scale projects programme. In Budget 2025, the Housing Acceleration Fund was further reduced by \$125 million, again as a result of adjustments to large-scale projects programme.

KiwiBuild

On 1 July 2025, the Government transferred KiwiBuild's legacy underwrite programme from Kāinga Ora to the Ministry. This change supports the turnaround plan, see more about the turnaround plan for Kāinga Ora in the 'Implementing the Government's priorities' section. We are monitoring underwritten developments and continue to work on divestment of Crown-owned properties.

Housing and urban partnerships

We continue to support key partnerships in Auckland, Hamilton-Auckland corridor (Future Proof), Tauranga-Western Bay of Plenty (SmartGrowth), Rotorua (the Rotorua Housing Accord) Wellington-Horowhenua, Greater Christchurch and Queenstown Lakes.

We are working alongside agencies including the Department of Internal Affairs – Te Tari Taiwhenua, Ministry of Transport – Te Manatū Waka and the Ministry for the Environment – Manatū Mō Te Taiao to contribute to work on

city and regional deals. These will be long-term partnerships between local and central government to increase economic growth, create jobs and boost productivity with specific focus areas that include promoting housing growth and infrastructure. Memoranda of understanding have been signed with Auckland, Otago Central Lakes and Western Bay of Plenty.

Going for Housing Growth programme will also make changes to infrastructure settings, you can read more about this in our 'More houses' section.

Outcome indicators

Amount of funding available with the purpose of supporting new infrastructure

Results

Within the housing acceleration fund, \$50 million has been allocated to the land for housing programme and the remainder to the infrastructure fund. There are three components in the infrastructure fund that have been allocated funding.

Kāinga Ora large-scale projects:

- funding for LSPs was reduced to \$1.74 billion, from \$1.86 billion. This includes \$371 million for Eastern Porirua's large-scale project.

Infrastructure acceleration fund:

- 28 funding agreements, covering 128 projects, have been signed, with 35 of those projects in construction or completed at 30 June 2025. 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 2025 decisions for large-scale projects.

Number of projects focused on new infrastructure to support the development of housing

Results

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 \$1.74 billion, from \$1.86 billion. This funding is anticipated to enable about 13,000 new homes on Kāinga Ora land, with a further 12,000 on privately-owned land. To date, large-scale projects have enabled 6,426 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, 2,698 homes have been enabled.

The Māori infrastructure fund administered by the Whai Kāinga Whai Oranga interagency team was allocated \$350 million in funding for 2,700 infrastructure-enabled sites. As at June 2025 1,572 infrastructure sites have been completed.

Improving the experience of renting and other types of living arrangements

Te whakapai ake i te wheako rēti me ētahi atu momo noho

New Zealanders live in different accommodation types for varying lengths of time, including rental accommodation, unit title developments and retirement villages. We have a role in protecting their rights and to support them to meet their obligations through efficient regulation. Our work aims to remove barriers to supply and supports investment certainty and the interests of participants through efficient and effective regulation of tenure and housing quality.

The following information and outcome indicators demonstrate the impact that we had on the system in relation to the intended outcome of improving the experience of renting and other types of living arrangements.

Residential Tenancies Amendment Act 2024

The Government passed the Residential Tenancies Amendment Act 2024, with the aim of reducing barriers to supply of and access to rental housing. Key changes took effect on 30 January 2025 and include reintroducing a landlord's ability to:

- end a periodic tenancy with 90 days' notice without requiring a specific reason (commonly referred to as a 'no cause' termination)
- give notice to end a fixed-term tenancy at the end of the term without requiring a specific reason.

The Government also made changes to encourage landlords to allow pets in rental properties, including:

- introducing pet bonds (set at a maximum of two weeks' rent) that can be charged in addition to the existing bond
- making tenants liable for all pet-related damage beyond fair wear and tear
- tenants may only have pets with the consent of the landlord, who can only withhold consent on reasonable grounds.

The pet-related changes are expected to come into force in late 2025, once the new pet bond functionality has been developed by the Ministry of Business, Innovation & Employment – Hīkina Whakatutuki.

Healthy homes standards

The healthy homes standards apply to residential tenancies and 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. From 1 July 2025, all private landlords must comply with the standards. Kāinga Ora and community housing providers were already required to meet the standards by 1 July 2024.

Residential property managers

We continue to work on the regulation of residential property managers. A prior bill regulating this sector was withdrawn in June 2024. Ministers have asked for light-touch regulatory proposals for property managers.

People who provide residential property management services need to be competent, trusted and have their conduct and adverse activities monitored and addressed. We are providing advice to the Government about how to do this, with the aim of introducing new legislation in 2026.

Retirement Villages Act 2003

In 2023, we invited feedback on a discussion paper, Retirement Villages Act 2003: Options for Change. We analysed over 11,000 submissions, which helped to inform the next stages of the review. The government is progressing the review with a focus on proposals that are broadly supported by the retirement sector and residents, as well as three areas which are a priority for residents:

- maintenance and repairs of operator-owned chattels and fixtures
- complaints and disputes
- options for incentivising or requiring earlier capital repayments when residents move out of a village.

The Government intends to introduce an amendment bill in 2026.

Methamphetamine contamination regulations

The government is progressing work on regulations for managing methamphetamine contamination in rental properties covered by the Residential Tenancies Act 1986. A lack of clear rules about what to do when methamphetamine residue is discovered and at what level residue is problematic has created confusion for the sector. At times, this has led to costly and disproportionate responses where the likelihood of harm is low.

Regulations will resolve these matters, providing certainty for the sector and proportionate and evidence-based approach. At this stage, we expect Cabinet decisions on the regulations before the end of 2025 or early 2026.

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 significant dedicated rental supply and providing better tenant experiences and wellbeing outcomes. The Overseas Investment (Build To Rent and Similar Rental Developments) Amendment Act was passed in February 2025, which created a 'large rental development test' to better support development and investment in new and existing build-to-rent housing.

Outcome indicators

Regional rental affordability index¹¹

Results

In the year ended June 2025, the following regions had an improvement in rental affordability from June 2024:

- Wellington (+8%)
- Auckland (+4%)
- Gisborne (+4%)
- Bay of Plenty (+3%)
- Canterbury (+2%)
- Manawatū-Whanganui (+2%)
- Marlborough (+2%)
- Taranaki (+2%)
- Tasman (+2%)
- Waikato (+2%)
- Otago (+2%)
- Hawke's Bay (+1%)
- Nelson (+1%)

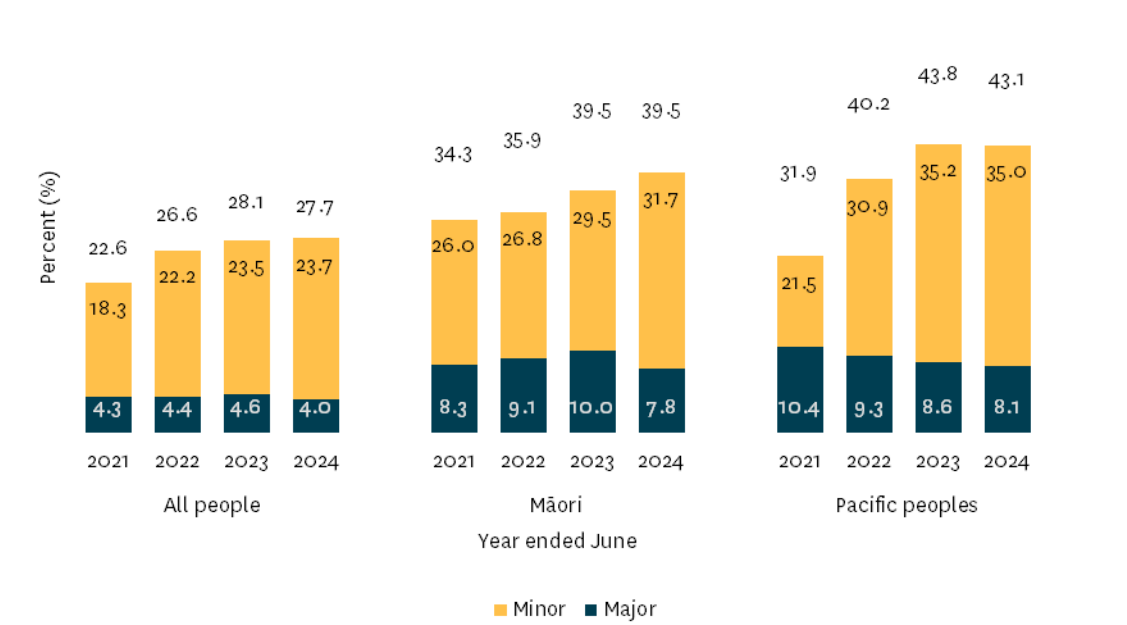
¹¹The Rental Affordability Index compares changes in rent prices with the changes in income, a positive value means that incomes have grown faster than prices and affordability has improved. Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (2023). www.hud.govt.nz/stats-and-insights/change-in-housing-affordability-indicators/affordability-indicators/#tabset

- Te Tai Tokerau Northland (+1%)
- West Coast (+1%).

In the year ended June 2025, the following region had a decrease in rental affordability from June 2024:

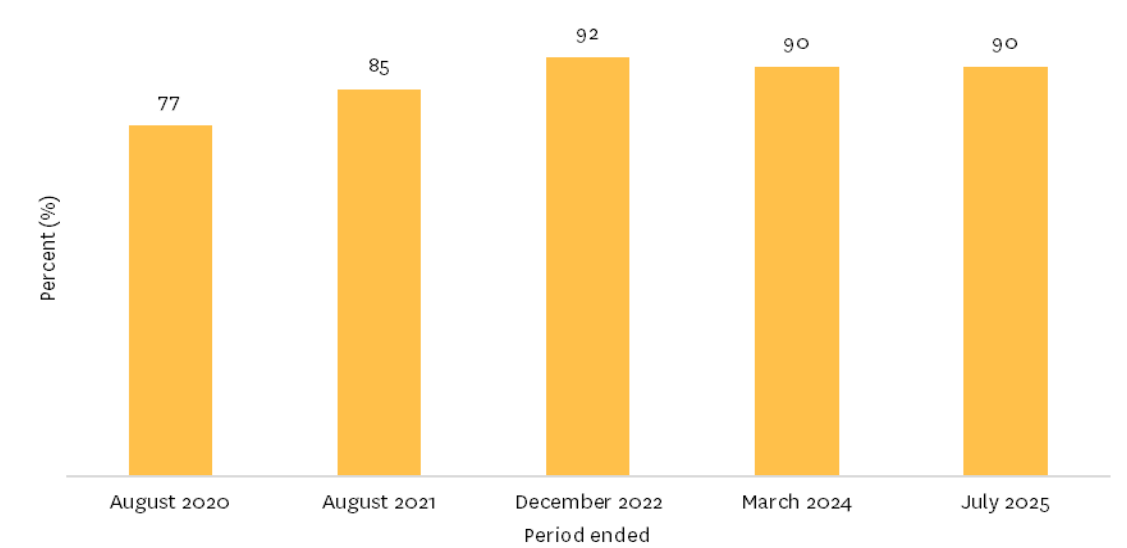
- Southland (1%).

Percentage of households reporting living in homes with minor or major dampness or mould



[Go to the alternative text version of this graph](#)

Level of compliance with the healthy homes standards¹²¹³



[Go to the alternative text version of this graph](#)

Increased home ownership

¹² Percent of landlords who say their property will meet the healthy homes standards or say they have done things to prepare their rental properties to meet the healthy homes standards, or that their rental is already compliant.
¹³ Verian (2025). Healthy Homes Guarantee Act Monitoring Topline Report Wave 5 2025.

Kia nui atu ngā hokonga whare

Housing needs to be affordable and available in a mix of sizes and types that suit the diverse needs of individuals and whānau.

The following narrative and outcome indicators demonstrate the impact that we had on the system in relation to the intended outcome of increasing home ownership.

Progressive home ownership

The progressive home ownership fund closed on 30 June 2024, with 2,121 homes contracted. These homes are either under delivery or have settled into home ownership.

The contracted housing total of 2,121 homes reflects recent adjustments across key programmes. The Provider Pathway increased from 569 to 571 homes following the reinvestment of HF3 funds from two graduated homes. Te au taketake now stands at 321 homes, after a net reduction of 47, which includes a gain of two homes by Ngāi Tahu.

Meanwhile, the First Home Partner programme has been revised from 1184 to 1,179 homes due to whānau agreement withdrawals. These updates have been carefully accounted for, ensuring the total reflects current commitments and programme realities.

The fund was aimed at low to moderate-income households who can afford repayments but face barriers to saving a deposit or securing finance. Providers use models such as rent-to-buy, shared ownership and leasehold schemes to help people into home ownership. Homes are located across Aotearoa.

Te au taketake provides dedicated funding for iwi and Māori organisations to develop or expand their progressive home ownership programmes, supporting better housing outcomes for whānau Māori.

Because of the changes above, the total contracted homes at 30 June 2025 is 2,069 homes, this is through three pathways:

- 1,179 homes for first home partner, Kāinga Ora
- 571 homes from providers
- 319 te au taketake.

At 30 June 2025, 1,540 homes were settled into home ownership:

- 1,176 homes for first home partner, Kāinga Ora
- 344 homes from providers
- 20 te au taketake.

First home loan

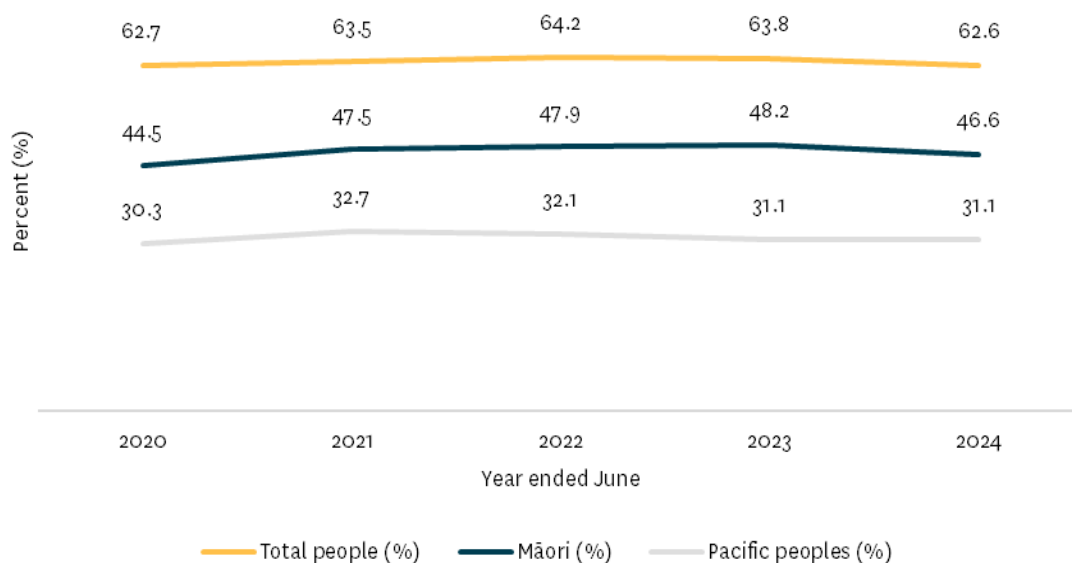
The first home loan scheme enables first home buyers to purchase a home with a five percent minimum deposit with selected banks. An insurance premium administered and underwritten by Kāinga Ora is collected to insure partnering banks and lenders against losses from mortgage defaults.

As part of a Budget 2025, the cost of the insurance premium changed from being shared between the government and the borrower to being fully cost-recovered from the borrower. This raises the premium for new borrowers from 0.5 percent to 1.2 percent of the loan value. This change takes effect on 1 July 2025.

In the year ending 30 June 2025, there were 3,086 homes bought with a first home loan.

Outcome indicators

Percentage of people living in owner-occupied homes¹⁴



[Go to the text alternative of this graph](#)

Deposit affordability index¹⁵

In the year ended June 2025, the following regions had an improvement in deposit affordability:

- Wellington (+13%)
- Tasman (+6%)
- Auckland (+5%)
- Bay of Plenty (+5%)
- Marlborough (+5%)
- Hawke's Bay (+4%)
- Manawātū-Whanganui (+4%)
- Nelson (+4%)
- Gisborne (+3%)
- Otago (+3%)
- Canterbury (+2%)
- Te Tai Tokerau Northland (+2%)
- Taranaki (+2%)
- Waikato (+1%).

In the year ended June 2025, the following region had no change in deposit affordability:

- Southland (0%).

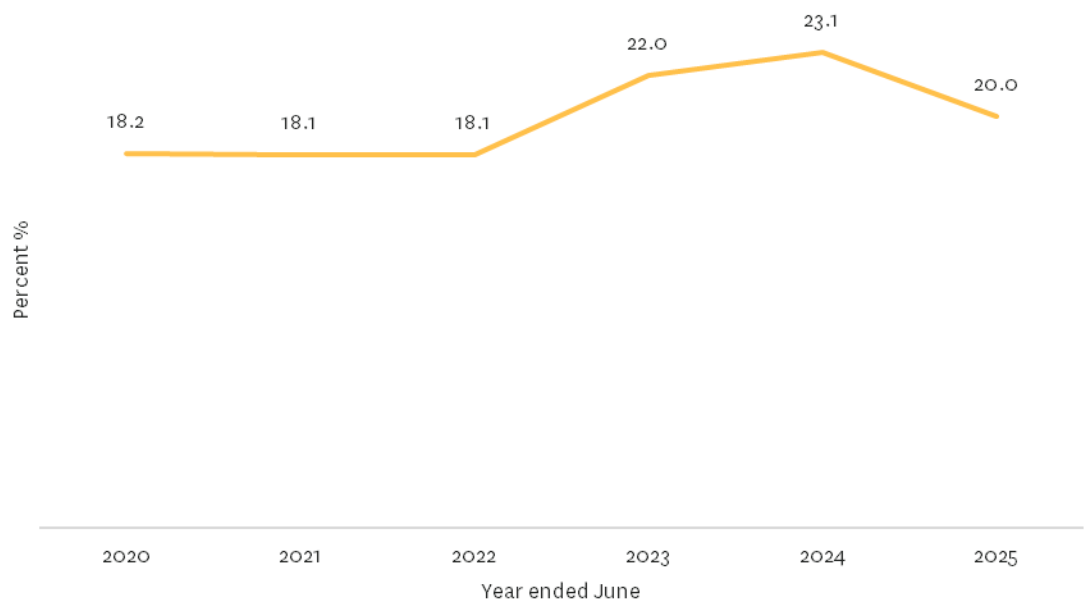
In the year ended June 2025, the following region had a decrease in deposit affordability:

- West Coast (-1%).

¹⁴ Statistics New Zealand (2025). <https://catalogue.data.govt.nz/dataset/hes-2024-dampormould-keephousewarm-and-tenure-by-ethnicity-household-counts-and-proportions>

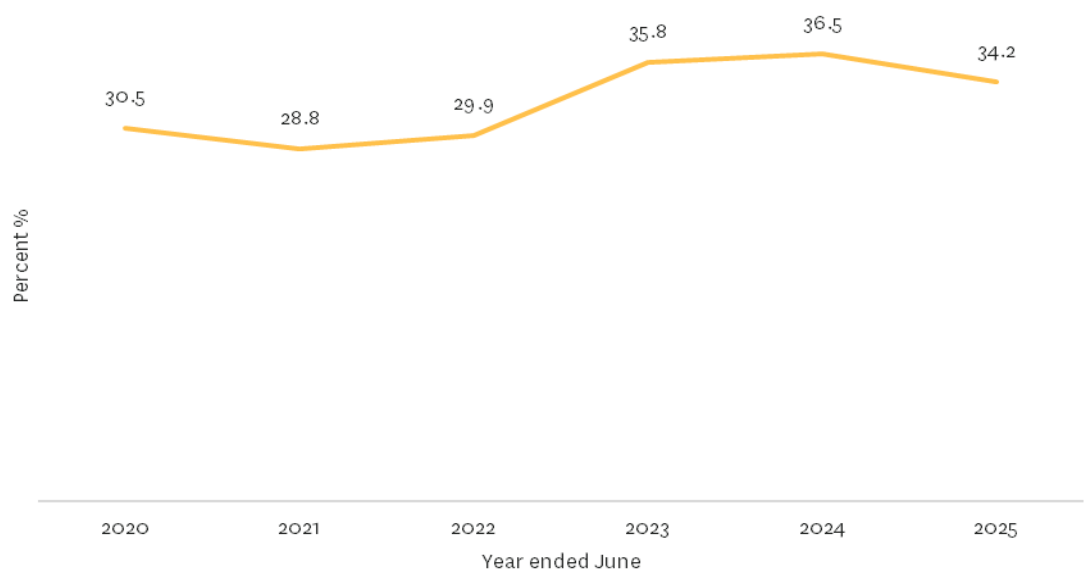
¹⁵ The deposit affordability index compares changes in house sales prices with the changes in income. A positive value means that incomes have grown faster than prices have increased, meaning affordability has improved. Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (2023). www.hud.govt.nz/stats-and-insights/change-in-housing-affordability-indicators/affordability-indicators/#tabset

Proportion of lending to first home buyers (out of all buyer types)^{16 17 18}



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Proportion of mortgage commitments to first home buyers¹⁹



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¹⁶ 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, Total lending to first home buyers (A2) and all borrower types (A1), year ended June. This figure represents the proportion of total value of new mortgage lending issued to first home buyers.

¹⁷ The share of lending to first home buyers is measured against total new mortgage commitments across all borrower types, including both owner-occupiers and investors. This total includes both refinancing of existing loans and new lending for property purchases. Because refinancing is included, the proportion of lending attributed to owner-occupiers and investors can make the share going to first home buyers appear smaller.

¹⁸ In the previous annual report, the 2024 proportion of lending to first home buyers was incorrectly reported as 23.9 percent, this has been corrected to 23.1 percent.

¹⁹ 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. This figure represents the proportion of dwellings purchased by first home buyers compared to the total number of dwellings purchased using a mortgage.

Strengthening Māori-Crown relationships

Te whakarenarena i ngā hononga Māori ki te Karauna

We are committed to improving services and outcomes for, with and by Māori, through strengthened Māori-Crown relationships that are underpinned by our MAIHI and place-based approaches. As a Crown agency and a steward of the housing and urban development system, we have a responsibility to demonstrate good Te Tiriti partnership and ensuring Māori housing aspirations are achieved in line with MAIHI Ka Ora (National Māori Housing Strategy).

This approach is reinforced by the Public Service Act 2020 section 14 which 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).

As part of our leadership role across the housing and urban development system, we are working more closely with Kāinga Ora and Te Puni Kokiri to ensure priorities, approaches and work programmes to strengthen Māori Crown relations reflect Te Tiriti partnership and an efficient and effective Crown approach. This includes embracing technology to improve internal ways of working, externally to enable greater access to Māori housing information, and leading iwi Māori place-based collaborations where it makes sense.

Our Te Tiriti settlement commitments

In April 2025, the Office of the Auditor-General released a report focused on public service agencies’ obligations under Te Tiriti o Waitangi, including how agencies are meeting their Treaty settlements commitments. The report produced nine recommendations to improve accountability for fulfilling Treaty settlements.

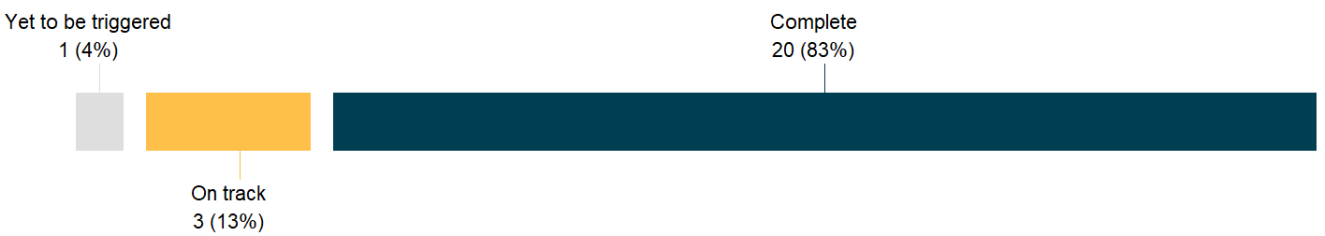
We are tracking well with over 40% of Treaty settlement groups having accessed funding since 2020, collaborative housing projects with over 200 iwi and Māori groups; and a dedicated team to support strengthening Māori crown relationships across the organisation.

More work is required to ensure we continue to meet our obligations; and the recommendations outlined in the report will enable us to make tactical shifts to improve our ways of working across the organisation and housing and urban development system.

Te Haeata provides post-settlement governance entities and agencies responsible for Treaty settlement commitments an online database of the commitments that are made in deeds of settlement and settlement legislation.

In Te Haeata, as at 30 June 2025, we were responsible for seven Te Tiriti 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 each of these commitments is summarised below.

The status of our Te Tiriti settlement commitments:



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Most of the commitments have been completed (83 percent) and 4 percent or 1 settlement are yet to be triggered. A small portion of our commitments (13 percent or 3 commitments) are on track. These relate to an annual hui that is convened by the Ministry of Social Development – Te Manatū Whakahiato Ora as lead agency. We will continue to track and update our commitments as required.

Te Tiriti settlement commitments for the Ministry not only include Te Haeata commitments they include commitments resulting from engagements through pre and post settlement mechanisms (Ministerial Accords and Relationship Agreements). These are captured internally and not through Te Haeata.

Through these channels, we have strengthened our relationships with iwi including Waikato Tainui, Te Nehenehenui, Ngāti Hauā, Te Hiku o Te Ika, and Parihaka Papakāinga, focusing on the health and wellbeing of the Māori-Crown relationship and the advancement of Māori housing outcomes.

Additionally, we have enhanced partnerships with other post-settlement governance entities—such as Whanganui Lands Settlement Trust, Ngāti Mutunga o Wharekauri, and Te Korowai o Wainuiārua—by developing operational agreements that reinforce our Te Tiriti settlement commitments and foster enduring collaboration.

Wai 2750: The Housing Policy and Services Kaupapa Inquiry

We are leading the Crown response to Wai 2750: the 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 Te Tiriti standards and meet the needs of Māori is critical to addressing the housing inequity experienced by Māori.

Stage One response

In May 2023, the Waitangi Tribunal released ‘Kāinga Kore: The Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness’. The Tribunal determined that the Crown had breached Te Tiriti principles of active protection, equity and good government.

The Crown is taking a phased approach in responding to the stage one findings.

Stage Two preparation

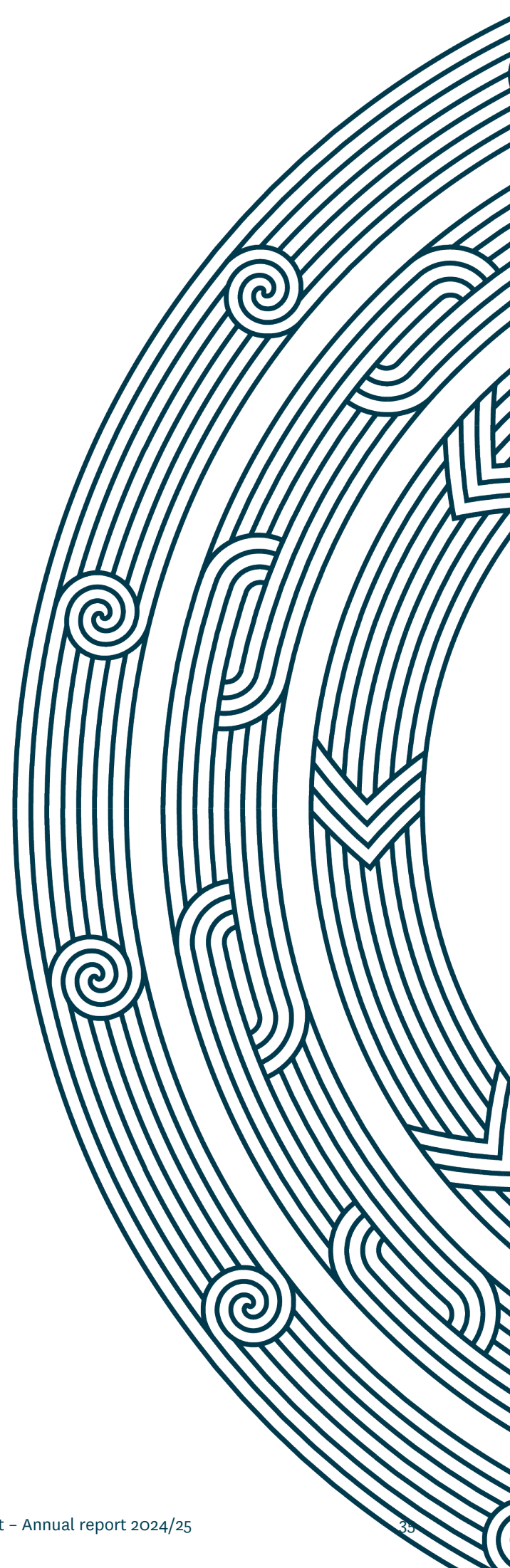
In July 2025, the Waitangi Tribunal released its Strategic Direction 2025-2035 which outlined completion of Wai 2750 by 2035. At the same time, the Waitangi Tribunal legislation review is currently underway with report back due in September 2025.

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 ‘Social Housing’ by central or local government or both
- hauora – relationship between poor physical and mental health (and other socio-economic factors) and housing.

We are preparing for Stage Two of the Inquiry by consolidating the Crown’s baseline view on issues and developing the Crown’s position.

We are awaiting an update from the Tribunal about inquiry planning, including the hearing schedule, for stage two.



Part B: Assessment of our operations

Implementing the Government's priorities

Te whakatinana i ngā whakaarotau a te Kāwanatanga

Government targets

We hold joint responsibility with the Ministry of Social Development – Te Manatū Whakahiato Ora for target 8: fewer people in emergency housing.

The Government set a target to reduce the number of households in emergency housing by 75 percent by 2030, which has been met. At 30 June 2025, there was an 84 percent reduction in the number of households in emergency housing, bringing the total to 501, from a baseline of 3141 households in December 2023.

The Department of the Prime Minister and Cabinet (DPMC) runs a regular reporting cycle on the government targets for the Prime Minister and Cabinet.

[See Government targets \(DPMC\)](#)

Government or ministerial priorities

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

- Going for Housing Growth
- reforming the resource management system
- resetting investment to help those most in need
- improving efficiency and competition in building and construction
- improving rental markets.

These priorities have been reflected in our policy and legislative work programme reported in Part A of this report.

Major spending decisions

We developed Social Housing plans to set out the Government's social housing intentions, funded through successive budgets.

The overall goal was for Kāinga Ora and community housing providers to deliver 17,050 additional public homes between 1 July 2018 and 30 June 2025. Funding of \$1,082 million has been provided to deliver these homes.

This consists of:

- 'Social Housing Plan 2018–2022': 6,400 places funded through Budget 2018
- an additional 1,650 places funded through Budget 2020
- 'Social Housing Plan 2021–2024': 6,000 places funded through Budget 2020.

At 30 June 2024, most of the places were delivered and the remaining 244 places were to be delivered in 2024/25.

Through Budget 2023, funding was provided for Kāinga Ora and community housing providers to deliver a further 3,000 places in the year to 30 June 2025.

Budget 2023: Social Housing Plan delivery in 2024/25 by Kāinga Ora and community housing providers

At 1 July 2024, from the 17,050, a total of 3,244 additional places remained to be delivered. This was made up of the 3,000 places funded by Budget 2023 and the 244 places remaining to be delivered from earlier funding (before Budget 2023).

During 2024/25, Kāinga Ora and community housing providers delivered 2,787 additional places of the remaining total of 3,244. This included completing the delivery of additional places funded from earlier funding (before Budget 2023 funding).

Most of the remaining places were intended to be delivered by 30 June 2025, in line with Budget expectations. Ministers agreed that Kāinga Ora would deliver some places by 30 June 2026 to enable delivery in regions most in need. Community housing providers would also deliver some places in 2025/26.

Budget 2023: Delivery in 2025/26 by Kāinga Ora and community housing providers

At 1 July 2025, a total of 457 additional places remain to be delivered from the 3,000 places funded by Budget 2023. The remaining places, the last of 17,050 additional places are intended to be delivered by 30 June 2025.

Budget 2024: 1,500 new places by community housing providers

In Budget 2024, the government allocated \$140 million in new funding for 1,500 new social housing places to be provided by community housing providers over two years from 1 July 2025 to 30 June 2027 (financial years 2025/26 and 2026/27).

Around 500 of the new places were allocated quickly based on three objectives:

- maximising value for money from government investments
- reducing reliance on emergency housing and motel accommodation
- taking a balanced approach between achievability and building capability in historically underserved places.

At 30 June 2025, 352 of these places were approved and eight had been delivered.

Budget 2024 also signalled a significant change in the way we contract and deliver new social housing places, through strategic partnerships. Under strategic partnerships, selected community housing providers will be contracted to deliver a set number of places over a period of time. This model moves away from transactional, project-by-project contracting and is higher trust, enabling providers more flexibility and opportunities to unlock economies of scale across their housing portfolios.

The balance of the remaining 1,000 places will primarily be delivered through our strategic partners, who will deliver at a portfolio level, as well as through other key community housing providers. By the end of June 2025, schedules of work were signed with two of our strategic partners and initial projects were submitted for review. All 1,500 places are on track to be delivered by 30 June 2027.

Significant budget initiatives

The following table provides information on significant initiatives that have been funded through the past two 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.

Funding received in 2024/25 for the below Budget 2024 initiatives totalled \$34.920 million.

Budget	Budget initiative	Funding commitment over the four-year forecast period	About the initiative	Location of performance information
2025	Early-Stage Operating Supplement – Additional Funding	\$42 million (none in 24/25)	This initiative provides funding for the Early-Stage Operating Supplement for Community Housing Providers to meet existing commitments for social housing delivery	Progress made in delivering this initiative will be reported in our annual report for 2025/26.
	Housing Support Services, Transitional Housing, and Social Housing	\$182 million (\$3.9m in 24/25)	This initiative provides funding to maintain key housing services, including housing support services, transitional housing, and social housing provided by Community Housing Providers.	Progress made in delivering this initiative will be reported in our annual report for 2025/26.
	New Social Housing and Affordable Rental Investments	\$218 million (operating) \$441 million (capital) (none in 24/25)	This initiative provides funding to support the delivery of additional social homes and affordable rental properties, including for whānau Māori, and establishment of a Flexible Fund for different typologies and tenure types (social homes and affordable rentals). Investment through the Flexible Fund represents a system shift, consolidating funding for different tenures to enable greater clarity over what the government is purchasing, and improving ability to direct funding to the highest priority areas.	Progress made in delivering this initiative will be reported in our annual report for 2025/26.
2024	Social Housing Supply – Additional 1,500 Social Housing Places	\$140 million (none in 24/25)	This initiative provides funding for 1,500 new social housing places with delivery to be phased from 1 July 2025 onwards. These places will be delivered by Community Housing Providers.	Progress made in delivering this initiative is reported in the ‘Our progress’ section, particularly under the subheading of ‘More houses’ (pages 11-20).
	Kāinga Ora - Homes and Communities Crown-Funded Programmes and Statutory Obligations – Continuation of Funding	\$75 million (\$34.9m in 24/25)	This initiative provides funding for Kāinga Ora – Homes and Communities to retain the capability required to execute its non-Social Housing statutory functions and obligations and to deliver housing products on behalf of the Crown.	Progress made in delivering this initiative will be reported in the 2024/25 annual report from Kāinga Ora.

Baseline savings

Our Departmental baseline funding was reduced by \$13.25 million in 2024/25 as part of the Budget 2024 Initial Baseline Exercise.

We achieved these savings by scaling back departmental services that manage and regulate housing and housing support providers, and advice, servicing, and monitoring to support Ministerial decision-making.

For non-departmental expenditure, the following baseline savings across the forecast period were announced in Budget 2024.

Of these baseline savings, \$202.540 million operating and \$49.500 million capital was for the 2024/25 financial year.

Initiative	Savings over the forecast period	About the initiative
Affordable Housing Fund Innovation Pathway	\$10 million (operating) plus \$50 million (capital) (\$10 million (operating) plus \$17 million (capital) in 24/25)	This initiative returned uncommitted operating and capital funding from the affordable housing fund innovation pathway.
Contracted Emergency Housing	\$20 million (\$5 million in 24/25)	This initiative returned funding by exiting contracted emergency housing motels in Rotorua due to declining demand.
Emergency Housing Review and Homelessness Action Plan	\$46 million (\$13 million in 24/25)	This initiative returned funding allocated to the emergency housing review and Homelessness Action Plan arising from projected underspends due to delivery capacity constraints.
Emergency Housing System and Homelessness Action Plan Tagged Contingencies	\$128.507 million (operating) (\$3.509 million in 24/25)	This initiative returned contingency funding allocated to the emergency housing system and Homelessness Action Plan.
Kāinga Ora - Homes and Communities-led Large-Scale Projects	\$200 million (operating) plus \$235 million (capital) (\$30 million (operating) plus \$32.5 million (capital) in 24/25)	This initiative returned funding for progressing large-scale projects, including the contingency for cost-overruns.
Kāinga Ora - Homes and Communities Reduced Asset Maintenance and Personnel Expenditure	\$1,041 million (\$159 million in 24/25)	This initiative reflects expenditure reductions by Kāinga Ora – Homes and Communities as a result of efficiencies in areas including asset maintenance and personnel costs (primarily from support services).
Ministerial and Management Services Reduction	\$21.6 million (\$13.25 million in 24/25)	This initiative returns funding from the Managing the Housing and Urban Development portfolio to reduce departmental baselines. Savings arise from departmental services that manage and regulate housing and housing support providers and advice, servicing and monitoring to support Ministerial decision making.
New Supply and Capability of Māori Housing	\$40 million (\$10 million in 24/25)	This initiative returned funding by reducing a small portion of uncontracted ongoing funding for both new Māori housing supply and investments in capability and capacity of Māori housing providers.

Progressive Home Ownership	\$17 million (\$2 million in 24/25)	This initiative returned underspends related to grants under the Progressive Home Ownership scheme due to lower-than-expected forecast spend.
Rangatahi Youth Transitional Housing	\$20 million (\$5 million in 24/25)	This initiative returned funding for rangatahi youth-focused transitional housing places that will not be contracted.
First Home Grant Scheme	\$245 million (\$35 million in 24/25)	This initiative returned funding following the ending of the First Home Grant scheme.

Reduction in expenditure for contractors and consultants

We achieved a reduction of total expenditures of \$14.547 million, a decrease of 18.3%, from \$79.429 million to \$64.882 million.

Contributing to this was a \$3.226 million reduction in spending on contractors and consultants, down to \$4.152 million, equivalent to a 43.7% decrease year-on-year. Their share of total workforce expenditure decreased from 9.8% to 6.4%.

Turnaround plan for Kāinga Ora - Homes and Communities

In the year ended 30 June 2025, we played a central role in supporting and overseeing the implementation of the [turnaround plan for Kāinga Ora - Homes and Communities](#). This plan, initiated following the independent review led by Sir Bill English, aims to refocus Kāinga Ora on its core purpose of being a good social landlord and improving operating performance.

A key feature of the plan is ensuring that Kāinga Ora is delivering value-for-money and that it is delivering improvements to ensure fiscal sustainability by improving its operating performance, reducing expenditure, and lowering debt requirements. We worked closely with Ministers and the Treasury to ensure alignment with government priorities and fiscal sustainability objectives to ensure that Kāinga Ora was delivering the requirements of the Turnaround Plan including fiscal sustainability, improved asset management, and better tenant outcomes. We also supported Minister appoint a new Board and Board Chair to drive the required organisational change.

In 2025/26 we will continue to work with Kāinga Ora to ensure the organisations continues to move towards being fiscally sustainable and manage within its debt and operating requirements. This enables the government to both deliver more social housing and deliver on its broader housing commitments within the existing funding commitments.

Statement of Performance

Tauākī whakatutukitanga

For the year ended 30 June 2025

Assessing our service performance

The Statement of Performance complies with Aotearoa New Zealand generally accepted accounting practice (NZ GAAP), has been prepared in accordance with Tier 1 public benefit entities financial reporting standards, which have been applied consistently throughout the period, and complies with public benefit entities 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 for 2021-2026 provides more information on why housing and urban development matters to Aotearoa. 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. You can find our 2021-2026 statement of strategic intentions on our website.

[See our statement of strategic intentions](#)

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. You can find them on our website.

[See he oranga kāinga, he oranga hapori – housing and urban development indicators](#)

MAIHI ka ora, ka Mārama – the Māori housing dashboard is a centralised platform that provides consistent and reliable housing data to support informed decision-making by whānau, hapū, iwi and Māori organisations. It tracks progress across the Māori housing continuum, highlighting achievements in delivering safe, healthy and affordable homes with secure tenure for whānau. The dashboard plays a critical role in promoting transparency and accountability in Māori housing outcomes.

[MAIHI ka ora, ka mārama](#)

Measuring progress

Our framework for measuring progress towards intended outcomes has three levels, as shown in the table below.

What we measure	Measurement
System outcomes From the GPS-HUD: Is the system shifting in the right direction?	GPS-HUD system indicators
Ministry outcomes From the statement of strategic intentions: Are our programmes having the intended impacts?	Ministry outcome indicators
Ministry outputs From Estimates of Appropriations: Are we doing what we said we would do?	Output measures

GPS-HUD system indicators measure the overall health of the housing and urban development system and whether progress is being made towards the system outcomes.

You can find the indicators on our website.

[See he oranga kāinga, he oranga hapori – housing and urban development indicators](#)

The indicators will be reviewed to align with the GPS-HUD review. In March 2024, we released an update about how the housing and urban development system was doing. The update showed that we’ve made good progress, including that more homes are being built in the right places, with housing densification and affordable housing options increasing.

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development outcome indicators were published in the 2021-26 statement of strategic intentions. This is the last annual report that will refer to them as we are developing a new impact measurement and monitoring framework to support our strategic priorities. Key indicators developed as part of this work will be included in future strategic intentions documents and annual reports.

Output measures measure the services we deliver for New Zealanders, which are set out in the estimates of appropriations and supplementary estimates each year. This statement of performance section reports on how we’ve delivered our products and services and provides our service performance information.

Reporting on appropriations for Vote Housing and Urban Development

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 outlined below.

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

- Social Housing

Non-Departmental Output Expenses:

- Purchase of Social Housing Provision
- Services for People in Need of or at Risk of Needing Social 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 outlined below.

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 – Homes and Communities

The following appropriations are reported in the annual report for Kāinga Ora – Homes 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

- Social Housing
 - Services Related to the Provision of Social 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).

- Transfer of infrastructure assets to Councils and other Stakeholders.
- Amortisation of Upfront Payments
- Sale of Developments Underwritten – Costs
- Sale of Land and Dwellings – Costs
- Land for Housing – Deferred Settlements
- Fair Value Impairment – Loss – Affordable Housing Fund
- Fair Value Impairment – Housing Infrastructure Fund
- Fair Value Impairment – Progressive Home Ownership Loans

Non-Departmental Capital Expenditure

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

Note on terminology: from Budget 2025 onwards, appropriations previously titled ‘Social Housing’ has been renamed ‘social housing’. For this document, these terms refer to the same services and outcomes, and references to social housing throughout are equivalent to public housing. This change reflects a broader alignment with sector language, creating consistency with other agencies and stakeholders. However, in performance assessments relating to the 2024/25 year, we continue to use the term public housing, as this was the official appropriation name during that period. This approach provides clarity and accuracy in our backwards-looking assessment of performance.

Disclosure of judgements

Te whakakite i ngā whakataunga

Reporting entity

We're an Aotearoa 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. Our ultimate parent is the New Zealand Crown.

We're 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, are effective and efficient, work as intended, achieve the intended outcomes and are fit for purpose. We don't operate to make a financial return, and we are a Public Benefit Entity (PBE) for performance reporting purposes.

Further information regarding our role and responsibilities can be found on pages 8–10 of this document.

Statement of compliance

The 'assessment of our operations' section covers all our activities as set out in the Estimates of Appropriations 2024/25 for Vote Housing and Urban Development. The 'our progress' section includes other indicators as outlined in our statement of strategic intentions 2021–2026.

The 'assessment of our operations' 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 practice (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 provide appropriate and meaningful service performance information and reporting to users. This includes maintaining consistency of reporting, and providing performance information that 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, our leadership team has used judgement based on indicators that align with our mission and key annual activities. While we do have discretion over these, we've tried to stay consistent 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. We plan to review our performance measures and standards to report appropriate and meaningful service performance information.

Policy advice

In keeping with the policy quality framework provided by the Department of the Prime Minister and Cabinet (DPMC), we measure:

- the quality of our policy advice by applying the framework's prescribed measures for quality of policy advice
- 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 on the DPMC website under the 'Policy Project's progress and performance' section.

[See the Policy Project \(DPMC\)](#)

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 five-point scale from one (unacceptable) to five (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 10-point scale. There are also three free-text questions about satisfaction. The survey is done once per year.

Service delivery

We report 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.

We are primarily a policy and information services organisation, and we do not provide front-line customer services to the public. As such, we don't report on customer experience or satisfaction.

Organisational health

Organisational health indicators provide information on how we're using our resources to deliver for the government and sustain performance. Several indicators are externally directed, such as targets under the Carbon Neutral Government Programme 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 available, or 30 June 2025. Data may not be available up to June 2025 (the reporting period for this annual report) for several 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.

Year-end reporting on appropriations

Te pūrongo mutunga tau mō ngā pūtea i whakatōhia

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

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
77% (see Note 1)	The satisfaction rating given by the Minister for overall satisfaction annually	69% (see note 2)	Reach or exceed 70%

Note 1 – The 2023/24 annual report reported an overall weighted satisfaction score of 74 percent. However, the calculation was incorrectly weighted and the correctly weighted score for 2023/24 was 77 percent.

Note 2 – We will continue to work with Ministers to ensure that policy and ministerial services are provided to a high standard.

Financial performance

2024 actuals \$000	Financial performance	2025 actuals \$000	2025 budget \$000
	Departmental output expenses		
	Revenue		
	Revenue – Crown		
44,447	Policy Advice and Ministerial Servicing	37,683	37,747
27,328	Management of Housing Provision and Services	23,116	23,117
6,720	Facilitating Purchases and Development of Land for Housing Purposes	6,767	6,769
	Revenue – Departmental		
284	Policy Advice and Ministerial Servicing	245	340
129	Management of Housing Provision and Services	150	
32	Facilitating Purchases and Development of Land for Housing Purposes	44	-
	Revenue – Third Party		
189	Policy Advice and Ministerial Servicing	156	180
116	Management of Housing Provision and Services	94	110
29	Facilitating Purchases and Development of Land for Housing Purposes	36	30
79,274	Total revenue	68,360	68,293
	Expenses		
44,402	Policy Advice and Ministerial Servicing	32,659	38,267
26,981	Management of Housing Provision and Services	26,778	23,227
5,796	Facilitating Purchases and Development of Land for Housing Purposes	5,445	6,799
75,179	Total expenses	64,861	68,293

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

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
1	Number of settled land acquisitions	0 (see Note 1)	4
1	Number of signed development agreements	4 (see Note 2)	3

Note 1 – In 2024/25, the focus of the land for housing programme was on progressing already acquired sites to sign development agreements, to confirm housing delivery. Land acquisitions were paused while the approach to future purchases is being considered, as part of work on how best to use the programme within the housing and urban development system.

Note 2 – Setting changes, agreed by Cabinet on 1 July 2024, have enabled development agreements and variations to be progressed in 2024/25. The focus on progressing already acquired sites to sign agreements to confirm housing delivery, has resulted in agreements being signed in 2024/25 for sites in Auckland (two), Rotorua and Blenheim.

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

2023/24 performance	Performance measure	2024/25 Performance	2024/25 target
83.6%	An annual monitoring report will be provided within 120 working days of receiving a community housing provider annual return	98.3%	80%
93.0%	Percentage of contracts monitored against their performance and reporting requirements	94%	90%
99.5%	Percentage of payments to contracted housing and support providers processed within 10 working days	99.1%	90%

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

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
3.46	Technical quality of policy advice papers will be assessed against the policy quality framework	3.54	Achieve an average score of at least 3/5
Percentage of requests completed within either specified or statutory timeframe:			
95.8%	Ministerial correspondence	96.0%	95% or above
99.1%	Written Parliamentary Questions	100%	95% or above
98.4%	Ministerial Official Information Act 1982 requests	100%	95% or above
100%	Departmental Official Information Act 1982 requests	99.6%	95% or above

Social Housing

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

Performance information

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
4,595 (see Note 1)	The net increase in additional social housing places (see Note 2) will be at least:	3,130 (see Note 3)	3,900

Note 1 – The performance target for 2023/24 of the net increase in Social Housing places was at least 3,300.

Note 2 – 'Social Housing places' is made up of total tenancies (Kāinga Ora – Homes and Communities and community housing providers income related rent subsidy places and market renters) plus unoccupied Kāinga Ora – Homes and Communities public homes (for example, homes under refurbishment, being redeveloped or being made available to let).

Note 3 – Several factors have contributed to the additional Social Housing places target not being met. The community housing sector has faced challenging market conditions and development economics in some locations, increased costs of construction and financing, and limitations from previous funding settings. In due course this has resulted in slower than expected delivery against the Government's public (social) housing intentions in 2024/25. It is intended that community housing providers will deliver these places in the upcoming year. Kāinga Ora – Homes and Communities' August 2024 updated letter of expectations provides for it to deliver 420 net social housing places after 30 June 2025 to align delivery efforts with regions most in need.

Financial performance

2024 actuals \$000	Financial performance	2025 actuals \$000	2025 budget \$000
Non-departmental output expenses			
1,573,377	Purchase of Social Housing Provision	1,844,204	1,933,094
96,007	Services for People in Need of or at Risk of Needing Social Housing	106,154	101,028
916	Services Related to the Provision of Social Housing	539	300
1,670,300	Total expenses	1,950,897	2,034,422

Purchase of social housing provision

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

Performance information

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
78,037 (see Note 1)	The number of tenancies subsidised by an Income-Related Rent Subsidy, will be at least:	82,932	82,000

Note 1 – The performance target for 2023/24 of the number of tenancies subsidised by an income-related rent subsidy was at least 77,500.

Services for people in need or at risk of needing social housing

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

Performance information

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
2,750 (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:	2,735 (see Note 2)	2,750
2,431	The number of contracted places available for households to be supported under the Sustaining Tenancies programme, will be at least:	2,537 (see Note 3)	2,350
671	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 2023/24 of contracted housing first places was at least 2,830.

Note 2 – The target number of places has not been contracted due to a provider being unable to secure suitable accommodation places in their area.

Note 3 – The target number of contracted places was exceeded due to undelivered volumes from 2023/24 being carried forward into 2024/25. Additional sustaining tenancies places funded under the emergency housing system review were also contracted. The number of places contracted from 1 July 2025 has been reduced.

Note 4 – The target number of contracted places was exceeded as we were 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 Aotearoa.

Performance information

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
New measure	At least 5,800 transitional housing places and associated housing support services where applicable are provided and maintained	Achieved	Achieved

Financial performance

2024 actuals \$000	Financial performance	2025 actuals \$000	2025 budget \$000
	Non-departmental output expenses		
192,222	Provision of transitional housing places	180,470	207,617
168,768	Transitional housing services	173,708	227,965
360,990	Total expenses	354,178	435,582

Provision of transitional housing places

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

Performance information

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
New measure	The number of transitional housing places available will be at least:	6,207	5,800

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

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
100%	Percentage of new transitional housing places contracted that receive associated services will be:	100%	100%

Departmental Capital Expenditure

Capital Expenditure Permanent Legislative Authority (PLA)

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

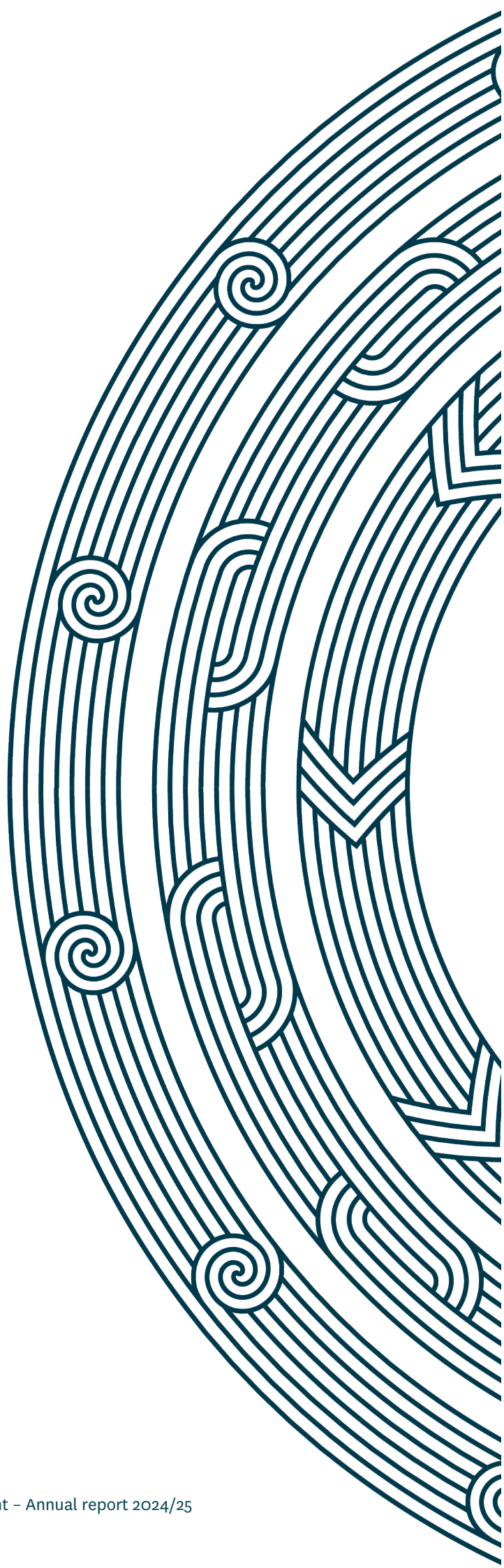
Performance information

2023/24 performance	Performance measure	2024/25 performance	2024/25 target
Achieved	Capital expenditure is in accordance with the capital asset management plan	Achieved	Achieved

Financial performance

2024 actuals \$000	Financial performance	2025 actuals \$000	2025 budget \$000
1,256	Total expenses	-	2,300

Part C: Our organisational health and capability

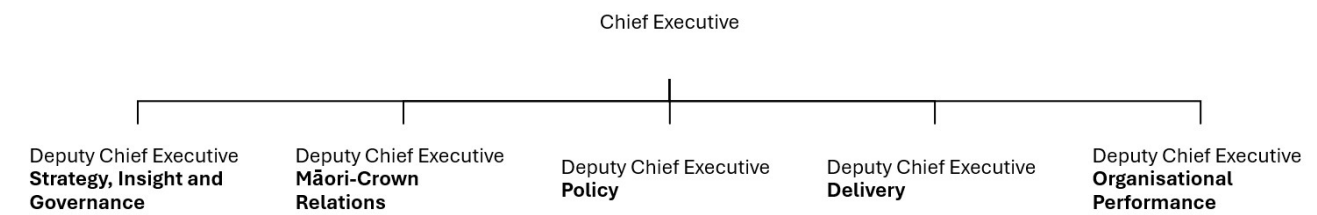


Our organisational structure

Te hanganga o Te Tūāpapa Kura Kāinga

Our people, leadership and ways of working are critical to our success. Our senior leadership team, led by Acting Chief Executive Brad Ward, has collective responsibility for our leadership. 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.

Our executive structure at 30 June 2025 was:



[Go to the text alternative version of this image](#)

Our people

Ā mātou tāngata

At 30 June 2025, we have 292 people working at the Ministry. Most of our people (86 percent) work in Wellington with the rest working in Auckland (11 percent) and the regions (3 percent).

We continue to ensure we have the right capability to deliver on our priorities, with a focus on workforce productivity and performance. We continue to develop our people to equip them with the right skills to support efficient and effective delivery. Over 2024/25 we made changes to our structure, capability and resourcing through a phased organisational change programme. We shifted our delivery work to a place-focused approach, moving away from a programme focus, and we reset our capability and work programme to strengthen Māori-Crown relations across the housing and urban development system.

Workforce diversity

We know that to respond effectively to the housing challenges for all people in Aotearoa New Zealand we need embrace diversity, and the new and better ways of doing things that it brings.

Our 2024/25 Diversity, Equity and Inclusion Workplan outlines our focus on building a diverse and inclusive organisation, where our people feel part of a thriving community centred around our whānau, and where our workforce has the diversity to enable us to respond to the housing challenges faced by Aotearoa New Zealand.

[See our 2024/25 diversity, equity and inclusion workplan](#)

Improving our Māori-Crown relationship capability

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

Taukaea – our Māori language plan

Our Māori language plan under Te Ture mō Te Reo Māori 2016 provides short- and long-term goals to promote the status and critical awareness of te reo and tikanga Māori within our organisation, which contributes to the necessary micro-immersions that influence macro-outcomes in the revitalisation of te reo Māori in Aotearoa. Taukaea sets out our aspirations for our people to develop te reo and tikanga Māori understanding, improving 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 Te Tiriti.

Whāinga Amorangi organisational plan

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

- Aotearoa New Zealand history and the Treaty of Waitangi
- te reo Māori
- kawa and tikanga
- understanding racial equity and institutional racism
- worldview knowledge
- engagement with Māori.

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 has seen progress toward our own aspirations and milestones.

Our next steps

We have built a strong foundation through Whāinga Amorangi and we’re ready to take the next step. Whāinga Amorangi sets out additional core competency areas which the Crown needs to strengthen. We will explore opportunities to embed the following:

- understanding of Māori Crown relations
- Te Tiriti analysis
- knowledge of Te Tiriti settlement commitments
- data and evidence
- partnership capability

To strengthen the integration of our Maihi Karauna and Whāinga Amorangi, a key role has been established to lead our Māori Crown Relations Capability work, the review of Taukaea and co-lead the development of a new organisational capability framework that integrates and embeds Whāinga Amorangi, te reo Māori and our own MAIHI priorities across the business.

A range of initiatives and opportunities have been identified to strengthen our strategic commitments.

Health, safety and wellbeing

Over 2024/25, we continued to strengthen our health, safety and wellbeing culture, knowledge, systems and processes.

Our internal health, safety and wellbeing risk profile remains low, reflecting the effectiveness of our proactive hazard reduction and risk management strategies. Over the past year, highlights include enhancing our governance, reviewing our policies and practices, and continuing to build our peoples' understanding of health, safety and wellbeing.

We acknowledge that we have a greater level of risk relating to our external housing partners, particularly in transitional housing and land development.

This year we completed the implementation of our person conducting a business or undertaking approach, which ensures clear health, safety and wellbeing oversight and accountability across all partnerships. We are now monitoring, measuring and looking for continuous improvement opportunities.

We received 10 health, safety and wellbeing related reports, which was a reduction from 16 in 2023/24. Seven of the reports were the reporting of hazards. The remaining three incidents reported were low-level, such as minor injury, or pain and discomfort. These improvements reflect our focus on early intervention, ergonomic assessments, and employee education.

Our critical assets

Ā mātou rawa hira

We are primarily a policy and information services organisation, as 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, as well as most software applications including Microsoft 365 and Oracle Fusion Cloud. We have not identified any service critical assets, as defined in the Cabinet Office circular (23) 9: Investment Management and Asset Performance in Departments and Other Entities.

While we do not own any service critical assets, we have three critical technology assets:

Aho – our finance, human resources and procurement system

Aho provides our supplier contract information and manages payments to all suppliers, including housing providers. This system is a software as a service solution provided by Oracle Fusion Cloud (Oracle), and all upgrades, management, and patching are conducted by Oracle directly, while we manage the configuration and content of the application. There's no short to medium-term need to replace this system.

Kuhu – our housing suppliers system

Kuhu was implemented in 2024 to provide structured, secure, and operational 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 are conducted by Microsoft directly, while we manage the content of the application. There is no short to medium-term need to replace this system.

Budget 2023 provided funding for Kuhu and is detailed under Part B: Significant budget initiatives (property provider management system).

Microsoft 365

Microsoft 365 provides communication and knowledge management for the Ministry. The system includes Exchange, SharePoint, Teams, and Power BI. All upgrades, management, and patching are conducted by Microsoft directly, while we manage the configuration and content of the platform. There is no short to medium-term need to replace this system.

Our governance and risk management

Ngā whakahaere me te whakahaere tūraru

Effective risk management is critical to sound governance. We have an enterprise risk management framework and policy. We monitor and report on our organisational risks in line with the 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 reviews organisational 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 senior leadership team 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

Te aroturuki i ngā hinonga Karauna

One of our functions is Crown entity monitoring. We act 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 – Homes and Communities and Tāmaki Regeneration Company. We support the Minister with overseeing delivery and performance. We facilitate engagement between the Minister and the entities and we also advise Ministers on investment decisions.

In response to the finding of the Independent Review of Kāinga Ora – Homes and Communities (the Review) led by Sir Bill English, in March 2025 we supported Ministers to deliver the Turnaround Plan, which responded to key findings of the Review, and broadly sought to refocus Kāinga Ora – Homes and Communities on its core purpose of being a good social landlord, improve operating performance, and reduce losses. We continue to support Ministers in delivering the key elements of the Turnaround Plan and this work will continue in 2025/26 and beyond.

Our carbon footprint

Tā mātou tapuwae waro

We remain 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 2024/25 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 reduction

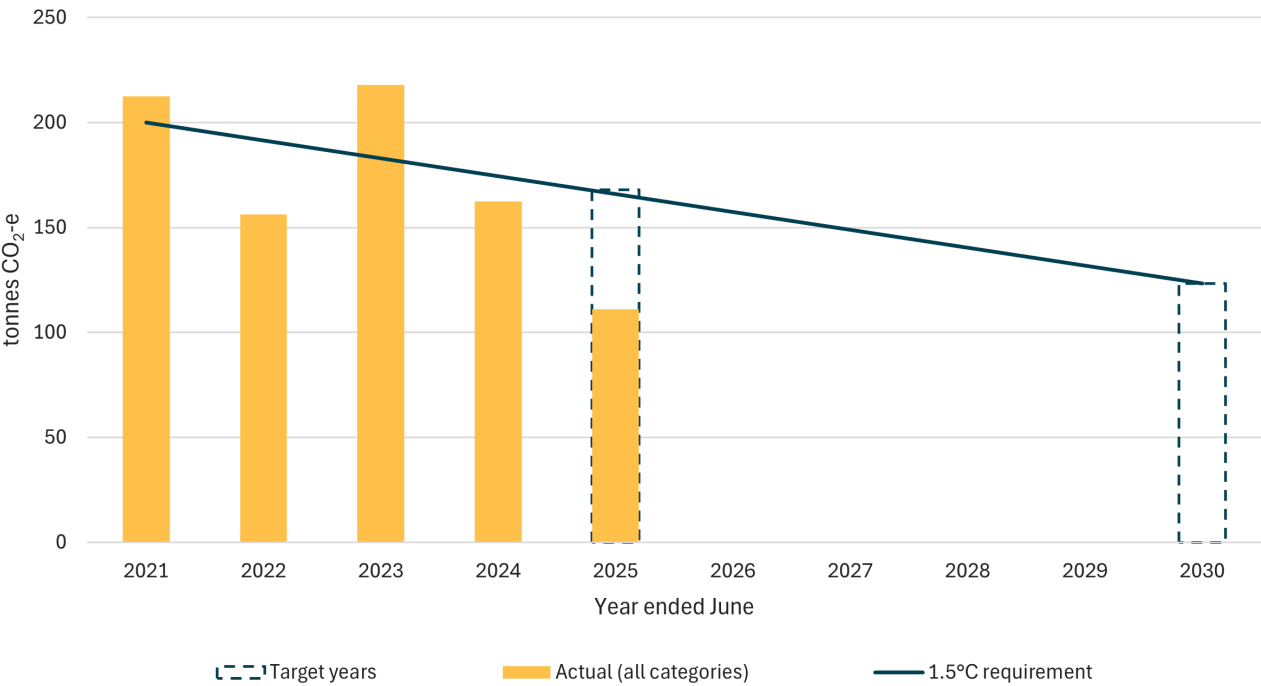
In the targets below, tCO₂e means tonnes of carbon dioxide equivalent.

We have set the following emission reduction targets:

- 2025 target: Gross emissions (all categories) to be no more than 166.24 tCO₂e, 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 tCO₂e, representing a 42.5 percent reduction in gross emissions (all categories) compared to base year 2020/21.

In 2024/25, we emitted 110.9 tCO₂e, which was a 48 percent decrease on our base year (2020/21: 213 tCO₂-e). Besides ongoing efforts to reduce emissions, the major drivers for this reduction are a tighter fiscal environment and decrease in overall full-time employees. Most of our emissions came from domestic air travel and purchased electricity for our two offices.

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



[Go to the text alternative version of this graph](#)

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 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 (tCO₂e)

Category		Scope	2020/21 tCO2e	2021/22 tCO2e	2022/23 tCO2e	2023/24 tCO2e	2024/25 tCO2e
1.	Direct emissions	Scope 1	0	0	0	0	0
2.	Indirect emissions from imported energy	Scope 2	19.42	16.07	9.62	11.53	15.50
3.	Indirect emissions from transportation	Scope 3	165.97	117.21	194.77	145.62	91.40
4.	Indirect emissions from products used by the organisation		27.19	22.92	13.40	5.19	4.00
5.	Indirect emissions associated with the use of products from the organisation		0	0	0	0	0
6.	Indirect emissions from other sources		0	0	0	0	0
Total gross emissions (all measured emissions) in tCO2e			212.58	156.20	217.78	162.34	110.90
Change in gross emissions (all categories) since base year				-27%	+3%	-24%	-48%

Table 2: Total emissions broken down by emission source

Source	2024/25 tCO ₂ e	2024/25 percentage
Business travel - transport (non-company owned vehicles)	68.1	61.41%
Imported electricity	15.5	13.98%
Working from home	12	10.82%
Business travel - accommodation	3.8	3.43%
Mobile combustion (including company owned or leased vehicles)	7.6	6.85%
Disposal of solid waste - landfilled	1.2	1.08%
Disposal of solid waste - not landfilled	0.3	0.27%
Purchased goods and services	0.0	0.00%
Transmission of energy (transmission and distribution losses)	1.2	1.08%
Disposal of liquid waste - not wastewater	1.2	1.08%

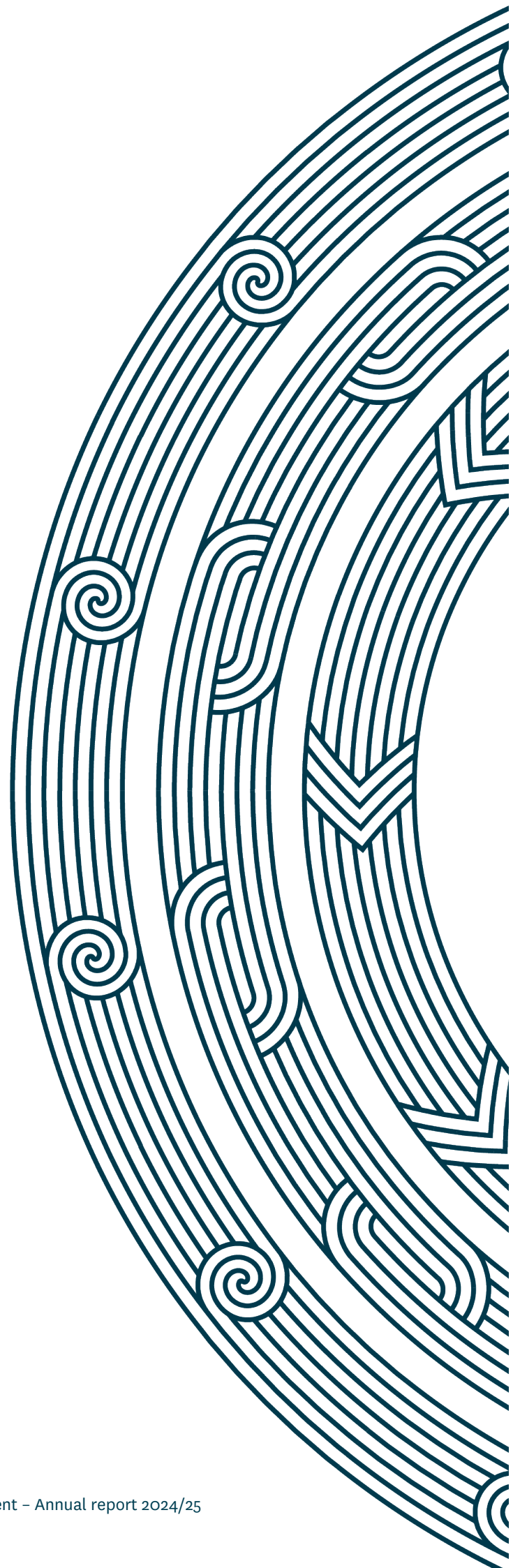
2021/22 results verified against ISO14064-1:2018.

2022/23 results verified.

2023/24 results verified.

2024/25 results provisional and unverified.

Part D: Our financial statements



Departmental financial statements

Ngā tauākī pūtea tari

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2025

Actual 2024 \$000		Notes	Actual 2025 \$000	Unaudited Budget* 2025 \$000	Unaudited Revised Budget* 2025 \$000	Unaudited Forecast* 2026 \$000
Revenue						
78,495	Revenue Crown		67,645	60,987	67,633	60,987
779	Other revenue	2	715	-	660	-
79,274	Total revenue		68,360	60,987	68,293	60,987
Expenses						
55,112	Personnel costs	3	47,251	47,196	45,323	47,196
854	Depreciation and amortisation	7,8	2,627	1,501	-	1,501
723	Impairment	7,8	-	-	-	-
477	Capital charge	4	622	477	622	477
1,300	Restructuring costs		1,405	-	-	-
16,713	Other operating expenses	5	12,956	11,813	22,348	11,813
75,179	Total expenses		64,861	60,987	68,293	60,987
4,095	Net surplus and total comprehensive revenue and expenses		3,499	-	-	-

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

Explanations of significant variances against the original 2024/25 budget are detailed in Note 17.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2025

Actual 2024 \$000		Notes	Actual 2025 \$000	Unaudited Budget* 2025 \$000	Unaudited Revised Budget* 2025 \$000	Unaudited Forecast* 2026 \$000
Assets						
Current assets						
16,159	Cash and cash equivalents		12,677	8,639	11,162	8,239
118	Trade and other receivables	6	134	133	133	133
1,358	Debtor Crown		4,136	-	-	-
604	Prepayments		599	810	604	810
18,239	Total current assets		17,546	9,582	11,899	9,182
Non-current assets						
3,703	Property, plant and equipment	7	1,594	5,034	4,566	5,390
3,443	Intangible assets	8	2,924	7,604	5,333	7,604
7,146	Total non-current assets		4,518	12,638	9,899	12,994
25,385	Total assets		22,064	22,220	21,798	22,176
Liabilities						
Current liabilities						
2,181	Trade and other payables	9	1,210	3,208	2,179	3,208
4,095	Return of operating surplus	10	3,499	-	-	-
352	Deferred revenue		299	-	327	-
1,300	Provisions	11	49	-	-	-
4,506	Employee entitlements	12	4,053	3,761	4,000	3,761
12,434	Total current liabilities		9,110	6,969	6,506	6,969
Non-current liabilities						
106	Provisions	11	115	65	106	65
409	Employee entitlements	12	406	450	450	450
515	Total non-current liabilities		521	515	556	515
12,949	Total liabilities		9,631	7,484	7,062	7,484
12,436	Net assets		12,436	14,736	14,736	14,736
Equity						
12,436	Taxpayers' funds	13	12,436	14,736	14,736	14,736
12,436	Total equity		12,436	14,736	14,736	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 2024/25 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 2025

Actual 2024 \$000		Notes	Actual 2025 \$000	Unaudited Budget* 2025 \$000	Unaudited Revised Budget* 2025 \$000	Unaudited Forecast* 2026 \$000
9,536	Balance as at 1 July		12,436	12,436	12,436	12,436
4,095	Total comprehensive revenue/(expense)		3,449	-	-	-
	Owner transactions					
2,900	Capital injections		-	2,300	2,300	2,300
(4,095)	Repayment of operating surplus to the Crown	10	(3,449)	-	-	-
12,436	Balance as at 30 June	13	12,436	14,736	14,736	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 2024/25 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 2025

Actual 2024 \$000		Actual 2025 \$000	Unaudited Budget* 2025 \$000	Unaudited Revised Budget* 2025 \$000	Unaudited Forecast* 2026 \$000
Cash flows from operating activities					
77,392	Receipts from revenue Crown	65,152	60,987	67,633	60,987
100	Receipts from department	52	-	-	-
746	Receipts from other revenue	671	-	660	-
(17,097)	Payments to suppliers	(13,776)	(12,066)	(25,945)	(12,066)
(54,808)	Payments to employees	(50,425)	(48,996)	(45,323)	(48,996)
(477)	Payments for capital charge	(622)	(477)	(622)	(477)
(561)	Goods and Services Tax (net)	(438)	253	-	253
5,295	Net cash flows from operating activities	614	(299)	(3,597)	(299)
Cash flows from investing activities					
(7)	Purchase of property, plant and equipment	0	(1,400)	(1,400)	(1,400)
(1,249)	Purchase of intangible assets	0	(2,300)	-	(2,300)
(1,256)	Net cash flows from investing activities	0	(3,700)	(1,400)	(3,700)
Cash flows from financing activities					
(3,609)	Repayment of surplus to the Crown	(4,095)	-	-	-
2,900	Capital injection	-	2,300	-	2,300
(709)	Net cash flows from financing activities	(4,095)	2,300	-	2,300
3,330	Net (decrease)/increase in cash and cash equivalents	(3,481)	(1,699)	(4,997)	(1,699)
12,829	Cash and cash equivalents at the beginning of the year	16,159	10,338	16,159	10,338
16,159	Cash and cash equivalents at the end of the year	12,677	8,639	11,162	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 2024/25 budget are detailed in Note 17.

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. 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 2024 \$000		Actual 2025 \$000
4,095	Net surplus	3,499
	Add/(less) non-cash items	
1,577	Depreciation, amortisation and impairment expense	2,627
1,577	Total non-cash items	2,627
	Add/(less) non-operating non-financial liability items	
-	Pension liability movement	-
-	Total non-operating non-financial liability items	-
	Add/(less) movements in Statement of Financial Position items	
(1,048)	(Increase)/decrease in receivables and prepayments	(2,789)
(1,027)	Increase/(decrease) in payables	(971)
53	Increase/(decrease) in deferred revenue	(53)
1,300	Increase/(decrease) in current provisions	(1,251)
345	Increase/(decrease) in employee entitlements	(454)
(41)	Increase/(decrease) in non-current employee entitlements	(3)
41	Increase/(decrease) in non-current provisions	9
(377)	Total net movements in Statement of Financial Position items	(5,512)
5,295	Net cash flows from operating activities	614

The accompanying notes form part of these financial statements.

Statement of Commitments

As at 30 June 2025

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 has two leases for office space with non-cancellable leasing periods. One lease was for 72 months and has 25 months remaining, and the other was for 109 months and has 46 months remaining.

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 2024 \$000		Actual 2025 \$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	2,994
9,483	Later than one year and not later than five years	8,045
-	Later than five years	-
12,271	Total non-cancellable operating lease commitments	11,039
12,271	Total commitments	11,039

The accompanying notes form part of these financial statements.

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2025

Unquantifiable contingent liabilities

As at 30 June 2025, the Ministry is aware of one unquantifiable contingent liability for which the outcome and potential financial impact cannot be reliably estimated, accordingly no provision has been made (2024: \$nil).

Quantifiable contingent liabilities

As of 30 June 2025, the Ministry has identified two quantifiable contingent liabilities relating to legal matters.

The matters have been advised by Crown Law were initiated after balance date. The combined estimated exposure from these matters is approximately \$81,000. (2024: \$2,000).

Contingent assets

The Ministry has no contingent assets (2024: \$nil).

The accompanying notes form part of these financial statements.

Notes to the Departmental Financial Statements

For the year ended 30 June 2025

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Notes to the Departmental Financial Statements

For the year ended 30 June 2025

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 90-109.

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 principles (GAAP).

These financial statements of the Ministry are for the year ended 30 June 2025, and the Chief Executive approved them for issue on 30 September 2025.

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

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 assessed the impact of this amendment as immaterial. Our audit firm is not engaged for different types of services.

Standards issued and not yet effective and not early adopted

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

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)

The amendment clarifies the principles for classifying a liability as current or non-current. Particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027

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

PBE Conceptual Framework Update

Amendments to Chapter 3 Qualitative Characteristics and Chapter 5 Elements in General Purpose Financial Reports. This is effective for the periods beginning on or after 1 January 2028.

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

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.

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 2025 budget figures are for the year ended 30 June 2025 and were published in the 2023/24 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 2024/25.

The revised budget figures are those included in the Supplementary Estimates of Appropriations (Budget) for the year 2024/25.

The 2026 forecast figures are for the year ending 30 June 2026, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year 2025/26.

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 2026 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 16 April 2025

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 2026.

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 2025/26. 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 16 April 2025 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 approximately 320 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 2024/25 was used as the opening position for the 2025/26 forecasts.

The actual financial results achieved for 30 June 2026 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 2024 \$000		Actual 2025 \$000
	Other revenue	
445	Revenue from departments	406
334	Revenue from third parties	309
779	Total other revenue	715

3. Personnel costs

Accounting policy

Salaries and wages are recognised as expenses 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 2024 \$000		Actual 2025 \$000
51,110	Salaries and wages	44,683
1,631	Contract employees	462
1,544	Contributions to defined contribution and benefit schemes	1,449
307	Other personnel expenses	610
60	ACC employer contributions	62
460	Increase/(decrease) in employee entitlements	(15)
55,112	Total personnel costs	47,251

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 2025 was 5.0% (2024: 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 2024 \$000		Actual 2025 \$000
	Fees to Auditors:	
317	- fees to Audit New Zealand for audit of financial statements	321
2,395	Consultancy fees	1,969
3,460	Leasing and renting costs	3,210
1,609	Legal fees	1,658
415	Subscriptions	415
3,352	Professional services	1,721
2,341	Computer operating costs	1,768
2,824	Other operating costs	1,891
16,713	Total other operating expenses	12,953

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 collectively because they share similar 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 generally 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 2024 \$000		Actual 2025 \$000
118	Receivables from departments and Crown entities	134
-	- Receivables from third parties	-
-	- Less: allowance for credit losses	-
118	Total trade and other receivables	134

Those specific debtors that are insolvent are fully provided for. As at 30 June 2025, the Ministry has identified no insolvent debtors. Receivables from other Government agencies are \$134,000 at 30 June 2025 (2024: \$118,000). We expect the future cash flows associated with these receivables to be specific. There is minimal uncertainty related to our third-party receivables, and we hope to receive the full amount.

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 2025, 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 or 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	7 to 10 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	Total \$000
<i>Cost or valuation</i>				
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
Additions	-	-	-	-
Balance as at 30 June 2025	1,434	981	4,495	6,910
<i>Accumulated depreciation</i>				
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
Depreciation charge for the year	16	194	1,899	2,109
Impairment charge for the year	-	-	-	-
Balance as at 30 June 2025	1,357	881	3,078	5,316
<i>Carrying amounts</i>				
As at 30 June 2024	93	294	3,316	3,703
As at 30 June 2025	77	100	1,417	1,594

Work in progress

There was no work in progress at 30 June 2025 (2024: \$nil).

Change in useful life of leasehold improvements

At 30 June 2025, the Ministry recorded additional depreciation on leasehold improvements of \$1,899,000 to reflect a decrease in the useful life of these assets. (2024: \$nil).

8. Intangible assets

Accounting policy

Software acquisition and development

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

Staff training costs are recognised as an expense when incurred.

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

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

Costs associated with 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	Total \$000
Cost or valuation		
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
Additions		
Impairment charge for the year	-	-
Balance as at 30 June 2025	3,750	3,750
Accumulated amortisation		
Balance as at 30 June 2023	-	-
Amortisation charge for the year	307	307
Balance as at 30 June 2024	307	307
Amortisation charge for the year	519	519
Balance as at 30 June 2025	826	826
Carrying amounts		
As at 30 June 2024	3,443	3,443
As at 30 June 2025	2,924	2,924

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 2025 (2024: \$nil).

Impairment

There was no impairment at 30 June 2025 (2024: \$722,640).

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 2024 \$000		Actual 2025 \$000
	<i>Payables under exchange transactions</i>	
1,563	Trade and accrued expenses	532
	<i>Payables under non-exchange transactions</i>	
618	GST, FBT and PAYE payable	678
2,181	Total trade and other payables	1,210

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 2024 \$000		Actual 2025 \$000
4,095	Net surplus	3,499
-	Less retention of underspends	-
4,095	Total return of operating surplus	3,499

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”.

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 2024 \$000		Restructuring \$000	Make-Good \$000	Actual 2025 \$000
Current				
-	Balance at 1 July	1,300	-	1,300
1,300	Provision made during the year	1,405		1,405
-	Provision used during the year	(2,656)	-	(2,656)
1,300	Total current provisions	49	-	49
Non-current				
65	Balance at 1 July	-	106	106
41	Provision made during the year	-	9	9
-	Provision used during the year	-	-	-
106	Total non-current provisions	-	115	115
1,406	Total provisions	49	115	164

Restructuring provision

In 2023/24, the Ministry recognised a provision of \$1.3 million for redundancy payments associated with phase two of a planned organisational restructure. This provision was fully utilised in 2024/25.

During 2024/25, the Ministry undertook phase three of the restructure. Approximately \$1.405 million in redundancy payments were made in relation to this phase.

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.

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 2024 \$000		Actual 2025 \$000
	Current portion	
1,409	Salary and wages	1,337
2,801	Annual leave	2,425
184	Long service leave	172
112	Sick leave	119
4,506	Total current employee benefits	4,053
	Non-current portion	
409	Long service leave	406
409	Total non-current employee benefits	406
4,915	Total employee entitlements	4,459

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 2024 \$000		Actual 2025 \$000
	Taxpayers' funds	
9,536	Opening balance	12,436
4,095	Net surplus	3,499
2,900	Capital injections	-
(4,095)	Return of operating surplus to the Crown	(3,499)
12,436	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 2024 \$		Actual 2025 \$
2,711,393	Salaries and other short-term employee benefits	2,081,833
6.9	Full-time equivalent members	5.4

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.

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 2024 \$000		Notes	Actual 2025 \$000
Financial assets measured at amortised cost			
16,159	Cash and cash equivalents		12,677
1,358	Debtor Crown		4,136
118	Receivables	6	134
17,635	Total		16,947
Financial liabilities measured at amortised cost			
1,563	Payables	9	532
1,563	Total		532

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 2025 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 (which has 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 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
2024				
Receivables (see Note 6)	118	-	-	-
Debtor Crown	1,358			
Payables (see Note 9)	1,563	-	-	-
2025				
Receivables (see Note 6)	134	-	-	-
Debtor Crown	4,136			
Payables (see Note 9)	532	-	-	-

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 2023	3,609
Cash flows	
- Surplus repayment	(3,609)
Provision for repayment current year	4,095
Balance as at 30 June 2024	4,095
Cash flows	
- Surplus repayment	(4,095)
Provision for repayment current year	3,499
Balance as at 30 June 2025	3,499

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 \$6.7 million. During the year, total departmental funding increased by \$6.7 million, due to funding transfers from 2023/24 to 2024/25 and a drawdown from the Waitangi Tribunal Housing Policy and Services Kaupapa Inquiry – tagged operating contingency.

Depreciation and Amortisation

Depreciation and Amortisation is \$1.1 million over budget due to an assessment of our leasehold improvements resulting in a decreased useful life. This required accelerated depreciation in 2024/25 of \$1.8 million.

Restructure Costs

Restructuring costs are \$1.4M over budget. This is due to the workforce restructure that occurred over 2024/25. The Ministry did not budget for restructure costs or associated redundancy payment as these costs are managed within baseline.

Statement of Financial Position

Return of Operating Surplus

Return of operating surplus is \$4.1 million higher than budget, as operating surpluses are not budgeted. Any underspends are required to be returned to the Crown.

Property Plant and Equipment

Property, Plant, and Equipment is \$3.4 million below budget, due to a useful life assessment resulting in accelerated depreciation for the Ministry's leasehold improvements as well as forecast capital additions not being required.

Trade and Other Payables

Trade and other payables are \$2.0 million below budget, due largely to the Ministry's focus on ensuring faster payment times to suppliers in line with the Government's directive to achieve 90% of invoice payments within 10 working days.

Statement of Cash Flows

Receipts from revenue Crown

Receipts from revenue Crown are over budget by \$4.1 million directly attributable to the increase in revenue crown above.

Payments to employees

Payments to employees were overspent by \$1.4 million, due to restructure payments being made during the 2024/25 year.

Purchase of intangible assets

Purchase of intangible assets were underspent by \$2.3 million due to EOSS related system enhancements not happening as planned whilst awaiting the delivery of the PPM software.

Purchase of property, plant and equipment

Purchase of property, plant and equipment is under budget by \$1.4 million, due to forecasted capital works not being required.

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 2025

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 2025

Actual 2024 \$000		Actual 2025 \$000	Unaudited Budget* 2025 \$000
20,028	Land for Housing property sales	10,904	45,000
3,251	Sale of Development Underwritten	21,202	63,380
5,031	Other revenue	2,783	11,121
28,311	Total non-departmental revenue	34,889	119,501

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2025

Actual 2024 \$000		Actual 2025 \$000	Unaudited Budget* 2025 \$000
-	Return of equity by Crown entities	-	-
-	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 2025.

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

Schedule of Non-Departmental Expenses

For the year ended 30 June 2025

Actual 2024 \$000		Actual 2025 \$000	Unaudited Budget* 2025 \$000
1,670,300	Social Housing (see Note 1)	1,950,358	2,034,422
360,990	Transitional housing (see Note 1)	354,178	435,582
159,839	Progressive Home Ownership write-downs	-	-
26,228	Land for Housing expenses	35,460	337,016
68,001	First Home Grants	11,243	35,000
46,280	Shovel-ready projects	26,760	59,308
77,890	Housing Acceleration Fund	157,123	187,581
51,352	Māori housing supply	31,852	34,398
736	Progressive Home Ownership grants	1,336	5,000
27,469	Buying off the Plans expenses	78,418	138,933
17,276	Other operating expenses	91,520	198,355
111,055	GST input expense	120,633	147,715
2,617,416	Total non-departmental operating expenses	2,858,881	3,613,310

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 complete 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 2025.

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

Schedule of Non-Departmental Assets

As at 30 June 2025

Actual 2024 \$000		Notes	Actual 2025 \$000	Unaudited Budget* 2025 \$000
Current assets				
162,341	Cash and cash equivalents		167,757	489,191
21,651	Prepayments	2	27,353	28,889
1,188	Trade and other receivables	3	4,644	16,602
507,339	Inventory	4	537,132	817,525
3,987	Loans receivable	5	3,788	-
1696,506	Total current assets		740,674	1,352,207
Non-current assets				
26,838	Loans receivable	5	25,918	35,138
337,789	Prepayments	2	428,541	450,724
39,000	Property, plant and equipment	6	39,000	39,000
705,258	Investment in Crown entity		1,074,681	1,098,340
1,108,885	Total non-current assets		1,568,140	1,623,202
1,805,391	Total non-departmental assets		2,308,814	2,975,409

*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 2025.

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

Schedule of Non-Departmental Liabilities

As at 30 June 2025

Actual 2024 \$000		Notes	Actual 2025 \$000	Unaudited Budget* 2025 \$000
Current liabilities				
192,206	Trade and other payables	7	169,960	242,308
5,433	Deferred revenue		5,607	5,433
109	Loan commitments	8	109	-
197,748	Total current liabilities		175,676	247,741
Non-current liabilities				
197,124	Loan commitments	8	146,613	129,102
197,124	Total non-current liabilities		146,613	129,102
394,872	Total non-departmental liabilities		322,289	376,843

*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 2025.

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

Schedule of Non-Departmental Commitments

As at 30 June 2025

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

Actual 2024 \$000		Actual 2025 \$000
	Non-cancellable operating lease commitments	
8,555	Not later than one year	2,226
-	Later than one year and not later than five years	-
-	Later than five years	-
8,555	Total non-cancellable operating lease commitments	2,226

Capital commitments

The Ministry, on behalf of the Crown, has no non-cancellable capital commitments as at 30 June 2025 (2024: \$nil).

Contingent rents

During the 2024/25 year, the Ministry on behalf of the Crown paid \$269.62 million in contingent rents relating to contractual arrangements with social housing providers to provide Income Related Rent Subsidies (2024: \$242.7 million) 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 2025.

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

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2025

Unquantified contingent liabilities

The Ministry, on behalf of the Crown, has no unquantifiable contingent liabilities (2024: \$nil).

Contingent liabilities

The Ministry, on behalf of the Crown, has no quantifiable contingent liabilities (2024: \$nil).

Contingent assets

The Ministry, on behalf of the Crown, has no contingent assets (2024: \$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 2025.

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

Notes to the Non-Departmental Financial Statements

For the year ended 30 June 2025

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Notes to the Non-Departmental Schedules

For the year ended 30 June 2025

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 2025. 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 2025.

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 principles (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

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 assessed the impact of this amendment as immaterial. Our audit firm is not engaged for different types of services.

Standards issued and not yet effective and not early adopted

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

2024 Omnibus Amendments to PBE Standards – Part C

This amendment clarifies the principles for classifying a liability as current or non-current, particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027.

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

PBE Conceptual Framework Update

Amendments to Chapter 3 Qualitative Characteristics and Chapter 5 Elements in General Purpose Financial Reports. This is effective for the periods beginning on or after 1 January 2028.

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

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.

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. It is recognised at the point where all the conditions of the sale have been satisfied.

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

Revenue from sales of land and dwellings designated for KiwiBuild properties

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

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

Revenue from sales of Developments Underwritten

Revenue from sales of developments underwritten is recognised when the significant risks and rewards of ownership have transferred to the purchaser, which is typically at the point of settlement. These transactions arise where the Ministry underwrites residential developments to support housing supply and market confidence.

Revenue is measured at the fair value of the consideration received or receivable. The Ministry assesses whether the transaction meets the definition of an exchange transaction under PBE IPSAS 9. Where the Ministry takes title to a dwelling under an underwrite agreement and subsequently sells the property, revenue is recognised upon the sale to the end purchaser, provided all conditions of sale have been satisfied.

Where the Ministry does not take title but instead provides a financial guarantee or shortfall payment to the developer, no revenue is recognised. Instead, any payments made are treated as expenses in accordance with the terms of the underwrite agreement.

Inventories held for sale under these arrangements are measured at the lower of cost and net realisable value. Any write-downs to net realisable value are recognised in the surplus or deficit in the period in which they occur.

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 Social Housing activity, the Crown enters into arrangements with Community Housing Providers (CHPs) for long term arrangements to use properties for Social 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 2025 budget figures are for the year ending 30 June 2025 and are consistent with the best estimate financial information submitted to the Treasury for the BEFU for the year ending 30 June 2025.

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 2024 \$000		Actual 2025 \$000
4,562	Social Housing prepayments – current	4,078
76,623	Social Housing prepayments – non-current	72,360
17,089	Upfront payments – current	20,467
261,166	Upfront payments – non-current	358,989
359,440	Total prepayments	455,894

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 2024 \$000		Actual 2025 \$000
1,188	Debtors from non-related parties	4,644
1,188	Total trade and other receivables	4,644

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
- 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.

Breakdown of inventories and further information

Actual 2024 \$000		Actual 2025 \$000
500,097	Land intended for sale	509,019
7,242	Dwellings held for sale	28,113
507,339	Total inventory	537,132

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 \$20.1 million during the period (2024: \$4.6 million) and there were reversals of write-downs/adjustments to correct opening balances of \$2.6 million (2024: \$0.5 million).

The total amount of inventories recognised as an expense during the period was \$47.9 million, including the write-down above (2024: \$25.3 million).

As at 30 June 2025, no inventories are pledged as security for liabilities (2024: \$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 2024 \$000		Actual 2025 \$000
25,205	Nominal value	30,825
5,620	Write-down on initial recognition, impairment, and other fair value changes	(1,119)
30,825	Total loans	29,706
	By maturity	
3,987	Expected to be repaid within one year	3,788
26,838	Expected to be outstanding for more than one year	25,918
30,825	Total loans	29,706
	Movement during the year	
30,990	Opening balance	30,825
3,407	Initial write-down to fair value	-
(5,784)	Repayments	-
3,200	Interest unwind	-
(988)	Adjustment to face value of drawdowns	(1,119)
30,825	Closing balance loans	29,706

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 2025, there were three signed loan agreements against two Auckland-based developments at Kerrs Road, Wirihihana, and Hospital Road, and one Wellington-based development at Victoria Quarter.

These Land for Housing loans are offered at interest-free terms between five and nine years. Upon settlement, the loans will be repaid in full through the sales price of the land.

On day one, when both parties sign the loan agreements, these loans are immediately written down to 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 of loans to discount rates:

Actual 2024 \$000		Actual 2025 \$000
(1,329)	Impact on fair value of a 1% increase in discount rate	(752)
1,178	Impact on fair value of a 1% decrease in discount rate	574

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 the Crown holds.

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 the 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
<i>Cost or valuation</i>		
Balance as at 30 June 2023	39,000	39,000
Additions	-	-
Disposals	-	-
Revaluation		
Balance as at 30 June 2024	39,000	39,000
Additions		
Disposals		
Revaluation		
Balance as at 30 June 2025		
<i>Accumulated depreciation</i>		
Balance as at 1 July 2023	-	-
Depreciation charge for the year	-	-
Eliminate on disposal	-	-
Balance as at 30 June 2024	-	-
Depreciation charge for the year	-	-
Eliminate on disposal	-	-
Balance as at 30 June 2025	-	-
<i>Carrying amounts</i>		
As at 30 June 2024	39,000	39,000
As at 30 June 2025	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.

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 2024 \$000		Actual 2025 \$000
<i>Payables under exchange transactions</i>		
18,355	Trade payables	1,609
173,809	Accrued expenses	168,278
<i>Payables under non-exchange transactions</i>		
42	GST payable	73
192,206	Total payables	169,960

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. These commitments are initially measured at fair value when the contractual terms of the lending facility are agreed.

The Ministry exercises judgement in determining the timing of recognition for loan commitment liabilities and associated concessionary expenses. These are recognised upon signing of the loan agreement, as the Ministry considers there are no substantive preconditions to be met by the borrower prior to drawdown.

Fair value is determined by discounting expected future cash flows using a market rate of interest for a comparable loan without concessionary terms.

Subsequently, loan commitments are measured at the higher of:

- the loss allowance determined in accordance with applicable impairment requirements
- the amount initially recognised, less cumulative amortisation in accordance with PBE IPSAS 9.

The Ministry measures the loss allowance for these commitments at an amount equal to the 12-month expected credit losses, provided there has not been a significant increase in credit risk since initial recognition. If credit risk has increased significantly, the loss allowance is measured based on lifetime expected credit losses.

For the year ended 30 June 2025, the Ministry assessed that there has been no significant increase in credit risk for its loan commitments. Accordingly, no loss allowance has been recognised (2024: Nil). This assessment is based on the absence of historical defaults and no material changes in the credit profile of borrowers.

While the Ministry recognises loan commitments for Progressive Home Ownership (PHO) and Housing Infrastructure Fund (HIF) loans in its non-departmental schedules, the corresponding loan assets are not recognised by the Ministry.

These loans are disbursed directly by the New Zealand Debt Management Office (NZDMO) and are recorded in the Treasury's non-departmental financial statements, reflecting the appropriation structure under which Treasury holds the appropriation for the loans.

Upon drawdown, the Ministry derecognises the corresponding portion of the loan commitment liability. As the loan asset is not recognised by the Ministry, derecognition is accounted for through a pro-rata reversal of the initial expense and liability. The Ministry does not recognise the loan asset or related cash flows, as these are managed and recorded by NZDMO.

Breakdown of loan commitments

Actual 2024 \$000		Actual 2025 \$000
121,046	Progressive Home Ownership loans	86,219
109	Land for Housing loans	109
76,078	Housing Infrastructure Fund loans	60,394
197,233	Total loan commitments	146,722

9. Events after balance date

Effective 1 July, the Ministry of Housing and Urban Development assumed full responsibility for administering the KiwiBuild programme, following a Cabinet decision made in December 2024 as part of the Kāinga Ora - Homes and Communities Turnaround Plan

This transfer included:

- The revocation of Kāinga Ora - Homes and Communities' role as the Crown's agent for KiwiBuild underwrite activities
- The transfer of departmental funding from Kāinga Ora - Homes and Communities' non-departmental appropriation to the Ministry's departmental appropriation to support ongoing administration
- The assumption of management responsibilities for legacy underwrites covering 863 homes, with a theoretical underwrite risk exposure of \$463.170 million, and 141 Crown-acquired homes .

The Ministry is now responsible for the operational delivery, financial management, and policy oversight of the KiwiBuild programme.

This transfer reflects the Government's broader strategy to refocus Kāinga Ora - Homes and Communities on its core mission of building and managing social housing, while consolidating housing policy and programme administration within the Ministry.

This event occurred after balance date and has no impact on the financial statements for the year ended 30 June 2025.

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 2024 \$000		Notes	Actual 2025 \$000
Financial assets measured at amortised cost			
162,341	Cash and cash equivalents		167,757
1,188	Trade and other receivables	3	4,644
30,825	Loans receivables	5	29,706
194,354	Total		202,107
Financial liabilities measured at amortised cost			
192,164	Trade and other payables	7	169,960
192,164	Total		169,960

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.

In the year ending 30 June 2025, loan commitments are not required to be disclosed, as such loan commitments have been removed from the financial instrument categories.

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.

The Ministry does not consider credit risk to be relevant for loan commitments, as the actual loan assets are recorded by the Treasury in its non-departmental schedules. Refer to note 8 for more details

Although cash and cash equivalents as at 30 June 2025 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 (NZDMO). The Ministry maintains a target level of available cash to meet liquidity requirements.

Liquidity risk associated with loan commitments is considered a wider Crown exposure, as the loans are distributed by NZDMO. The Ministry does not manage the liquidity for these disbursements directly.

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
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
2025				
Trade and other receivables (see Note 3)	4,644	-	-	-
Loans receivable (see Note 5)	-	3,788	15,513	10,404
Trade and other payables (see Note 7)	169,887	-	-	-
Loan Commitments (see note 8)*	-	109	-	146,613

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 \$34 million due to lower than planned land sales under the Land for Housing programme.

Social housing expenses

Was underspent by \$84 million compared with budget. This is attributed to the timing of Social housing places being brought on and properties being vacant during the year where older Social Housing stock are being redeveloped.

Transitional housing expenses

Was underspent by \$81 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 \$302 million compared with Budget. As there have been fewer inventory purchases than budgeted, and lower sales than forecast the associated operating costs were not required at the level anticipated.

Shovel-ready Projects

Have underspent by \$32 million compared to budget, due to milestone and co-funding delays, reducing the need for immediate Crown drawdowns.

Housing Acceleration Fund

Was underspent by \$30 million compared with budget. This is largely due to the Infrastructure Acceleration Fund component of the fund. These payments are milestone based, delays experienced by providers has resulted in milestones not being met in line with forecast.

Buying off the Plan Expenses

Was \$61 million less than Budget; underwrites were not triggered at the rate forecasted.

GST input expense

Was underspent by \$27 million directly related to the underspends identified above.

Cash and Cash Equivalents

At 30 June 2025, cash and cash equivalents were \$321 million less than budgeted, due to no deferred settlements being transacted during the year.

Inventory

At 30 June 2025, inventory was \$280 million lower than budgeted, due to fewer land purchases than expected.

Trade and other payables

At 30 June 2025, trade and other payables were \$72 million lower than budgeted due largely to the Ministry's focus on ensuring faster payment times to suppliers in line with the Governments directive to achieve 90% of invoice payments within 10 working days.

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 2025. 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 2025

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

Actual 2024 \$000		Actual 2025 \$000	Approved appropriation 2025 \$000
Vote Housing and Urban Development			
Departmental multi-category expenses and capital expenditure			
75,179	Managing the Housing and Urban Development Portfolio MCA²⁰	64,861	68,293
42,402	- Policy Advice and Ministerial Servicing ¹⁷	32,647	38,267
26,981	- Management of Housing Provision and Services ¹⁷	26,868	23,227
5,796	- Facilitating the purchase and redevelopment of land for housing purposes ¹⁷	5,346	6,799
75,179	Total departmental output expenses	64,861	68,293
Departmental capital expenditure			
1,256	Capital expenditure PLA ¹⁷	-	2,300
1,256	Total departmental capital expenditure PLA	-	2,300
Non-departmental output expenses			
66,585	Kāinga Ora – Homes and Communities ²¹	49,721	58,097
283	Independent Review of Kāinga Ora - Homes and Communities ²²	-	-
26,537	Contracted Emergency Housing accommodation and services ²³	25,323	27,820
4,602	Local Innovations and Partnerships ²⁰	5,585	6,202
736	Support Services to increase home ownership ²⁰	1,336	5,000
8	Management of Crown Properties held under the Housing Act 1955 ¹⁹	8	8
98,751	Total non-departmental output expenses	81,973	97,127
Benefits or related expenses			
68,001	First Home Grants ¹⁸	11,243	15,000
68,001	Total benefits or related expenses	11,243	15,000
Non-departmental other expenses			
259	Housing Assistance ¹⁸	120	789
259	Total non-departmental other expenses	120	789
Non-departmental capital expenditure			
-	Refinancing of Crown loans to Kāinga Ora – Homes and Communities	-	-
30,346	Land purchase within the Housing Agency Account ²⁰	5,113	9,028
30,346	Total non-departmental capital expenditure	5,113	9,028

²⁰ End of year performance information has been reported in this Annual Report for Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development.

²¹ End of year performance information has been reported in the Annual Report for Kāinga Ora - Homes and Communities – Homes and Communities.

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 Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Actual 2024 \$000		Actual 2025 \$000	Approved appropriation 2025 \$000
	Non-departmental multi-category expenses and capital expenditure		
4,682	<i>Amortisation of Upfront Payments MCA²⁴</i>	27,574	47,393
	Non-departmental other expenses		
48	Amortisation of Upfront Payments – Affordable Housing Fund ²⁵	1,753	6,892
243	Amortisation of Upfront Payments – Community Housing Providers – Early Stage Operating Supplement ²²	670	2,221
299	Amortisation of Upfront Payments – He Kūku ki te Kāinga ²²	20,793	34,425
3	Amortisation of Upfront Payments – Māori Infrastructure Fund ²²	280	1,334
-	Amortisation of Upfront Payments – Progressing the Pipeline of Māori Housing ²²	-	-
4,089	Amortisation of Upfront Payments – Social Housing Upfront Capital Payments ²²	4,078	4,120
-	Amortisation of Upfront Payments – Transitional Housing Providers ²²	-	401
30,404	<i>Community Group Housing MCA²⁶</i>	29,425	31,495
	Non-departmental output expenses		
20,994	Community Group Housing Market Rent Top-Up ²³	21,595	21,591
	Non-departmental other expenses		
3,610	Community Housing Rent Relief ²³	3,306	4,100
	Non-departmental capital expenditure		
5,800	Acquisition and Improvement of Community Group Housing Properties ²³	4,524	5,800
180,754	<i>Housing Programme Fair Value Impairment Loss and Inventory Disposal MCA²¹</i>	28,339	194,124
	Non-departmental other expenses		
-	Fair Value Impairment Loss – Affordable Housing Fund ²²	-	-
-	Fair Value Impairment Loss – Housing Infrastructure Fund ²²	-	-
159,839	Fair Value Impairment Loss – Progressive Home Ownership Loans ²²	-	-
3,251	Sale of Developments Underwritten – Costs ²²	21,202	63,380
17,664	Sale of Land and Dwellings – Costs ²²	7,134	53,924
	Non-departmental capital expenditure		
-	Land for Housing – Deferred Settlements ²²	-	29,402
1,670,300	<i>Social Housing MCA²⁷</i>	1,950,897	2,034,422
	Non-departmental output expenses		
1,573,377	Purchase of Social Housing Provision ²⁴	1,844,204	1,933,094
96,007	Services for People in Need of or at risk of Needing Social Housing ²⁴	106,154	101,028
916	Services Related to the Provision of Social Housing ²²	539	300
360,990	<i>Transitional Housing MCA²⁴</i>	354,178	435,582
	Non-departmental output expenses		
192,222	Provision of Transitional Housing Places ²⁴	180,470	207,617
168,768	Transitional Housing Services ²⁴	173,708	227,965

²⁴ End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

²⁵ There is no end of year performance reporting due to an exemption under section 15D of the Public Finance Act 1989.

²⁶ End of year performance information has been reported in the Annual Report for Kāinga Ora - Homes and Communities – Homes and Communities.

²⁷ End of year performance information has been reported in this Annual Report for Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development.

Actual 2024 \$000		Actual 2025 \$000	Approved appropriation 2025 \$000
196,825	Upfront Payments MCA²⁸	138,323	357,979
	Non-departmental capital expenditure		
26,785	Affordable Housing Fund – Prepayment of Grants ²⁵	49,374	123,215
11,004	Community Housing Providers – Early Stage Operating Supplement ²⁵	9,638	52,372
143,201	He Kūkū ki te Kāinga – Increasing Māori Housing Supply – Prepayment of Upfront Funds ²⁵	63,494	126,541
15,835	Māori Infrastructure Projects – Prepayment of Upfront Funds ²⁵	15,817	47,830
-	- Progressing the Pipeline of Māori Housing – Prepayment of Upfront Funds ²⁵	-	-
-	- Progressive Home Ownership - Prepayment of Grants ²⁵	-	-
-	- Transitional Housing Providers - Prepayment of Upfront Funds ²⁵	-	8,021
2,519,134	Total multi-category expense and capital expenditure	2,593,618	3,171,288
2,717,747	Total annual and permanent appropriations	2,692,067	3,315,532

²⁸ 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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
Land for Housing Programme		
Opening appropriation	294,218	294,218
Adjustment to appropriation	116,081	116,081
Adjusted total appropriation	410,299	410,299
Cumulative actual expenditure at 1 July	66,462	66,462
Current year actual expense ²⁹	7,873	274,918
Cumulative actual expenditure at 30 June	74,335	341,380
Appropriation remaining at 30 June	335,964	68,919

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
Operating the Land for Housing Programme		
Opening appropriation	20,287	20,287
Adjustment to appropriation	1,900	1,900
Adjusted total appropriation	22,187	22,187
Cumulative actual expenditure at 1 July	8,129	8,129
Current year actual expense ³⁰	4,469	6,096
Cumulative actual expenditure at 30 June	12,598	14,225
Appropriation remaining at 30 June	9,589	7,962

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.

³⁰ 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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental other expense:		
Land for Housing Operations		
Opening appropriation	50,000	50,000
Adjustment to appropriation	65,877	65,877
Adjusted total appropriation	115,877	115,877
Cumulative actual expenditure at 1 July	61,699	61,699
Current year actual expense ³¹	23,118	2,078
Cumulative actual expenditure at 30 June	84,817	63,777
Appropriation remaining at 30 June	31,060	52,100

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental capital expenditure:		
Land for Housing Programme – developers' loan payments		
Opening appropriation	50,900	50,900
Adjustment to appropriation	-	-
Adjusted total appropriation	50,900	50,900
Cumulative actual expenditure at 1 July	41,103	41,103
Current year actual expense ²⁸	23	9,797
Cumulative actual expenditure at 30 June	41,126	50,900
Appropriation remaining at 30 June	9,774	-

³¹ 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 October 2022 Baseline Update.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental other expense:		
Land for Housing Programme – developers' loans – Fair value write down		
Opening appropriation	11,700	11,700
Adjustment to appropriation	(3,242)	(3,242)
Adjusted total appropriation	8,458	8,458
Cumulative actual expenditure 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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
Buying off the Plans Programme		
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	23,882	23,882
Current year actual expense ³²	55,755	73,710
Cumulative actual expenditure at 30 June	79,637	97,592
Appropriation remaining at 30 June	154,863	136,908

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.

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
Operating the Buying off the Plans Programme		
Opening appropriation	3,000	3,000
Adjustment to appropriation	5,000	5,000
Adjusted total appropriation	8,000	8,000
Cumulative actual expenditure at 1 July	432	432
Current year actual expense ³³	1,461	1,843
Cumulative actual expenditure at 30 June	1,893	2,275
Appropriation remaining at 30 June	6,107	5,725

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
Affordable Housing Fund		
Opening appropriation	294,000	249,000
Adjustment to appropriation	(60,000)	(60,000)
Adjusted total appropriation	234,000	234,000
Cumulative actual expenditure at 1 July	10,520	10,520
Current year actual expense ³⁰	40,826	79,021
Cumulative actual expenditure at 30 June	51,346	89,541
Appropriation remaining at 30 June	182,654	144,459

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, a new appropriation has been set up effective 1 July 2025.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
He Kūkū ki te Kāinga – Increasing Māori Housing Supply		
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	38,639	38,639
Current year actual expense ³¹	30,210	31,724
Cumulative actual expenditure at 30 June	68,849	70,363
Appropriation remaining at 30 June	1,514	0

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.

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
Progressing the Pipeline of Māori Housing 2022-2025		
Opening appropriation	34,155	34,155
Adjustment to appropriation	(9,745)	(9,745)
Adjusted total appropriation	24,410	24,410
Cumulative actual expenditure at 1 July	21,736	21,736
Current year actual expense ³⁴	1,642	2,674
Cumulative actual expenditure at 30 June	23,378	24,410
Appropriation remaining at 30 June	1,032	-

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental capital expenditure:		
Housing Infrastructure Fund Loans		
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	64,697	64,697
Current year actual expense ³²	29,070	73,203
Cumulative actual expenditure at 30 June	93,767	137,900
Appropriation remaining at 30 June	220,962	176,829

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.

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 MYA expires on 30 June 2029.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental capital expenditure:		
Progressive Home Ownership Fund		
Opening appropriation	162,381	162,381
Adjustment to appropriation	30,867	30,867
Adjusted total appropriation	193,248	193,248
Cumulative actual expenditure at 1 July	-	-
Current year actual expense ³⁵	51,991	93,910
Cumulative actual expenditure at 30 June	51,991	93,910
Appropriation remaining at 30 June	141,257	99,338

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 MYA expires on 30 June 2029.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense:		
Infrastructure Investment to Progress Urban Development		
Opening appropriation	68,010	68,010
Adjustment to appropriation	18,840	18,640
Adjusted total appropriation	86,850	86,850
Cumulative actual expenditure at 1 July	-	-
Current year actual expense ³⁶	57,925	59,308
Cumulative actual expenditure at 30 June	57,925	59,308
Appropriation remaining at 30 June	28,925	27,542

³⁵ End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

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.

Kāinga Ora - Homes and Communities Land Programme MYA

On 1 July 2021, a multi-year appropriation, Kāinga Ora - Homes and Communities 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 - Homes and Communities. This appropriation expires on 30 June 2026.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental other expense: Kāinga Ora - Homes and Communities Land Programme		
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	9,816	9,816
Current year actual expense ³⁷	4,620	4,620
Cumulative actual expenditure at 30 June	14,436	14,761
Appropriation remaining at 30 June	210,564	210,239

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental capital expenditure: Kāinga Ora - Homes and Communities Crown Lending Facility		
Opening appropriation	12,724,000	12,724,000
Adjustment to appropriation	-	-
Adjusted total appropriation	12,724,000	12,724,000
Cumulative actual expenditure at 1 July	6,250,000	6,250,000
Current year actual expense ³⁸	1,450,000	1,885,000
Cumulative actual expenditure at 30 June	7,700,000	8,135,000
Appropriation remaining at 30 June	5,024,000	4,589,000

³⁷ End of year performance information has been reported in the Annual Report for Kāinga Ora - Homes and Communities – Homes and Communities.

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.

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental capital expenditure:		
Kāinga Ora - Homes and Communities Private Debt Refinancing Facility		
Opening appropriation	3,615,000	3,615,000
Adjustment to appropriation	-	-
Adjusted total appropriation	3,615,000	3,615,000
Cumulative actual expenditure at 1 July	450,000	450,000
Current year actual expense	1,925,000	1,925,000
Cumulative actual expenditure at 30 June	2,375,000	2,375,000
Appropriation remaining at 30 June	1,240,000	1,240,000

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental capital expenditure:		
Tāmaki Regeneration Company Limited – Equity Injection		
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	62,000	62,000
Current year actual expense ³⁹	98,000	98,000
Cumulative actual expenditure at 30 June	160,000	160,000
Appropriation remaining at 30 June	711,900	711,900

³⁹ End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

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.

	Actual 2025 \$000	Approved appropriation 2025 \$000
Appropriation for non-departmental output expense: Authority for the Residential Property Management Regime		
Opening appropriation	7,510	7,510
Adjustment to appropriation	7,323	7,323
Adjusted total appropriation	187	187
Cumulative actual expenditure at 1 July	-	-
Current year actual expense ³⁷	-	-
Cumulative actual expenditure at 30 June	-	-
Appropriation remaining at 30 June	187	187

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 2025 \$000	Approved appropriation 2025 \$000
<i>Non-departmental capital expenditure</i>		
<i>Investment in Crown-owned Entities to Advance Development-Ready Land</i>		
Opening appropriation	1682,000	1,682,000
Adjustment to appropriation	(136,719)	(136,719)
Adjusted total appropriation	1,545,281	1,545,281
Cumulative actual expenditure at 1 July	619,692	619,692
Current year actual expense ⁴⁰	266,899	290,558
Cumulative actual expenditure at 30 June	886,591	910,250
Appropriation remaining at 30 June	658,690	635,031
<i>Non-departmental other expense</i>		
<i>Investment in Infrastructure to Advance Development-Ready Land</i>		
Opening appropriation	2,047,000	2,047,000
Adjustment to appropriation	(681,481)	(681,481)
Adjusted total appropriation	1,365,519	1,365,519
Cumulative actual expenditure at 1 July	129,234	129,234
Current year actual expense ³⁸	157,123	187,581
Cumulative actual expenditure at 30 June	286,357	316,815
Appropriation remaining at 30 June	1,079,162	1,048,704
<i>Total</i>		
Opening appropriation	3,929,000	3,929,000
Adjustment to appropriation	(818,200)	(818,200)
Adjusted total appropriation	2,910,800	2,910,800
Cumulative actual expenditure at 1 July	748,926	748,926
Current year actual expense ³⁸	424,022	478,139
Cumulative actual expenditure at 30 June	1,172,948	1,227,065
Appropriation remaining at 30 June	1,737,852	1,683,735

Note that Kāinga Ora – Homes and Communities spent \$298 million on capital expenditure up to 30 June 2025. The reimbursement to Kāinga Ora – Homes and Communities 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.

⁴⁰ End of year performance information has been reported in the Minister of Housing's Report on Vote Housing and Urban Development Non-Departmental Appropriations.

Vote Housing and Urban Development

	Actual 2025 \$000	Approved appropriation 2025 \$000
Total annual and permanent appropriations	2,692,067	3,026,017
Total multi-year appropriations	4,206,005	5,155,089
Total Vote Housing and Urban Development	6,898,072	8,181,106

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

For the year ended 30 June 2025

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 2025

Actual 2024 \$000		Actual 2025 \$000	Approved appropriation 2025 \$000
	Vote Housing and Urban Development		
2,900	Ministry of Housing and Urban Development – Capital Injection	-	2,300

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

For the year ended 30 June 2025

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

Independent Auditor's Report

To the readers of Ministry of Housing and Urban Development's Annual Report for the year ended 30 June 2025

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

- The annual financial statements of the Ministry that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expenses, 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 on pages 63 to 87.
- The end-of-year performance information for appropriations of the Ministry for the year ended 30 June 2025 on pages 9 to 32 and 41 to 54.
- The statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2025 on pages 107 to 121.
- The schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 88 to 106 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2025;
 - the schedules of expenses; and revenue for the year ended 30 June 2025; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- The annual financial statements of the Ministry:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; 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 end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects:
 - what has been achieved with each appropriation; and
 - the actual expenses or capital expenditure incurred in relation to each appropriation 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 in accordance with Public Benefit Entity Reporting Standards.
- The statements of expenses and capital expenditure have been prepared, 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 have been prepared, in all material respects, in accordance with the Treasury Instructions. The schedules comprise:
 - the assets, liabilities, commitments, and contingent liabilities and assets as at 30 June 2025; and
 - expenses, and revenue for the year ended 30 June 2025.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information 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:

- Annual financial statements that fairly present the Ministry’s financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of-year performance information for appropriations that:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents what has been achieved with each appropriation;
 - fairly presents the actual expenses or capital expenditure incurred in relation to each appropriation 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.
- Statements of expenses and capital expenditure of the Ministry, that are prepared in accordance with section 45A of the Public Finance Act 1989.
- Schedules of non-departmental activities, prepared in accordance with the Treasury Instructions, of the 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’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 Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

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 whether the end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents what has been achieved with each appropriation.
- We evaluate whether the statements of expenses and capital expenditure and schedules of non-departmental activities have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive.
- 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 all of the information included in the Annual Report other than 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.

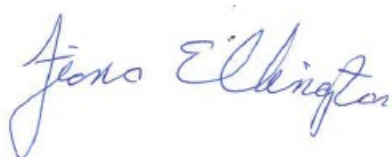
Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited, or our knowledge obtained in the audit, or otherwise

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) 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.



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

Appendix: Text alternative versions of diagrams, graphs and tables

Āpitihanga: Ngā kōrero hei whakakapi i ngā hoahoa, tūtohi me ngā ripanga

Our performance framework

This diagram describes the structured framework shown in the image titled 'The housing and urban development system Government Policy Statement on Housing and Urban Development.' It outlines the Ministry of Housing and Urban Development's approach across seven grouped sections.

Text in each section

The first section, titled 'Outcomes', sets four goals: thriving and resilient communities, wellbeing through housing, Māori housing through partnership, and an adaptive and responsive system.

The second section, 'Impacts', identifies six intended effects: 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, and re-establish housing's primary role as a home rather than a financial asset.

The third section, 'Our outcome indicators', shows the impact we have on the system, it lists five measures: more houses, supporting housing and urban development through planning and infrastructure, increased home ownership, improving the experience of renting and other types of living arrangements, and more support provided to people in housing need.

The fourth section, 'Our role', is about how we ensure the system is working well and outcomes are realised. It lists six measures: 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, and drive action through collaboration and partnership.

The fifth section, 'Our outputs', departmental appropriations in Vote Housing and Urban Development lists three outputs: Facilitating the purchase and development of land for housing purposes, policy advice and ministerial servicing, and management of housing provision and services.

The sixth section, 'How we work', highlights two approaches: Māori and Iwi Housing Innovation (MAIHI) and place-based approaches.

The seventh section, 'Our values', presents three guiding principles in te reo Māori: wānangatia – curiosity, kōkiritia – drive, and arohatia – empathy.

At the bottom centre of the image is the Ministry's name in both te reo Māori and English: "Te Tūāpapa Kura Kāinga – The Ministry of Housing and Urban Development.

Below that is the vision statement: "He kāinga ora he hāpori ora – Thriving communities where everyone has a place to call home.

[Return to our performance framework in the document.](#)

Number of new residential building consents

Year	Results
2020	37,614
2021	44,331
2022	50,736
2023	44,529
2024	33,627
2025	33,979

[Return to the 'Number of new residential building consents' graph in the document.](#)

Number of additional public homes added to the stock each year

Year	Results
2020	2,074
2021	3,047
2022	1,683
2023	3,192
2024	4,595
2025	3,130

[Return to the 'Number of additional public homes added to the stock each year' graph in the document.](#)

Percentage of people living in owner-occupied homes

Year	Overall	Māori	Pacific peoples
2020	62.7%	44.5%	30.3%
2021	63.5%	47.5%	32.7%
2022	64.2%	47.9%	32.1%
2023	63.8%	48.2%	31.1%
2024	62.6%	46.6%	31.1%

[Return to the 'Percentage of people living in owner-occupied homes'](#)

Number of registered Māori community housing providers

Year	Number
2021	19
2022	24
2023	28
2024	31
2025	36

[Return to the 'Number of registered Māori community housing providers' in the document.](#)

Proportion of lending to first home buyers (out of all buyer types)

Year	Percent
2019	16.9%
2020	18.2%
2021	18.1%
2022	18.1%
2023	22.0%
2024	23.9%
2025	20.0%

[Return to the 'Proportion of lending to first home buyers \(out of all buyer types\)' graph in the document.](#)

Proportion of mortgage commitments to first home buyers

Year	Percent
2020	30.5%
2021	28.8%
2022	29.9%
2023	35.8%
2024	36.5%
2025	34.2%

[Return to the 'Proportion of mortgage commitments to first home buyers' graph in the document.](#)

Support provided to people in housing need through Housing First and Sustaining Tenancies

Year	Total households	Housing first	Sustaining tenancies
2021	1,407	810	597
2022	1,861	604	1,257
2023	2,557	684	1,873
2024	2,978	984	1,994
2025	3,176	1,237	1,939

[Return to the 'Support provided to people in housing need through housing first and sustaining tenancies' graph in the document.](#)

Percentage of households reporting living in homes with minor or major dampness or mould

All people

Year	Minor	Major	Total
2021	18.3	4.3	22.6
2022	22.2	4.4	26.6
2023	23.5	4.6	28.1
2024	23.7	4.0	27.7

Māori

Year	Minor	Major	Total
2021	26.0	8.3	34.3
2022	26.8	9.1	35.9
2023	29.5	10.0	39.5
2024	31.7	7.8	39.5

Pacific peoples

Year	Minor	Major	Total
2021	21.5	10.4	31.9
2022	30.9	9.3	40.2
2023	35.2	8.6	43.8
2024	35.0	8.1	43.1

[Return to the ‘Percentage of households reporting living in homes with minor or major dampness or mould’ graph in the document.](#)

Level of compliance with the healthy homes standards

Year	Percent
July 2025	90%
March 2024	90%
December 2022	92%
August 2021	85%
August 2020	77%

[Return to the ‘Level of compliance with the healthy homes standards’ graph in the document.](#)

Number of distinct clients who were granted Emergency Housing Special Needs Grants each year

Year	Distinct clients
2020	19,113
2021	21,141
2022	19,305
2023	14,781
2024	12,309
2025	5,040

[Return to the ‘Number of distinct clients who were granted Emergency Housing Special Needs Grants each year’ graph in the document.](#)

Total number of transitional housing place available

Year	Places available
2020	3,234
2021	4,432
2022	5,520
2023	5,935
2024	6,422
2025	6,207

[Return to the ‘Total number of transitional housing place available’ graph in the document.](#)

Status of our Treaty of Waitangi settlement commitments

Status	Number
Yet to be triggered	1
On track	3
Complete	20

[Return to the ‘Status of our Treaty of Waitangi settlement commitments’ graph in the document.](#)

Our executive structure

This image is an organisational chart showing our executive structure as at 30 June 2025. At the top is the Chief Executive. Directly below are five Deputy Chief Executives, each responsible for a distinct area:

- Strategy, Insight and Governance
- Māori-Crown Relations
- Policy
- Delivery
- Organisational Performance.

The chart presents a clear hierarchy, with each Deputy Chief Executive reporting to the Chief Executive.

[Return to the 'Our executive structure' image in the document.](#)

Absolute GHG emissions (all categories)

This image is a bar graph titled 'Absolute GHG emissions (all Categories) for Ministry of Housing and Urban Development.' The y-axis shows greenhouse gas emissions in tonnes of CO₂ equivalent, ranging from 0 to 250. The x-axis shows years from 2021 to 2030.

Light grey bars represent actual emissions for 2021 to 2024. Emissions were just above 200 tonnes in 2021, dropped just above 150 tonnes in 2022, rose again in 2023 to just above 200 tonnes, and fell slightly above 150 tonnes in 2024.

Grey vertical lines mark target years 2025 and 2030. A white line shows the 1.5°C climate requirement trend, which declines steadily toward 100 tonnes by 2030.

The graph illustrates the Ministry's goal to reduce emissions in line with climate targets.

[Return to the 'Absolute GHG emissions \(all categories\)' graph in the document.](#)

