

ANNUAL REPORT 2020/21



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development



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Te Kāwanatanga o Aotearoa
New Zealand Government



Photo: Kāinga Ora

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Kaiwhakahaere Matua

Chief Executive's Foreword

Tēnā koutou

He tohu te tau 2021 o te toru tau nō tō mātau whakarewanga.

I whakatūngia mātau hei tuitui i ngā haepapa me ngā rauemi, hei ārahi hoki i ngā whāinga tōmua puta noa i te pūnaha pēnei i te kaupare me te whakaheke i te kāinga koretanga – me te mārāma ake ki ngā āhuatanga o te pūnaha whakawhanake kāinga, whare tāone anō hoki.

Ko ngā wero, i nui: he pūnaha kongakonga, kāore he ārahitanga, kāore hoki he rautaki. Ko ngā kaupapa puta noa i te pūnaha, he kaupapa tupurangi, poka noa anō hoki, ka mutu, i taua wā tonu i te tipu te nui o te hunga kāinga kore i Aotearoa.

Ka mua, ka muri

Mā te titiro ki te onamata e hanga ai mātau i tētahi pūnaha whai whare raka, pūnaha whai urupare anō hoki mō te anamata. Ko ngā whiu o te anamata ka kitea tōmuatia, ka mutu, ka takatū mātau. Kei te whakatutuki tonu mātau i ngā whāinga tōmua ā-Kāwanatanga, ā, i taua wā tonu kei te nonoi i ngā pānōitanga paetawhiti i roto i te pūnaha. I taua wā tonu, anei e whakatipu nei, e whakawhanake hoki nei i tō mātau rōpū whakahaere.

He tau nui anō te tau 2020/21 mō Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development. E tū tonu ana mātau i roto i tētahi ao whiwhiwhi, neke wawe anō hoki. I pōhiritia e mātau ngā Minita hou e toru, ā, pēnei i a Aotearoa whānui, i takatū mātau, i whai urupare hoki ki ngā pānga o te mate Kowheori-19.

E whai ana mātau ki te whakatutuki i ngā manako paetata o te tangata, ā, i taua wā tonu, kei te whakapiki i te nui o ngā whare utu-pai e hangā ana mā roto mai i ngā kaupapa pēnei i Te Tahua Whakahohoro Whai Whare, me te whakatakoto i ngā tūāpapa matua



Tēnā koutou

2021 marks three years since our establishment.

We were established to join up responsibilities and resourcing, lead across system-wide priorities – including to prevent and reduce homelessness – and understand how the housing and urban development system works.

The challenges were significant: a fragmented system, no clear leadership and strategy, and ad-hoc and disconnected initiatives being undertaken across the system, all while more and more New Zealanders were struggling to find a place to call home.

Ka mua, ka muri – *we look to the past to inform our future.*

Drawing on what we can learn from the past, we want to shape a housing system that is adaptive and responsive for decades to come. Where future consequences are foreseen and planned for. We continue to deliver on Government priorities while driving long-term system change. At the same time, we continue to grow and develop our organisation.

2020/21 was another big year for Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development. We continue to operate in a complex, fast-moving environment, welcomed three new Ministers and, like all New Zealanders, we continued to adapt and respond to the impacts of Covid-19.

We are investing to meet peoples' immediate needs while increasing housing supply, ensuring more affordable houses are being built through initiatives such as the Housing Acceleration Fund, and putting key foundations in place to enable a system approach, such as through the

e taea ai tētahi rautaki ā-pūnaha pēnei i te whakawhanaketanga o tētahi whakakitenga paetawhiti mō tā mātau pūnaha whakawhanake kāinga, whare tāone anō hoki.

Waihoki, i te tau nei i tautoko mātau i ngā whakawātanga Wai 2750, me te whakatewhatewha i tā mātau tautuhi anō i te pūnaha whai whare i runga tonu i te mahi tahi ki te Māori.

He mārama te rautaki e whai nei mātau. Te whai wāhi ki te pūnaha whānui, ki ngā wāhi hiahia-nui mō te whai whare, ā, te whai hoki i a MAIHI. E kite ana mātau i ngā hua o te mahi tahi puta noa i te pūnaha, tērā e kitea nei i ā mātau mahi me Te Kaunihera ā-Rohe o Heretaunga me ētahi atu, me tana mahere whai whare ā-wāhi e rutu nei i ngā tatauranga nui katoa mō te pōharatanga ā-whare i Aotearoa. Ko tēnei rautaki e whāia nei, te aro ki ngā hiahia motuhake o ia hapori hei hanga i ngā urupare, kua i tētahi rautaki kotahi noa iho nei mā te katoa, koinei hei tauira mō tā mātau tautoko motuhenga tonu i te tangata me ngā hapori.

He nui ngā āhuatanga kua whakaurua hei whakapakari i te pūnaha kāore i kitea i mua i te whakatūnga o te Manatū, pēnei i ngā utu roa ake mō ngā kāinga tūmatanui, te Tahua Whakahohoro Whai Whare me Te Tauākī Kaupapa Here a te Kāwanatanga mō Te Tūāpapa Kura Kāinga nō nā noa nei whakaputaina ai. Heoi anō, he huarahi roa tonu kei mua i a mātau. E kore e tutuki i te pō kotahi. E raru tonu ana te hunga pōhara, te hunga e mate ana i tō tātau hapori – nō hea i tika tēnei āhuatanga, ā kāti, me huri.

E aro tonu ana mātau ki te whakatutuki i ngā hiahia o Aotearoa – ki te whakaū i te tika o ngā pūnaha kāinga, whare tāone anō hoki, e whai hua ai te katoa. Me mātua whai kāinga mahana, maroke, whakamaru anō hoki te tangata e taea ai e rātau te aro ki te ia rā.

Arahina a rau ringa e tutuki ai te whāinga – ngā hapori tōnui e whai kāinga ai te katoa.

Ngā mihi, nā



development of a long-term vision for our housing and urban development system.

This year we also supported and participated in Wai 2750 hearings, exploring how we reset the housing system in partnership with Māori.

The approach we are taking is sound. Working across the system, in places where housing needs are greatest, and through the Māori and Iwi Housing Innovation (MAIHI) Framework for Action. We are starting to see the benefits from our partnerships across the system, as evidenced by our work with Hastings District Council and others, with its place-based housing plan tackling one of New Zealand's highest rates of housing deprivation. It is this approach, working with the differing needs of each community to create solutions that are meaningful and not 'one size fits all', that is the blueprint for how we will continue to support people and communities.

A number of things have been put in place to strengthen the system that were not there before the Ministry was established, such as longer-term funding for public housing, the Housing Acceleration Fund and the recently released Government Policy Statement on Housing and Urban Development. But we still have a way to go. It is not going to happen overnight. The poorest and most disadvantaged in our society continue to struggle – this situation was never acceptable, and it needs to change.

Our focus continues to be on delivering for New Zealanders – on making sure our housing and urban systems are performing effectively, for the benefit of everyone. People need to have homes that are warm, dry and that provide stability and security, so they can focus on living their lives.

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

Andrew Crisp

Chief Executive – Tumu Whakarae
Te Tūāpapa Kura Kāinga

Te arotakenga o te tau

Our year in review

Since our establishment in 2018, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development has experienced considerable changes to the scope and breadth of our responsibilities. As a new organisation, we've also been adjusting as we've grown.

Te Tūāpapa Kura Kāinga is now responsible for billions of dollars through various funds it administers and has a far bigger implementation role than ever before.

We now have a better understanding of the housing and urban development system in Aotearoa and the role we play within it. We operate in a complex, fast-moving environment and the issues we're dealing with are significant.

Our focus this year included:

Te kaupare me te whakaheke i te kāinga koretanga

Preventing and reducing homelessness

- We continued implementing the actions in the Aotearoa **Homelessness Action Plan**:
 - By February 221, **1,005 new transitional housing places** were delivered, reducing reliance on use of emergency accommodation.
 - The first round of the **Local Innovation and Partnership Fund** allocated \$4.1 million to support seven initiatives, four led by iwi and Māori organisations.
 - We accelerated the expansion of **Sustaining Tenancies** in response to the COVID-19 pandemic, and worked with providers to increase places available in the first year by 600, using funding brought forward from outyears.
 - Through **Te Kāhui Kāinga Ora-led initiatives** we have entered into 65 Māori housing contracts with commitments totalling \$25.9 million through three funds, He Kūkū ki te Kāinga, He Taupua and He Taupae.
- We supported the joint local government, central government, iwi and community taskforce to **improve emergency housing in Rotorua**, including directly contracting suitable motels for emergency accommodation and working to establish a housing hub for wrap-around support services.
- We partnered with Wellington City Mission to set up **Te Pā Pori**, the largest transitional housing facility outside Auckland. Te Pā Pori, which opened in July 2021, provides housing and support for up to 100 manuhiri.



Photo: Kāinga Ora

Te haumi atu ki ngā urupare whakawhanake kāinga, whare tāone anō hoki, e arahina ana e te Māori

- I mahitahi mātau ki Te Puni Kōkiri me Te Matapihi – He Tirohanga Mō te Iwi Trust hei whakawhanake i **Te Rautaki Whai Whare Māori** hou, he mea ahu mai i Te Maihi o te Whare Māori (MAIHI) – He Anga Mahi.
- I whakatū mātau i a **MAIHI me ngā whakahoatanga ā-wāhi i Te Tai Rāwhiti me Te Tai Tokerau**, ki reira mahitahi ai ki ngā iwi, ki ngā rangatōpū ā-rohe me ngā umanga Karauna ā-rohe hei rutu i ngā take tū-roa e pā ana ki ngā kāinga me ngā whare tāone.
- I manaaki tahi mātau ko Te Matapihi – He Tirohanga Mō te Iwi Trust i ngā **Whare Wānanga MAIHI** e rua i matapakitia ai e ngā hoa whai whare Māori me te Karauna te whakapaitia ake o te tautoko i ngā hua whai whare Māori.
- I whakatū mātau i a **Whai Kāinga, Whai Oranga**, he haumitanga whai whare Māori e \$380 miriona te nui, hei whakahohoro i ngā urupare whai whare e arahina ana e te Māori.
- E whakahaere ana mātau i tā te Karauna urupare ki te **Uiui Kaupapa Wai 2750**, e whakatewhatewha nei i ngā kaupapa here me ngā ratonga whai whare Māori. He huarahi tēnei ki te kimi rautaki hei tautuhi anō i te pūnaha whai whare mā te mahitahi ki te Māori. Ka aro te tūāoma tuatahi o te uiui ki ngā kaupapa here a te Karauna mō te kāinga koretanga.

Investing in Māori-driven housing and urban development solutions

- We partnered with Te Puni Kōkiri and Te Matapihi – He Tirohanga Mō te Iwi Trust to develop **MAIHI Ka Ora - National Māori housing strategy**, informed by insights from Māori and Iwi Housing Innovation (MAIHI) Framework for Action.
- We established **MAIHI and place-based partnerships in Te Tairāwhiti and Te Tai Tokerau** where we are working with iwi, local councils and regional Crown agencies to tackle long-standing housing and urban issues.
- We jointly hosted two **MAIHI Whare Wānanga** with Te Matapihi – He Tirohanga Mō te Iwi Trust, which facilitated discussions between Māori housing partners and the Crown about how we can support better Māori housing outcomes.
- We established **Whai Kāinga, Whai Oranga**, a \$380 million investment in Māori housing to accelerate Māori-led housing solutions.
- We are leading the Crown response to the **Wai 2750 Kaupapa Inquiry** into Māori housing policy and services, which is an opportunity to explore how we reset the housing system in partnership with Māori. Stage one of the inquiry covers the Crown's policies relating to homelessness.



Te hanga i ngā kāinga e hāngai ana ki ngā manako o te tangata

Providing homes that meet people's needs

- We continued to **support an increase in public housing** through Kāinga Ora and Community Housing Providers with public housing places increasing from 71,319 to 74,337 over the year.
 - The number of **public housing places increased by 3,018** and the number of **transitional housing places increased by 1,198** over the year.
 - We developed the **Public Housing Plan 2021–2024**, which sets out where the 8,000 additional public and transitional housing places announced in Budget 2020 will go.
 - The **funding settings for Community Housing Providers** were changed to improve the supply of new public houses, particularly in regional areas where the need for public housing is urgent.
 - We are improving the experience of renting through our support of the **Residential Tenancies Act reforms** and the **Healthy Homes standards**, which came into force during 2020/21.
- We are helping 166 families into home ownership through the **Progressive Home Ownership Fund**, including 46 families who have already moved into their new homes. Contracts for the next phase of the Progressive Home Ownership Fund are expected to be announced in early 2021/22.

Te whakapiki i te hanganga o ngā whare utu-pai hei rēti, hei hoko anō hoki

Ensuring more affordable homes are being built for rent and ownership

- We established the **Housing Acceleration Fund** a \$3.8 billion fund to unlock housing development in locations facing the biggest housing supply and affordability challenges. This includes:
 - In July 2021, the Government announced the **Eastern Porirua Large Scale Project** as the first recipient of Housing Acceleration Fund funding with a \$136 million investment to unlock capacity for 2000 homes.
 - In August 2021, applications for Expressions of Interest for the **Infrastructure Acceleration Fund** closed. This is a competitive fund of at least \$1 billion that will unlock housing development in the short to medium term.
- We continued to deliver the **Land for Housing** programme. Contracts for 832 additional homes were agreed in July 2021, adding to the 2,180 homes already delivered or under contract. We worked on establishing the:
 - **Kāinga Ora Land Programme**, through which Kāinga Ora will be supported to borrow an extra \$2 billion to acquire land to increase housing development (including more affordable housing)
 - **refocused Residential Development Response Fund** with \$350 million. The fund, which was established to support construction activity through the COVID-19 pandemic, will instead deliver more affordable housing for rent and home ownership.

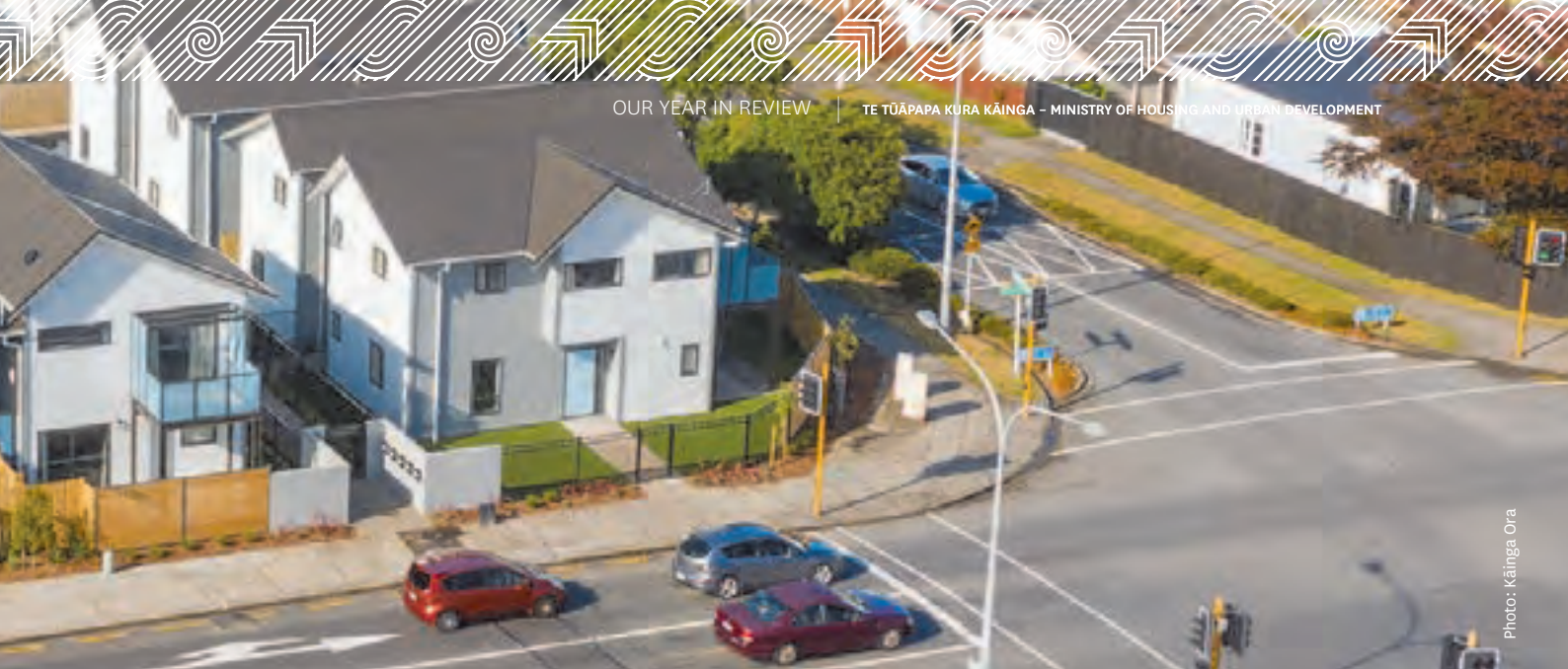


Photo: Kāinga Ora

- We are supporting the implementation of the **National Policy Statement on Urban Development 2020**, which was developed with the Ministry for the Environment to give direction to local councils to better plan for growth in cities and towns.
- We are implementing the **Infrastructure Funding and Financing Act 2020** and the **Urban Development Act 2020**, which provide new ways to unlock housing and urban development projects, alongside our implementation partners Crown Infrastructure Partners and Kāinga Ora – Homes and Communities.

Te hāpai i ngā hapori manawaroa, toitū, manaaki, houkura anō hoki

Supporting resilient, sustainable, inclusive and prosperous communities

- **We developed the Government Policy Statement on Housing and Urban Development**, which was released for public consultation in June 2021.
- Alongside the Ministry for the Environment, we are **supporting the Government's repeal and replacement of the Resource Management Act 1991**. This reform has the potential to address significant drivers of housing supply shortages, improve affordability and support urban development.
- **We are taking a place-based approach**, using our understanding of place to direct how we act, both at a national level and locally.
 - The **Hastings District Council's place-based housing plan** was recognised with the 2021 Local Government New Zealand Excellence Award for Social Wellbeing

and the BERL Award for Collaborative Government Action at the 2021 Local Government Excellence Awards.

- **Continued building Urban Growth Partnerships** with other government agencies, local government and iwi to facilitate urban development at pace and scale. We now have seven urban growth partnerships that have been established or are under development. The seven partnerships are: Auckland, the Hamilton–Auckland corridor, Tauranga–Western Bay of Plenty, Wellington–Horowhenua, Queenstown Lakes, Greater Christchurch, and the Northland–Auckland Corridor.

Te hanga i tētahi hapori wāhi mahi tōnui

Building a thriving workplace community

- In 2020, we brought all our Wellington people together in a single head office at 7 Waterloo Quay. This has created a greater sense of culture and community within Te Tūāpapa Kura Kāinga and has supported better team work and collaboration.
- In May 2021, we launched a programme to build our cultural capability including:
 - **Taukaea** – our Māori language plan
 - **Whare Kōrero** marae-based wānanga
 - **Te Kākano and Tipu** learning programmes.
- In April 2021, we launched **Tuia Te Here Tangata**, our team-based approach to performance and development.

Ngā āhuatanga e tū nei mātau

Our operating
context



Ngā taipitopito mō mātau me ā mātau mahi

Who we are and what we do

Te Tūāpapa Kura Kāinga leads the housing and urban development work programme in Aotearoa. We are responsible for strategy, policy, funding, monitoring and regulation of the housing and urban development system.

We act as stewards or kaitiaki of the housing and urban development system. It's our job to shape a lasting platform that helps communities to thrive.

We're working to:

- address homelessness
- increase public and private housing supply
- modernise rental laws and rental standards
- increase access to affordable housing, for people to rent and buy
- support quality urban development and thriving communities.

We're not doing this alone. We work closely with other central and local government agencies, the housing sector, communities and iwi.

Te Tūāpapa Kura Kāinga

Te Tūāpapa Kura Kāinga, translates to 'the foundation for a treasured home'.

The name comes from the Māori proverb 'he kura kāinga e hokia, he kura tangata e kore e hokia', or 'a treasured home will endure, not so a treasured person'.

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

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

The name was gifted to Te Tūāpapa Kura Kāinga by Kingi Kiriona, a passionate advocate for te reo Māori.



Stephanie
Rowe

Anne
Shaw

Andrew
Crisp

Jenny
Cassie

Kararaina
Calcott-Cribb

Brad
Ward

Te hanganga o te rōpū whakahaere

Our organisational structure

Our leadership team, led by Chief Executive Andrew Crisp, has collective responsibility for the leadership and performance of Te Tūāpapa Kura Kāinga.

This includes shaping our strategic direction and ensuring we are focusing our efforts where they will have the most effect.

The team works together to provide leadership across the housing and urban development system, and holds key relationships with our partners and stakeholders.

Te Tūāpapa Kura Kāinga has five groups each led by a deputy chief executive or tumuaki.

Housing Supply, Response and Partnerships (Deputy Chief Executive: Anne Shaw)

The Housing Supply, Response and Partnerships group works to find, create and fund solutions for everyone in a vulnerable housing situation to live in a place they call home. The group includes both policy and delivery-focused functions, providing advice to the Government on preventing and reducing homelessness, and funding the delivery of public housing, transitional housing, and housing-related support services to tackle homelessness in Aotearoa. The group works closely with other parts of the Ministry and with our partners, including Kāinga Ora – Homes and Communities, community and transitional housing providers, developers, social services, councils and other agencies.

Place-based Policy and Programmes (Deputy Chief Executive: Brad Ward)

The Place-based Policy and Programmes group works with councils, iwi and others based in the community to understand how government policy can influence

housing and urban development outcomes for people and communities around Aotearoa. They help ensure the right resources are effectively targeted to the places that need it most, and to influence national approaches to addressing housing and urban development challenges and opportunities.

Te Kāhui Kāinga Ora (Deputy Chief Executive, Tumuaki: Kararaina Calcott-Cribb)

Te Tūāpapa Kura Kāinga Māori Housing Unit – Te Kāhui Kāinga Ora – leads our focus to boost housing and urban development outcomes for Māori, working closely with Te Puni Kōkiri and Kāinga Ora – Homes and Communities. Te Kāhui Kāinga Ora is also engaging with whānau, hapū, iwi and Māori and with key stakeholders to support those seeking to progress developments and realise their aspirations with housing and urban development.

System Performance (Deputy Chief Executive: Stephanie Rowe)

The System Performance group has a cross-system leadership role. It shapes Te Tūāpapa Kura Kāinga purpose and strategic direction, develops system-wide policy settings, delivers research and insights about the housing and urban development systems, undertakes regulatory oversight and monitoring functions, communicates and engages with the public and our stakeholders, and builds our organisation through enabling our people and culture.

Organisational Performance (Deputy Chief Executive and Chief Legal Advisor: Jenny Cassie)

The Organisational Performance group ensures our decision making, governance and core functions are fit for purpose and support the rest of the organisation in its day-to-day activities. The group includes the legal, finance, procurement, governance, Ministerial services and risk management functions.



Te Tūāpapa Kura Kāinga at a glance

We have 324 employees, an increase of 10 in the past year.

We have offices in Wellington and Auckland and we work across Aotearoa.

We serve four Ministers:

Minister of Housing
Associate Minister of Housing (Public Housing)
Associate Minister of Housing (Māori Housing)
Associate Minister of Housing (Homelessness).



We monitor two organisations:

Kāinga Ora – Homes and Communities
Tāmaki Redevelopment Company Ltd.



We regulate 60 Community Housing Providers through the Community Housing Regulatory Authority.



At 30 June 2021, we were responsible for 12 Acts of Parliament:

- Housing Act 1955
- Housing Accords and Special Housing Areas Act 2013 – this Act was repealed on 16 September 2021
- Housing Assets Transfer Act 1993
- Infrastructure Funding and Financing Act 2020
- Kāinga Ora-Homes and Communities Act 2019
- Public and Community Housing Management Act 1992 – Part 10 only
- Residential Tenancies Act 1986
- Retirement Villages Act 2003 – except section 87(1)
- Riccarton Racecourse Development Enabling Act 2016
- Point England Development Enabling Act 2017
- Unit Titles Act 2010 – except subpart 1 of Part 2 and subpart 1 of Part 4
- Urban Development Act 2020.

We administered the following appropriations in 2020/21:

- Departmental total appropriations – \$74.875 million
- Non-departmental total appropriations – \$2.795 billion.

Our Kaupapa – Our Strategy

Purpose

What we work to create

Thriving communities where everyone has a place to call home

Role

How we fit relative to others

Shape a platform for change

Provide stewardship and kaitiakitanga of the system

Our foundations

The capabilities that underpin our work

System

Connect with our partners and other players in the system. Engage early and often. Make working with others our starting point. Be open and ready to listen to new, radical and innovative ideas.

Partnering with Māori

Engage with Māori, iwi and whānau to deliver housing solutions. The Ministry is committed to embedding a kaupapa Māori approach in the way we work.

Working with and monitoring Kāinga Ora

Support, shape and enable Kāinga Ora to deliver. Work in partnership. Use Kāinga Ora's 'on the ground' experience. Monitor progress and provide assurance to Ministers.

Using evidence and insights

Make the best use of information to guide our work. Understand what is happening in the system to shape our response. Understand the impact of how what we do plays out on the ground.

Taking a place-based approach

Understand how housing and urban development issues play out differently in different places around the country. Design and deliver fit-for-purpose interventions and support local action through collaboration and partnership.



What we want to achieve and how we work

Values

The behaviours that shape the way we work together

Wānangatia – Curiosity, Kōkiritia – Drive, Arohatia – Empathy

Principles

How we approach solving problems and developing solutions

Long-term, System-wide, People-centred, Treaty-anchored, Whenua-based

Our outcomes

What success looks like

Vibrant, flourishing communities

Communities provide homes, education, employment and amenities that meet people's needs in places they want to live in.

Affordable homes for every generation

People are able to buy or rent a home that is sustainable, affordable and meets their needs.

Wellbeing through housing

People have a warm, dry and secure place to live that meets their needs and with access to the support they need.

A self-adjusting system

The system works together and with communities to review, respond and adapt.

Strategic objectives – how we contribute

Increase the development and implementation of joined-up local solutions.

Increase support for iwi and Māori led development.

Improve support for communities to adapt to change and meet the needs of people.

Improve the support available to New Zealanders to rent or buy.

Increase support for iwi and Māori to live as Māori in their places.

Increase the pipeline of affordable housing development.

Improve wellbeing and housing for people who are at risk of, or experiencing, homelessness.

Improve the experience of renting.

Improve access to housing and support services for those in need.

Improve the capacity and capability of the sector/system to deliver.

Increase partnerships and collaboration.

Improve understanding of the system and support evidence-based decisions.

He whakakitenga hou mō te pūnaha whakawhanake kāinga, whare tāone anō hoki

Developing a new
vision for the
housing and urban
development
system



Fundamentally, the housing and urban development system needs to deliver more homes with good access to jobs, education and the facilities communities and local economies need to thrive. We are catching up on decades of under-investment and under-supply. We are responding to the crisis where Māori housing outcomes are disproportionately worse.

E kauneke whakamua ana...

We are making good progress...

Investment has been made to meet the needs of people and increase housing supply. We have also put in place the foundations to support a system approach.

New institutions have been established:

- Te Tūāpapa Kura Kāinga was established to take an end-to-end view across housing and urban development and facilitate action.
- Kāinga Ora – Homes and Communities was established to bring a more cohesive approach to delivering urban development and provide and manage state housing.
- The Infrastructure Commission, Te Waihangā was established to lift strategic infrastructure capability and planning in Aotearoa.

New settings, programmes and funds have been established:

- The Aotearoa **Homelessness Action Plan** outlines an overarching framework and immediate actions to support people in need.
- Te Maihi o te Whare Māori – Māori and Iwi Housing Innovation (MAIHI) Framework for Action drives responses to urgent needs and, where needed, to bring about enduring change for Māori.
- The Urban Growth Agenda establishes a cross portfolio approach to achieving well-functioning and vibrant urban areas.

- New tools will unlock more land for housing development close to jobs, public transport and amenities. They will also support critical infrastructure needed for housing development and the delivery of a wider mix of housing (for ownership and rental) including affordable housing. They are the:
 - Urban Development Act 2020
 - National Policy Statement on Urban Development
 - Infrastructure Funding and Financing Act 2020
 - Infrastructure Acceleration Fund
 - Housing Acceleration Fund funding for Large Scale Projects
 - Kāinga Ora Land Programme and strengthened Land for Housing programme
 - refocused Residential Development Response Fund.

The system is beginning to operate in different ways and produce different results:

- Government, Community Housing Providers, iwi and Māori are working together to deliver more housing places.
- The construction, property developer and investment sectors are responding.
- Government is playing a more active role in unlocking urban development.
- Government and industry are working together through the Construction Sector Accord to support the development of a high performing construction sector.
- Local and central government are taking a more active role in supporting affordable housing in partnership with others.
- Innovative housing solutions around financing, tenure and design are being developed by iwi and Māori, Community Housing Providers and Kāinga Ora.



...heoi anō, arā tonu ētahi wero nui ...but difficult challenges remain

Poor outcomes are still experienced by many

- Increasing house prices and rents are making housing less affordable for first home buyers and renters on low to moderate incomes.
- Under-supply of low-cost housing fuels homelessness, inequality and undermines communities and their economic development. It increases demand for public housing, compromises health, drives child poverty and undermines well being.
- Māori face systemic barriers with Māori home ownership occupation continuing to fall rapidly and Māori communities struggling to deal with the burden of over-crowding, homelessness and dilapidated housing.
- An increasing number of people need temporary or long-term housing support and are in emergency housing. This leads to increased government spending focused on both acute needs and supporting longer-term housing affordability.
- Pacific peoples are also particularly vulnerable to overcrowding and housing affordability stress.

The context and environment continues to change

- Climate change is increasingly affecting towns and cities, for example, 675,000 people live in flood-prone areas, and this number will only grow as flooding events increase in severity and frequency. Adaptation to climate change and the need to reduce greenhouse gas emissions pose significant challenges.

- Future growth and expanding urban footprints place increasing demands on housing and infrastructure. Without careful planning and investment, the demands on these systems may result in insurmountable challenges in the future.
- An aging society and other demographic changes mean we must plan for housing in a variety of typologies that deliver to accessibility requirements and provide adaptable and functional housing.

At the same time, the system's resilience needs to be bolstered to manage unforeseen events and shocks

A robust system is one that can adapt to change and is resilient to shocks. The COVID-19 pandemic has had a significant effect and is causing increased uncertainty for the future, for example:

- the need for housing, including continuing pressure on emergency and transitional housing, even as supply continues to increase
- uncertainty about future housing demand in different places and changing migration patterns
- increased house prices and inequality due to ongoing demand in a supply constrained market.



Kei te whakapakaritia ngā āhuatanga tūāpapa

We are building our foundational capability

We have identified five foundational capabilities that underpin our strategy development, including the Government Policy Statement on Housing and Urban Development and the Māori Housing Strategy.

Working across the system

We connect with our partners and other players in the system. We engage early and often, and make working with others our starting point. We are open and ready to listen to new, radical and innovative ideas.

Partnering with Māori

We engage with Māori, iwi and whānau to deliver housing solutions. We are committed to embedding a kaupapa Māori approach in the way we work.

Taking a place-based and MAIHI approach

We understand how housing and urban development issues play out differently in different places around the country. We design and deliver fit-for-purpose interventions and support local action through collaboration and partnership.

Working with and monitoring Kāinga Ora – Homes and Communities

We support, shape and enable Kāinga Ora to deliver. We work in partnership with Kāinga Ora and use its 'on the ground' experience. We monitor its progress and provide assurance to Ministers.

Using evidence and insights

We make the best use of information to guide our work and help us understand what is happening in the system to shape our responses. We understand the effect of how what we do plays out on the ground.





Te whakawhanake i te Tauākī Kaupapa Here a te Kāwanatanga mō te Whakawhanake Whare, Tāone anō hoki, me te Rautaki Whai Whare Māori a Maihi Ka Ora

Developing the Government Policy Statement on Housing and Urban Development and MAIHI Ka Ora - National Māori housing strategy

A key priority for Te Tūāpapa Kura Kāinga in 2020/21 was the development of the Government Policy Statement on Housing and Urban Development (GPS-HUD), which communicates the Government's long-term vision for the housing and urban development system. The GPS-HUD will:

- build consensus on what people want for the future of housing and urban development, and help align the different players and interests to ensure we get there
- provide direction and support to Kāinga Ora as the Government's lead developer and housing provider
- set out the Government's approach to partnering with Māori, to bring innovation and leadership by Māori for Māori, in line with Te Maihi o te Whare Māori – Māori and Iwi Housing Innovation (MAIHI) Framework for Action

- guide the decisions and actions of all other government agencies involved in housing and urban development
- provide certainty to everyone operating in the system about how the Government will invest and partner in housing and urban development
- provide confidence to all people about their future wellbeing in Aotearoa.

This year, we also worked with Te Puni Kōkiri and Te Matapihi – He Tirohanga Mō te Iwi Trust to develop MAIHI Ka Ora - National Māori housing strategy in partnership with the Māori housing sector. The strategy, which is aligned with the GPS-HUD and Te Maihi o te Whare Māori:

- guides how government will work and where it will focus its energy and resources to improve housing outcomes for Māori
- helps coordinate the efforts of key government agencies to support these goals
- sets out how Māori and the Crown can work in partnership towards these goals.

The GPS-HUD and MAIHI Ka Ora - National Māori housing strategy were released on 28 September 2021.



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

A shared vision for housing
and urban development in
Aotearoa

In the 18 months leading up to the release of the Government Policy Statement on Housing and Urban Development (GPS-HUD) we worked with iwi and Māori, central and local government, agencies from across the housing and urban development system and the public to make sure the Government's direction reflects the needs and aspirations of all New Zealanders.

“Developing the GPS-HUD was about more than writing policy – it was an opportunity engage with all parts of the sector to hear the challenges and opportunities they see, and to start building a consensus on what New Zealand's future should look like.”

The GPS-HUD team held workshops to gather perspectives from more than 120 individuals and organisations, including dedicated sessions for iwi and Māori. Following the workshops, the team invited stakeholders to smaller group sessions to refine their ideas. The insights shared at these meetings informed a discussion document that was released for public consultation in June 2021.

“We were pleased with the response from our stakeholders and the public.”

“There was broad representation from across the sector and across Aotearoa. Through our engagement and consultation some clear themes emerged, which we have used to publish the final GPS-HUD. These insights will help shape future policy, investment and work programmes.”

David Hermans, Kaiaki,
System Performance.

Te kauneke ki ō mātau takune ā-rautaki

Progress towards
our strategic
intentions



photo: Kāinga Ora

Te hua – Ngā hapori tōnui

Outcome – Vibrant flourishing communities

Communities provide homes, education, employment and amenities that meet people's needs in places they want to live in.

We are working to:

- increase the development and implementation of joined-up local solutions
- increase support for iwi and Māori-led development
- improve support for communities to adapt to change and meet the needs of people.

Housing and urban development are essential in the wellbeing and success of Aotearoa. A strong connection exists between the homes and communities that people live in, the opportunities those places afford, and the outcomes that people, and the country, can achieve.

Thriving communities are places where people have affordable, secure, functional and healthy homes with access to education, employment, amenities and services that meet their needs.



Te whai i tētahi rautaki ā-wāhi ki te whakarite i ngā urupare nō te kāinga
Using a place-based approach to develop local solutions

Local leadership and local action are vital to improving the wellbeing of a community and achieving sustainable change.

We take a place-based approach to policy and implementation, including working in partnership with councils, iwi, central government agencies such as Kāinga Ora, and others in the community to develop and implement local solutions.

Our work includes:

- place-based partnerships in Rotorua and Hastings
- MAIHI and place-based approaches in Te Tai Tokerau and Te Tairāwhiti
- building urban growth partnerships.

Te Tūāpapa Kura Kāinga began work in April 2019 with Hastings District Council and other partners on a place-based approach to the city's housing needs. The Hastings place-based housing plan was developed in response to the severe housing shortage in the city. The Council has since developed a medium-term housing strategy and is leading implementation, including demonstration projects, on council-owned land.

This year, the Hastings District Council's place-based housing work with Te Tūāpapa Kura Kāinga and others won two awards:

- The LGNZ Excellence Award for Social Well-being.
- The BERL Award for Collaborative Government Action at the LGFA Taituarā Local Government Excellence Awards.

Te Rākau Taumatua: Te Mahere Whai Whare ā-Wāhi ki Rotorua

Te Rākau Taumatua: Rotorua Housing Place-Based Action Plan

A taskforce set up to address the housing and homelessness challenges in Rotorua has made good progress toward creating an improved environment for whānau in emergency housing and in the wider community.

In March 2021, we began a place-based partnership with the Ministry of Social Development, Kāinga Ora, Te Puni Kōkiri, Rotorua Lakes Council and Te Arawa iwi to identify the challenges facing the region, relieve immediate housing stress and progress longer-term solutions.

“We needed the expertise of all agencies working with iwi and council, who have strong relationships and a unique understanding of their community, to coordinate the right response.”

Jonathon Fraser, Kaiaki, Housing Supply, Response and Partnerships.

The taskforce has made progress on the main actions, including:

- Te Tūāpapa Kura Kāinga contracting 12 motels suitable for whānau with children, supported by Rotorua-based social service providers WERA Aotearoa, Visions of a Helping Hand and Emerge Aotearoa.
- The Ministry of Social Development working with Te Taumata o Ngāti Whakaue to establish a community-led housing hub – Te Pokapū – to place and support people in need of housing, based on a kaupapa Māori approach.
- Kāinga Ora continuing to deliver urgently needed homes and working with Rotorua Lakes Council to identify opportunities to increase housing supply.

Rotorua Lakes Council also see the benefit of a place-based and kaupapa Māori-based approach.

“Enabling sustainable housing development and well-designed, well-connected communities is a key priority for Rotorua Lakes Council, and we know that we’re not going to be able to achieve it alone.”

“Partnerships with Te Arawa, local agencies and the Government are what is needed to help solve the challenges we face as a district, and the work of the taskforce has been a great example of the success that can be achieved when we work together towards a common objective. We’re looking forward to continuing the collaboration to get the long-term positive outcomes for our community.”

Jocelyn Mikaere, Rotorua Lakes Council Deputy Chief Executive Community Wellbeing.

Te Maihi o te Whare Māori

He mea whakarewa a MAIHI i te marama o Akuhata i te tau 2020. He urupare pūnaha paetata, he urupare pūnaha paetawhiti hoki i roto i te MAIHI e hāngai ana ki ngā āputa nui mō ngā Māori i ngā whakataunga whare whānui, ā, e toru ngā ara mahi: Urupare, Arotake, Tautuhi Anō.

Te whakatautika i te pūnaha – he āwhina te Uuii Kaupapa WAI 2750 i ō mātau hononga ki te Māori me te toha mātauranga, mōhiotanga anō hoki e taea ai te:

- **whai urupare** ki te mōreareatanga
- **arotake** i ngā āhuatanga o te pūnaha
- whakawhanake i ngā **tautuhinga anōtanga** kia mauroa, kia toitū, kia ū tonu ki te Tiriti

Mā te **whakatinana i ngā rautaki kaupapa Māori** e hāngai ai ā mātau urupare whai whare ki te Māori, ki te iho tonu o te mōreareatanga, ā, e nonoi ai i ngā urupare mauroa hei whakakaha ake i ngā whānau me ngā hapori.

Mā te **whakapaitia ake o te mahi tahi ki ngā iwi me te Māori** e taea ai te whakaū i ngā rautaki kaupapa Māori, ā, e whakapakaritia ai tō mātau mōhio me tā mātau toro atu ki ngā whānau me ngā hapori. Mā konei e hua ake ai tētahi rautaki ‘ara kotahi’ mā MAIHI e puta ai ngā urupare auaha, motuhake anō hoki.

Mā te **whakapaitia ake o te pūnaha** e taea ai e te Karauna, ngā iwi, te Māori, ngā rangatōpū ā-rohe me te rāngai tūmataiti te whakatōpū mai ō rātau kaha me ā rātau rauemi e tika ai tā te pūnaha aro ki ngā manako o ngā whānau, ki te kāinga koretanga me te whakapai ake i te whakamarutanga whai whare mō te Māori.

Te Maihi o te Whare Māori – Māori and Iwi Housing Innovation (MAIHI) Framework for Action was launched in August 2020. MAIHI includes both urgent and long-term system responses to critical gaps for Māori in mainstream housing solutions, in three workstreams: Respond, Review and Reset.

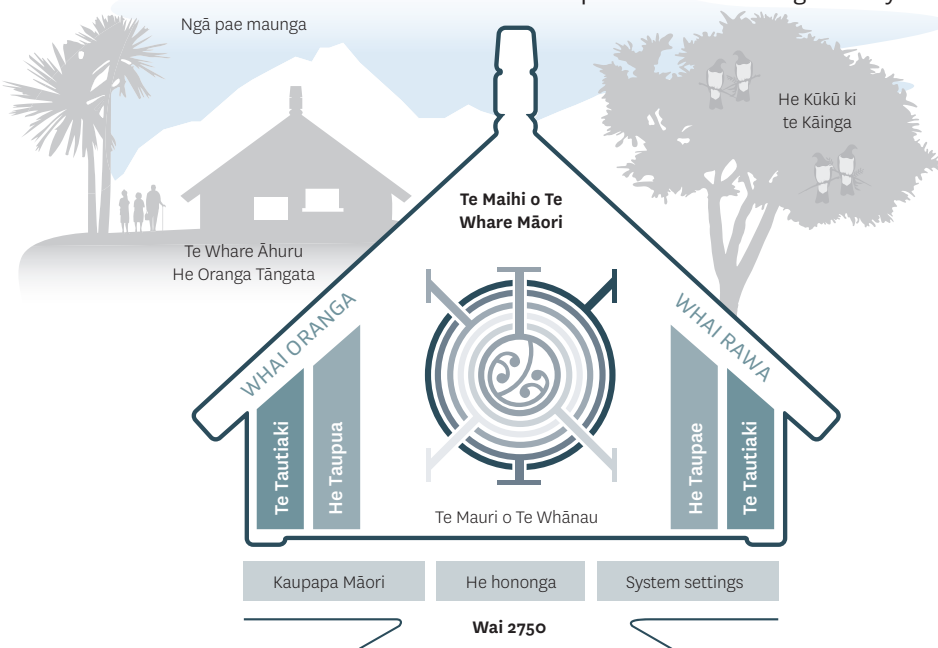
Balancing the system – the WAI 2750 Kaupapa Inquiry will help us build closer relationships with Māori and share knowledge and insights from which we can:

- **respond** to the crisis
- **review** system settings
- develop long-term, sustainable and Treaty-anchored **resets**.

Implementing kaupapa Māori approaches ensures our housing responses are relevant to Māori at the core of the crisis and drive long-term solutions to strengthen whānau and communities.

Improved partnering with iwi and Māori ensures kaupapa Māori approaches can be applied, and strengthens our knowledge and reach to whānau and communities. This opens a ‘one-door’ approach through MAIHI for innovative and bespoke solutions.

Improving the system ensures the Crown, iwi and Māori, local government and the private sector can combine their strength and resources to ensure the system attends to whānau needs, prevents homelessness and improves Māori housing security.



Te whai i tētahi rautaki MAIHI, rautaki ā-wāhi anō hoki

I te tau nei, i whakarewaina e mātau ngā kaupapa e rua mō ngā rautaki MAIHI, ā-wāhi anō hoki, hei whanake i ngā hua whai where i Te Tai Rāwhiti me Te Tai Tokerau.

Te Tairāwhiti

I te marama o Tihema o te tau 2020, i tīmata mātau i te kaupapa mō ngā rautaki MAIHI, ā-wāhi anō hoki hei whakahohoro i ngā hua whai where puta noa i Te Tairāwhiti. I mahitahi mātau ki ō mātau hoa umanga whai where me te ohu ā-iwi o Toitū Tairāwhiti, ki a Manaaki Tairāwhiti (Rau Tipu, Rau Ora) me ngā kaunihera ā-rohe o Tūranga-nui-a-Kiwa me Ōpōtiki.

Kua whakaputa a Toitū Tairāwhiti, he whakatōpūtanga o ngā rōpū ā-iwi e ono nō te nuku o Te Tairāwhiti, i tētahi mahere hei whakawhanake i ngā hua paetata e hāngai ana ki te whai where i ngā wāhi kāore nei e rawaka ngā where.

He mea tautoko ā-pūtea e MAIHI te whakarurutanga o ngā whānau noho pōhara i Raukōkore, i Tūranga-nui-a-Kiwa me Waihirere.

Te Tai Tokerau

I raro i ngā whāinga tōmua ā-rohe e whā mō Te Tai Tokerau, i whakatūngia ai a Whai Kāinga e marama ake ai ngā manako whai kāinga o ngā hāpori puta noa i te rohe, ā, hei hanga hoki i ngā kaupapa mahi hei āwhina i ngā hāpori, i te Māori me ngā iwi, hei whakatutuki i ngā wawata whai kāinga.

E mahi tahi ana mātau ki ngā umanga, ki ngā iwi me te Māori, me ngā rangatōpū ā-rohe hei whakahāngai i ngā kaupapa e whakawhanakehia ana i waenganui i ngā rōpū ā-rohe e tū kē ana, ā, kia pakihiwi tahi ki ētahi rautaki aro-whāiti hou.

He huhua ā mātau kaupapa whai kāinga hou e arahina ana e ngā iwi, e te Māori hoki, e whakawhanakehia ana i te wā nei mā te kaupapa mahi o MAIHI. Kua tautoko ā-pūtea a MAIHI i te whakapakaritanga o te āhei me te wātea mō ngā kaupapa e arahina ana e te hāpori, mā He Taupua. Kua hoatu te pūtea He Taupae hei tautoko i ngā akoranga whaihuanga ā-whenua mō ngā hanganga kāinga, ā, ko te wāhi ki a He Kūkū ki te Kāinga he whakapiki i te nui o ngā kāinga.

Taking a MAIHI and place-based approach

This year, we established two MAIHI and place-based programmes to improve housing outcomes in Te Tairāwhiti and Te Tai Tokerau.

Te Tairāwhiti

In December 2020, we started the MAIHI and place-based programme to accelerate housing outcomes across the East Coast region. We worked with our partner housing agencies, alongside the Toitū Tairāwhiti iwi collective, Manaaki Tairāwhiti (Rau Tipu, Rau Ora) and Gisborne and Otago district councils.

Toitū Tairāwhiti, which comprises six iwi groups that stretch across the East Coast region, has produced a plan to develop immediate housing outcomes where no current supply exists.

MAIHI has delivered funding support to house whānau who were living in deprived settings from Raukōkore, Gisborne and Waihirere.

Te Tai Tokerau

As part of the four regional priorities for Te Tai Tokerau, Whai Kāinga has been established to understand the housing needs of the communities across the region and to build a work programme to help communities, Māori and iwi to deliver on their housing aspirations.

We are working across agencies, with iwi and Māori, and local government to coordinate and align the work programmes being developed between regional groups already operating, and alongside new targeted approaches.

We have several new iwi- and Māori-led housing initiatives under development through the MAIHI work programme. MAIHI has delivered funding to build capability and capacity through He Taupua for community-led projects. He Taupae funding has been provided to support land feasibility studies for housing developments and He Kūkū ki te Kāinga has been provided to increase housing supply.

Te Whakawhanaketanga o Whai Kāinga, Whai Oranga

He oati \$380 miriona a Whai Kāinga, Whai Oranga, ka tohaina i roto i ngā tau e whā nō te Tahua o 2021. Mā tēnei kaupapa nā Te Tūāpapa Kura Kāinga me Te Puni Kōkiri e kitea ai te hanganga o ngā whare hou me ngā whakatikahanga ki ngā whare e tū kē ana mō te Māori puta noa i Aotearoa.

Ko tā te haumitanga he whakahohoro i ngā urupare whai kāinga e arahina ana e te Māori. Hei āpiti atu ki te haumitanga, e \$350 miriona mō ngā Hanganga Māori mai i te Tahua Whakahohoro Whai Whare.

Ka taunaki tēnei haumitanga i te mahi tahi a te Kāwanatanga, a te Māori me ngā iwi hei tautoko i ngā whānau, i ngā hapū me ngā iwi mā te:

- hanga i ngā whare hou kia tū ai hei papakāinga, hei whare rēti utu-pai, me ngā kāinga hei nohonga mō te kaihoko
- whakawātea i ngā whenua Māori mō ngā whare mā roto mai i ngā haumitanga hanganga
- whakatika i ngā whare kua hokona e te Māori ki ngā wāhi hiahia-nui, kia whai tuanui tonu ai i ngā whānau kōhuki nui i te āhua ki te whai whare i te wā e hangā, e tukua atu ana hoki ētahi whare anō.
- whakapiki i te āheinga o te Māori me ngā iwi ki te whakahohoro i ngā kaupapa whai kāinga me te whakatū i ngā ratonga tautoko.

Ka tukua atu ngā taunakitanga me ngā haumitanga mā MAIHI, kia kotahi ai te Māori, ngā iwi me te Karauna hei hoa haere kōtui.

Development of Whai Kāinga, Whai Oranga

Whai Kāinga, Whai Oranga is a commitment of \$380 million over four years in Budget 2021. This joint initiative between Te Tūāpapa Kura Kāinga and Te Puni Kōkiri will see the delivery of new housing and repairs to existing stock for Māori across Aotearoa.

The investment is about accelerating Māori-led housing solutions. The investment is complemented by \$350 million for Māori Infrastructure from the Housing Acceleration Fund.

This investment will support the Government and Māori and iwi to work together to support whānau, hapū and iwi through:

- building new housing that provide papakāinga housing, affordable rentals and owner-occupied housing
- unlocking whenua Māori for housing through infrastructure investment
- undertaking repairs to Māori-owned homes in areas of high housing need, to keep whānau with high housing stress housed while more houses are built and delivered
- building the capability of Māori and iwi to accelerate housing projects and provide support services.

Support and investment will be delivered through MAIHI, which brings Māori, iwi and the Crown together in a working partnership.



E whakaatu ana ngā whare hiko-kōmaru i Raukōkore i te whai hua o te mahi tahi ki te iwi

E tukua wawetia ana ngā whare hou mā te whakamahi i ngā kāinga nekeneke a Built Smart. Ka hangā ki Rāhui Pōkeka, ka kawea ai ki Raukōkore, kei te takiwā o Whangaparāoa. Ka tae atu ngā kāinga, kua pareārai katoatia, ā, kei te honoa ki tētahi pūkomaru hou hei whakakapi i te wāhi ki ngā pukuhi-ko hinumata.

Ko ngā whānau e hūnuku ana ki ngā kāinga Built Smart i te noho kē ki tētahi poutāpeta pākarukaru. He kāinga rētihia-kia-hokona ngā whare ki Raukōkore, he ara e taea ai te hoko whare. Ko te wā o te takurua te kaupeka uaua katoa, he nui nō te utu ā-hinu ki te whakamahana i te whare.

I to tōmua o te tau 2021/22, kua 16 ngā kāinga hou kua tukua, ā, e waru ngā whakahoutanga.

Ko te wāhi ki a MAIHI he mahi tahi ki te Māori. Nāna e mahi tahi nei mātau, puta noa i te kāwanatanga, hei taunaki i tētahi rautaki whakaaro tahi hei hanga i ngā urupare whai whare ki ngā iwi me te Māori.

I whakahoahoa Te Whānau a Maruhaeremuri Hapū Trust me Maru Ora Ltd ki ngā umanga ā-Karauna pēnei i Te Tūāpapa Kura Kāinga, i a Hīkina Whakatutuki (tērā i taunaki i te pūkomaru e 40 kirowati te nui) me Te Puni Kōkiri, hei whanake i ngā hua whai whare, ngā hua pūngao, ngā hua ōhanga anō hoki mō tō rātau iwi.

E hokihoi ana ngā whānau ki te rohe kia haumarua ai i te mate urutā KOWHEORI-19, ā, he wātea hoki nō ngā tūranga mahi pēnei i ngā mahi oro rākau, te metarahi me aua momo ahumahi katoa.

Raukōkore solar-powered housing highlights effective partnership with iwi

New housing is being delivered in record time by using relocatable Built Smart homes constructed in Huntly and transported to Raukōkore, which is close to the East Cape. The homes arrive fully insulated and are being connected to a new solar plant, replacing costly diesel generators.

Whānau moving into one Built Smart home had been living in a run-down post office building. The housing at Raukōkore is rent-to-own, providing a pathway to home ownership. Winter has been the toughest season because of the cost of fuel for heating.

In early 2021/22, 16 new homes and eight renovations will have been delivered.

MAIHI is about working in partnership with Māori. It requires us to work collaboratively across government to support a cohesive and coordinated approach to delivering housing solutions with iwi and Māori.

Te Whānau a Maruhaeremuri Hapū Trust and Maru Ora Ltd partnered with Crown agencies, including Te Tūāpapa Kura Kāinga, the Ministry of Business, Innovation and Employment (which supported the 40 kilowatt solar plant) and Te Puni Kōkiri, to lift housing, energy and economic outcomes for their people.

Whānau have been returning to the rohe out of a sense of safety from the COVID-19 pandemic and because jobs are available, ranging from orcharding to engineering and related industries.



Ngā Haumitanga

Ka whakahaere Te Tūāpapa Kura Kāinga i ngā tahua e toru hei whakamana i a MAIHI:

- Te Tahua He Taupua – hei whakapakari i te āhei me te wātea o ngā ratonga whai kāinga Māori
- Te Tahua He Kūkū ki te Kāinga – hei takohatanga ki ngā kaupapa whakapiki i te nui o ngā whare
- Te Tahua He Taupae – hei whakapakari i te āhei ā-hangarau o ngā rōpū whakahaere Māori e whai wāhi atu ana ki te whakapikinga o te nui o ngā whare.

I te 30 o Hune 2021:

- i whakaputua he haumitanga ki ngā kaupapa whai whare Māori e 64 mā ngā tahua e toru, ā, e \$25.8 miriona te wāriu
- kua taunaki ngā pūtea i te whakapikinga o ngā whare Māori mā ngā kāinga e 59 ā mohoa nei.

Investments

Te Tūāpapa Kura Kāinga administers three funds to give effect to MAIHI:

- He Taupua Fund – to strengthen Māori housing providers' capability and capacity
- He Kūkū ki te Kāinga Fund – to contribute to increasing housing supply projects
- He Taupae Fund – to build the technical capability of Māori organisations that are contributing to increasing housing supply.

At 30 June 2021:

- investments were in 64 Māori housing projects worth \$25.8 million through the three funds
- funding has supported the increase of Māori housing supply by 59 houses.

Ngā Whare Wānanga MAIHI

E rua ngā Whare Wānanga MAIHI i tū i ngā tau 2020/21, i whakakotahi nei i ngā iwi me te Māori, me ngā ratonga whai kāinga nō te nuku o te motu hei waihanga-tahi i ngā urupare.

“He āhuatanga nui o te kaupapa MAIHI te kōrero ā-kanohi ki te kanohi atu ki ō mātau hoa haere kōtuiti.”

“I raro i tō te Manatū mana kōkiri, e ū ana mātau kia tautuhi anō i te pūnaha whai kāinga, nā reira he mea nui kia noho te Māori ki te iho o tēnei mahi. Nā wai i hirahira, ka hirahira rawa atu tētahi ahunga mārakerake i runga tonu i te mahi tahi ki ngā iwi me te Māori e mau mai nei i te auahatanga me te ārahitanga”

Kararaina Calcott-Cribb, Pou Whakarae
Tuarua, Tumuaki – Te Kāhui Kāinga Ora.

I raro i a MAIHI, me mahitahi Te Tūāpapa Kura Kāinga ki te kāwanatanga whānui mā tētahi rautaki ara-kotahi hei whakapiki i te nui o ngā kāinga e hāngai ana ki ngā manako o ngā whānau, hei whakakore i te kāinga koretanga, ā, hei whanake i te whakamarutanga whai kāinga o te Māori.

I matapakitia tētahi rautaki whai kāinga Māori i te wānanga. He huarahi te whakawhanaketanga o tētahi rautaki hou hei whakaahua ake i ngā whāinga tōmua mō te whai kāinga a te Māori mō te 30 tau e haere nei.

He mea manaaki tahi te Whare Wānanga e Te Tūāpapa Kura Kāinga me Te Matapihi – He Tirohanga Mō te Iwi Trust. Ka tū i ia ono marama tae noa ki te marama o Hune 2022, kātahi ka tū kē ai i ia tau hei whakahaere i te mahi tahi ki ngā iwi me te Māori mō te whakaea i a MAIHI.

MAIHI Whare Wānanga

MAIHI Whare Wānanga were held twice in 2020/21, bringing together iwi and Māori and housing providers from across the motu to co-design solutions.

“Engaging with our partners kanohi ki te kanohi is an important aspect of the MAIHI kaupapa.”

“As part of our Ministry’s mandate, we’re serious about resetting the housing system, so it is critical that Māori are at the heart of this reset. Now, more than ever, we need to have a clear direction in partnership with iwi and Māori who bring innovation and leadership”

Kararaina Calcott-Cribb, Deputy
Chief Executive, Tumuaki – Te Kāhui
Kāinga Ora.

MAIHI requires that Te Tūāpapa Kura Kāinga works collaboratively across government through a one-door approach to increase housing supply that attends to whānau needs, prevents homelessness and works to improve Māori housing security.

A new Māori housing strategy was discussed at the wānanga. The development of a new strategy is an opportunity to shape Māori housing priorities for the next 30 years.

The Whare Wānanga is jointly hosted by Te Tūāpapa Kura Kāinga and Te Matapihi – He Tirohanga Mō te Iwi Trust. It is held on a six-monthly basis until June 2022 and then annually to facilitate the partnership with iwi and Māori in terms of delivering on MAIHI.

Te hanga i ngā whakahoatanga whakatipu tāone

Building urban growth partnerships

Since 2018, as part of the Government's Urban Growth Agenda, we have been building urban growth partnerships with central and local government and iwi in Aotearoa's fastest growing urban areas. The partnerships provide forums for engagement and collaboration between central government, local councils and mana whenua on the strategic issues that our high growth urban areas are facing.

Joint spatial plans and associated joint work programmes are important outputs of urban growth partnerships. Joint spatial plans provide a long-term, place-based framework for the development of an

area, identifying how and where urban growth will be accommodated and the infrastructure needed. These plans can include more detailed information on priority development areas, land use planning initiatives (eg, zoning reform), preparation and integration of transport business cases, development of financing tools and identification of large-scale projects (eg, for delivery by Kāinga Ora). Projects may span 10 to 50-plus years.

In 2020/21, the number of established urban growth partnerships increased from two to five. We are also exploring two more emerging partnerships.

Partnership	Achievements in the past year
Established urban growth partnerships	
Auckland	Over the past year, the partnership has helped shape significant funding decisions such as Shovel Ready, the Auckland Transport Alignment Project and the New Zealand Upgrade Programme revisions. Joint spatial priority areas have been established, which has helped the partnership prioritise the 70-plus development areas outlined in the Auckland Plan. This will help provide certainty for significant public sector-led housing and urban development projects in the region.
Hamilton–Auckland Corridor	The partnership has begun implementing the National Policy Statement on Urban Development and joint spatial plan. New funding and financing tools, such as the Provincial Growth Fund and Shovel Ready, have been used to accelerate growth in Ruakura.
Tauranga–Western Bay of Plenty	In 2020, the Crown formally joined the Smart Growth partnership, which is progressing the implementation of the Urban Form and Transport Initiative through the drafting of a joint spatial plan. The partnership is accelerating the pace and scale of housing through the first-ever Joint Housing Action Plan and Priority Development Area task force.
Wellington–Horowhenua	The Wellington Regional Leadership Committee was established in July 2021. Implementation of the partnership's joint spatial plan and three-year work programme has started.
Queenstown Lakes	We have established the Grow Well Whaiora Partnership, formalising our urban growth partnership with Queenstown Lakes District Council and Kāi Tahu. We have completed a draft joint spatial plan, informed by public consultation and engagement with stakeholders.

Partnership	Achievements in the past year
Emerging urban growth partnerships	
Greater Christchurch	We are engaging with the Greater Christchurch Partnership to assess the merits of forming an urban growth partnership, building on the existing established partnership of local government, iwi and other Crown agencies.
Northland–Auckland Corridor	In the past year, we have done early scoping work for the Northland to Auckland corridor (N2A). Work is progressing to determine how a future partnership can operate under Whai Kāinga – a Ministry of Social Development regional priority. The N2A work programme under Whai Kāinga will identify opportunities for affordable housing and joint spatial planning in areas where transport projects and other regional initiatives are under way. This will help councils prepare for the upcoming reforms to the resource management system (regional spatial strategies as part of the proposed Strategic Planning Act).

Te Komiti Wellington Regional Leadership – he tauira o te whakahoatanga whakatipu tāone

Wellington Regional Leadership Committee – an urban growth partnership example

The Wellington Regional Leadership Committee (the Committee) was established in July 2021. It is the largest urban growth partnership and comprises two Ministers, 10 local councils and seven iwi partners from the Wellington-Wairarapa-Horowhenua region. The committee provides leadership on regionally significant matters, such as housing and urban development, and oversees the implementation of the partnership's joint spatial plan *The Wellington Regional Growth Framework*.

The joint spatial plan identifies how the region could accommodate an additional 200,000 people and 100,000 additional jobs over the next 30 years. It also addresses challenges, such as affordable housing, natural hazards, climate change and equitable access to social, educational and employment opportunities.

A future project for the partnership will be building the capacity and capability of the iwi partners. This will involve central and local government supporting iwi and Māori participation, sharing spatial planning knowledge and applying Māori values to the implementation of joint work.



Te hua – Te oranga mā roto mai i te whai whare

Outcome – Wellbeing through housing

Everybody should have a warm, dry and secure place to live that meets their needs and with access to the support they need.

We are working to:

- improve wellbeing and housing for people who are at risk or experiencing homelessness
- improve access to housing and support services for those in need
- improve the experience of renting.

Te Rautaki Whakatika i te Kāinga Koretanga i Aotearoa

Aotearoa Homelessness Action Plan

The Aotearoa Homelessness Action Plan (HAP) was released in February 2020, to deliver on the Government's vision that homelessness is prevented where possible, or is rare, brief and non-recurring. The HAP sets out 18 immediate and 18 longer term actions in four main focus areas: **prevention, supply, support and system enablers**. Te Tūāpapa Kura Kāinga is responsible for 10 of the 18 immediate actions in the HAP. Through the HAP's immediate actions, the Government aims to support over 10,000 people at risk of or experiencing homelessness between 2020 and 2023.

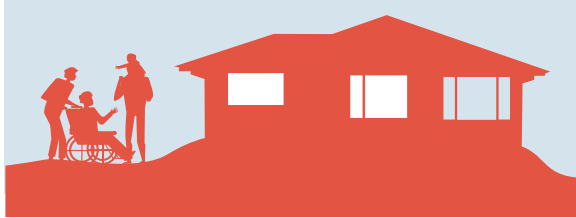
Six guiding principles underpin the HAP:

- **Te Tiriti o Waitangi** – The Government's role, as Treaty partner, is to work with and support Māori to deliver solutions for Māori, and to empower local communities to achieve Māori housing and wellbeing outcomes.

- **Whānau-centred and strengths-based** – In relation to homelessness, a whānau-centred approach means addressing individual needs within the context of that individual's whānau, relationships, support networks, community and connection to place.
- **Focus on stable homes and wellbeing** – Preventing and reducing homelessness involves looking past the short-term approach of responding to an immediate crisis to providing long-term sustainable housing solutions.
- **Kaupapa Māori approaches** – These approaches, informed by MAIHI, are embedded within this plan and throughout its delivery of actions. This means delivering actions in ways that show kaupapa Māori principles and support whānau Māori to find and keep safe, secure, healthy and affordable housing to reduce the numbers of Māori who are becoming homeless.
- **Supporting and enabling local approaches** – The HAP supports local communities to address the homelessness issues they face in ways that respond to their different needs and builds on responses already in place.
- **A joined-up approach across agencies and communities** – Addressing homelessness requires true partnerships and systems of support and housing to be functioning well in inclusive and equitable ways.

Ngā kauneketanga o ngā mahi paetata

Our progress on the immediate actions



Prevention

Prevention actions work to ensure individuals and whānau receive the support they need so that homelessness stops happening in the first place.



Supply

Immediate and longer-term supply actions will focus on increasing our supply of different types of housing, with a focus on working with Māori Community Housing Providers and other Māori and iwi providers.

Kauparetanga

Prevention

Partner with Māori, iwi, hapū and marae to prevent homelessness – We are continuing to work with iwi and hapū groups that own or have access to whenua Māori, including:

- investment in Te Rūnanga o Whaingaroa Mahi Taha Taha Project placing 12 self-contained cabins in the mid-to-far North for use as transitional mobile homes
- investment in Te Whānau a Maruhaeremuri Hei Kāinga mo Maru Project, which involved relocating and refurbishing three homes on freehold Māori whenua, completing full services to five homes, enabling the development of wrap-around housing support services through a kaupapa Māori-based approach, and the appointment of a project manager and arrangement of contracts with required tradespeople.

The He Taupua funding round administered by MAIHI closed in November 2020, with 36 applicants being awarded funding. These investments will support the implementation of MAIHI by strengthening the delivery of kaupapa Māori approaches, through building the capability of whānau and Ahuwhenua Trusts, hapū, iwi and registered Māori housing providers.

Redesign and expand Sustaining Tenancies

This funds community-based providers to deliver individualised support for up to 12 months for individuals and whānau who are housed but are at risk of losing their tenancies.

All 33 successful providers have begun delivering the redesigned Sustaining Tenancies service. From 1 July 2020, 2,081 places were contracted. As at 30 June 2021, 1,750 people had been accepted into the Sustaining Tenancies service, 1,084 households were engaged in the service and 313 households had successfully completed the service.

Putunga

Supply

Urgently increase supply to reduce the use of emergency accommodation – This action was to deliver 1,000 new transitional housing places by the end of 2020, to reduce demand for emergency motel accommodation. The target was achieved in February 2021, with 1,005 places made available across Aotearoa. Most of these new transitional housing places (605) are for families with children. The remaining places will help to support singles or couples, particularly those with high and complex needs. Forty-three percent of the extra transitional places are in newly constructed homes.

Support Māori Community Housing Providers and other Māori and iwi providers

– Since August 2020, Te Tūāpapa Kura Kāinga has funded 65 projects, supported by MAIHI and the HAP. These are helping Māori and iwi providers to increase housing supply and build capability within their housing organisations, including:

- investment in an iwi social housing project that provides wrap-around support that attends to homelessness
- support for the necessary investigations, project establishment, feasibility concept



Support

Through the action plan, more support will be provided for individuals, families and whānau experiencing homelessness to move as quickly as possible into stable accommodation and access wider social agencies.

- design, building consents, resource consents and financial feasibility needed for funding applications to support the building of six homes
- help to support project management of a hapū social housing project using a kaupapa Māori approach to working with whānau to increase housing supply and help address homelessness.

Taunaki Support

Pilot a rapid rehousing approach – This aims to help individuals and whānau quickly exit homelessness, return to permanent housing in the community, and maintain tenancies. The pilot is targeted towards individuals and whānau who have a low to medium complexity of social service needs.

As at 30 June 2021, 540 households had been engaged in the service and 153 households had been rehoused.

Whakamanatanga i te pūnaha System enablers

Create a local innovation and partnership fund – This is to support the development and implementation of local initiatives that respond to and prevent homelessness. The first round of funding was announced on 26 March 2021, with \$4.1 million being invested in seven initiatives.

Four initiatives are led by iwi and Māori organisations (receiving around 75 percent of the funding invested), two focus on the Rainbow community and one addresses youth homelessness. Several applications address the needs of people affected by long-term



System Enablers

Preventing and reducing homelessness, requires everyone to work together to respond to the different challenges faced in communities around New Zealand.

homelessness and offer strategies to disrupt the cycle of homelessness for communities that experience discrimination and isolation. Others focus on building capability and capacity, increasing Māori leadership or developing local strategies to respond to homelessness.

Build capacity and capability of Māori providers

– Māori housing providers are central to an effective homelessness response. We continue to support iwi and Māori providers and organisations with funding to build capability.

Enable and support kaupapa Māori approaches to homelessness – Funding has been granted to Māori providers that are delivering kaupapa Māori services and programmes that attend to homelessness.

The contracts are progressing well and continue to provide support to whānau Māori. We are socialising MAIHI and the value of kaupapa Māori approaches with other agencies involved in implementing the HAP.

Ongoing involvement of people with lived experience of homelessness – This initiative aims to establish a credible, long-term platform for engagement with people with lived experience of homelessness, to review HAP progress and help shape future HAP initiatives.

We have worked with Homelessness Sector Services, formed by Community Housing Aotearoa and Te Matapihi – He Tirohanga Mō te Iwi Trust, on establishing the main principles underlying this initiative, considerate of the sensitive nature of engagement required. We will continue to work together on a plan for implementation.

Improve evidence and data on homelessness

– This initiative aims to deliver a comprehensive, fit-for-purpose, evidence and data system for homelessness. Our work towards this in the year to June 2021 has included:

- updating the 2018 Severe Housing Deprivation estimate, adding information on uninhabitable housing
- planning and initiating monitoring and evaluation for Te Tūāpapa Kura Kāinga-led HAP initiatives
- developing a review and evaluation plan for the overall HAP
- developing the high-level work programme for the initiative.

Kei te whakawhanakehia hoki ētahi mahi paetawhiti

Longer term actions are also being developed

The HAP provides a road map for developing long-term solutions that will build on and support the work already under way. The long-term actions and future phases of the HAP recognise the need for collective and sustained action to address homelessness.

We will continue building on partnerships with providers and communities to improve local homelessness systems and develop tailored responses. We also need to continue to embed the HAP framework and principles across our homelessness work, particularly in supporting Māori responses and joining up approaches across the system.

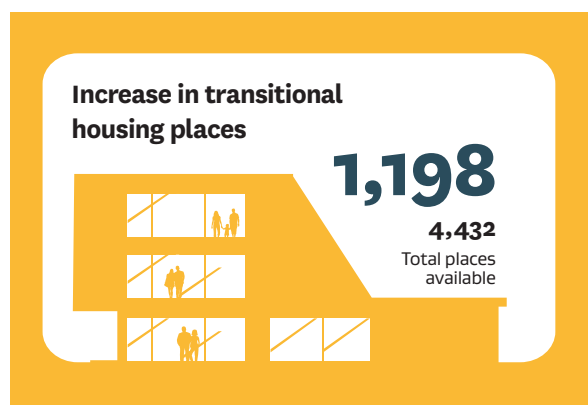


Te mahitahi ki te whakapiki i ngā kāinga tūmatanui me ngā kāinga tauwhirowhiro

Partnering to increase the supply of public and transitional housing

Working with Kāinga Ora and the community housing sector, this year we delivered more public and transitional housing than in any other year:

- the number of public housing places has increased by 3,018, half as much again as the increase over the previous year
- the number of transitional housing places has increased by 1,198, more than double the increase over the previous year.



What is public and transitional housing?

Public housing gives families, whānau and individuals an affordable home with security of tenure. Public housing is housing owned by the Crown (Kāinga Ora – Homes and Communities) or Community Housing Providers. People are placed in public housing when they are in severe need of housing support. This comes in the form of an income-related rent subsidy paid by the Ministry of Social Development to the housing provider. At 30 June 2021, 24,475 people were on the Housing Register, which shows the number who have applied and are eligible for public housing.

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

Te whakahou i te Mahere Whare Tūmatanui me te whakatutuki tonu Updating the Public Housing Plan and continuing to deliver

The Public Housing Plan 2021–2024 is the key response to increasing demand for public housing over the next four years. More public houses need to be built as quickly as possible, so people can move into them and off the Housing Register. The Plan focuses on building new homes, with Kāinga Ora leading the delivery. We are also partnering with Community Housing Providers (CHPs), iwi and Māori, and local government to address housing shortages.

The 8,000 places in the Public Housing Plan 2021–2024 are in addition to the 6,400 public housing places currently being built, in the pipeline or already delivered under the Public Housing Plan 2018–2022, and the 1,000 transitional housing places delivered under the HAP.

The Public Housing Plan takes a place-based and MAIHI approach to respond to different housing needs especially for Māori. It concentrates on locations where an urgent need exists for public housing. While public and transitional houses will continue to be delivered across Aotearoa, the focus will be on Northland, Hamilton, Bay of Plenty, Gisborne, Napier, Hastings, Palmerston North and Whanganui.

At 30 June 2021:

- 7,306 public housing places had been delivered against the target of 6,400 additional public housing places by June 2022, exceeding the target with one year remaining¹
- 607 transitional housing places (30 percent) had been delivered against the target of 2,000 additional places by June 2022. This follows the addition of 1,005 transitional housing places that were made available by 9 February 2021 under the HAP.

Te Kaupapa Housing First Housing First

Housing First is a collective response to homelessness in a community. The service helps place people into housing and provides tailored support for as long as it is needed, helping them remain housed and addressing the issues that led to their homelessness. Housing First recognises it is much easier for people to address complex needs, such as mental health and addiction, once they are housed.

Our role is to bring together local health and social service providers, housing providers, local government, iwi and other agencies to kickstart and contract delivery of the programme. During the year, an evaluation of Housing First began that will consider its effectiveness. This is a phased review due to be completed in December 2022.

Since its inception in 2016, 3,707 households have been accepted into the Housing First programme and it has been expanded from Auckland into 10 further locations.

At 30 June 2021:

- 2,018 households were engaged in the Housing First programme and were receiving support, of which:
 - 1,237 were housed
 - 781 were not currently in housing
- 111 households had been housed and graduated the programme.

Our goal is 2,875 Housing First places by June 2025.

In response to the elevated need brought on by the COVID-19 pandemic, we accelerated the delivery of Housing First, bringing forward 700 places during the high-need period by working with providers to increase their capacity to deliver. Budget 2021 provided funding for the continued support of this programme.

¹ This includes homes delivered for the Housing First, Rapid Rehousing and Creating Positive Pathways programmes. The number of places delivered by June 2022 will far exceed the intended 6,400

Te tautoko i te whai whare a ngā taurewa

Providing housing for resettling refugees

The Government agreed to fund extra public housing and tenancy support for refugees, to accommodate an increase in the refugee quota from July 2020. We are working with Kāinga Ora and CHPs to deliver between 520 and 580 public housing places across 14 locations over three years. These places are in addition to our commitments under the Public Housing Plans.

While the Refugee Quota Programme has been affected by the COVID-19 pandemic, delivery of public housing places, which started in 2019/20, is well under way, with the first full year of delivery completed in 2020/21. At 30 June 2021, 327 places have been delivered towards the three-year target of 520–580. Over the next two years, delivery will focus on regional towns to ensure targets in all 14 locations, as well as the overall target, are met.

Te Hanga i ngā Ara Huapai

Creating Positive Pathways

People who leave prison with no access to stable housing are at high risk of both homelessness and reoffending.

In collaboration with the Ministry of Social Development and the Department of Corrections, we are continuing to trial an initiative that houses and supports people who have left prison to reintegrate into the community.

Te papa whare tauwhirowhiro o Te Pā Pori

Te Pā Pori transitional housing complex

The partnership with Wellington City Mission expanded this year, with the opening of Te Pā Pori, the largest transitional housing facility outside of Auckland. It can provide housing and support for up to 100 manuhiri (guests) and adds to the support offered for homeless people in central Wellington. Te Pā Pori follows the Mission's Te Pūnaha Pā (shelter on the journey) approach as a transitional housing provider, with support including counselling, budgeting, health, employment and housing advice. It is the Mission's fourth transitional housing facility, with work under way on a fifth.

“Wellington City Mission has a great track record of supporting people to get into permanent housing and back on their feet and we're delighted to be partnering with them.”

“We acknowledge there's so much more that needs to be done to support vulnerable people in our communities. This is another great example.”

Anne Shaw, Deputy Chief Executive – Housing Supply, Response and Partnerships.

During the year we reached the Government target of delivering 1,000 new transitional housing places with funding from the **Homelessness Action Plan**. We're now working towards our next target, delivering another 2,000 additional transitional housing places by June 2022.

Te taunaki i ngā Ratonga Whare Hapori

Supporting Community Housing Providers

Community Housing Providers play an integral role in delivering public housing and improving housing outcomes for people in urgent need of support. The sector has brought on significant numbers of new public houses in recent years and has a strong pipeline of projects planned or under construction. The following changes have been made to funding settings so CHPs can bring on new public housing supply:

- replacing market rent setting maxima with a principles-based approach to assessing market rent, to improve the feasibility of potential CHP development opportunities
- increasing the Operating Supplement (subsidy) cap to 100 percent of market rent in regions and smaller areas to enable delivery of new supply in places where market rents are lower
- substantial funding for upfront payments of the Operating Supplement, paid at an early stage of the development process, to enable new developments to progress that would otherwise not go ahead.

These changes will help CHPs to focus on delivering new build public housing in locations where Kāinga Ora has a limited presence, delivering for specific groups and in locations where significant additional supply is needed or CHPs have land. We also want to support more of the innovative partnerships CHPs have been developing with organisations such as Community Finance.



Te utu i ngā whare o Salvation Army

Funding Salvation Army developments

Innovative funding helped get two new Salvation Army developments started at Westgate and Flatbush, delivering 68 new public housing places for Aucklanders, their whānau and tamariki.

While much of the operating funding for the developments was provided by Te Tūāpapa Kura Kāinga, the projects got off to a quick start with initial funding from the Salvation Army and an impact investment through the Salvation Army Community Bond.

This was the first such bond arranged by Community Finance, an impact investment platform that is committed to driving growth in community housing. Funders like Community Finance provide a source of finance to Community Housing Providers, which sometimes struggle to meet criteria for conventional bank loans while they build scale.

“Innovative financing has a key role to play in helping speed up delivery of public housing for partners such as the Salvation Army.”

“This is a win-win for all parties – the community housing provider gets access to the capital to build more homes and investors get a competitive return while knowing the funds are being used to address housing needs in the community.”

Anne Shaw, Deputy Chief Executive
– Housing Supply, Response and Partnerships.

Te whanake i te wheako rēti whare

Improving the experience of renting

Te Whakahoutanga o te Ture Rēti Whare

Residential Tenancies Act reform

The Residential Tenancies Amendment Act 2020 was passed in August 2020, making various changes to the Residential Tenancies Act 1986 to improve tenants' security and stability while protecting landlords' interests. The reform was undertaken to modernise rental laws and align them with the present-day reality of renting. Most of the changes came into force on 11 February 2021 and included:

- improving security of rental tenure by removing 'no cause' terminations for periodic tenancies and replacing them with a list of justified reasons that landlords can use to end periodic tenancies
- providing that fixed-term tenancies convert to periodic tenancies upon expiry unless the parties agree otherwise, the tenant gives notice, or the landlord gives notice using one of the justified reasons; if a reason doesn't apply, the landlord cannot terminate the tenancy
- limiting rent increases to once every 12 months (this change came into effect on 12 August 2020)
- prohibiting landlords from seeking rental bids.

The reforms also strengthened enforcement measures and provided for better name suppression in the Tenancy Tribunal.

As part of the Act's reform, empowering provisions enable regulations to be made that will support:

- tenants who are experiencing family violence to withdraw from their tenancies at short notice so they can seek safety
- landlords to terminate tenancies with two weeks' notice if a tenant physically assaults the landlord or another specified party and the Police file a charge relating to the assault.

We expect to take final policy decisions on these regulations to Cabinet this year.

Ngā paerewa whare hauora

Healthy home standards

The healthy homes standards aim to make a significant change to the quality of rental homes. The standards cover improvements to heating, insulation and ventilation, and address issues with moisture ingress and drainage, and draught stopping. The standards became law on 1 July 2019 and come into force progressively between 2020 and 2024.

- From 1 December 2020, private landlords have been required to include a statement of compliance in any new or renewed tenancy
- From 1 July 2021, private landlords are required to meet the healthy homes standards within 90 days of any new or renewed tenancy.

Te whakawhanake i ngā whakaritenga pī i raro i te Ture Rēti Whare 1986

Developing methamphetamine regulations under the Residential Tenancies Act 1986

The amendments to the Residential Tenancies Act 1986 included provisions to manage the health and safety issues of methamphetamine residue as a contaminant in rental properties. These provisions came into force in January 2021.

Regulations to operationalise the provisions will prescribe maximum acceptable levels for methamphetamine residue as a contaminant in rental properties, and processes for testing (including when to test) and decontamination (including clean back levels).

We have engaged with Kāinga Ora and the Ministry of Health on the proposed content of the regulations on which to consult with stakeholders and the public.

Ngā tikanga mō ngā whare tauwhirowhiro

Code of practice for transitional housing

The amendments to the Residential Tenancies Act 1986 clarified that transitional and emergency housing are exempt from the Act because aspects of the Act do not fit well with the transitional and emergency housing models.

We are developing a code of practice that will outline the Government's expectations of providers and provide protections for clients. The Code of Practice will be enforceable through Te Tūāpapa Kura Kāinga contracts with transitional housing providers.

We are engaging with transitional housing providers, kaupapa Māori providers, tenant advocacy groups and other government agencies on the content of the Code of Practice. The final Code of Practice will be in place by the end of 2021.

Photo: Kāinga Ora

Te hua – Ngā kāinga utu-pai mō ngā reanga katoa

Outcome – Affordable homes for every generation

People are able to buy or rent a home that is sustainable, affordable and meets their needs.

Income and other factors determine whether households and communities can buy or rent a home that is affordable and meets their needs, without them requiring support. For lower-income households especially, a high cost of housing is often associated with severe financial difficulty and can mean they are unable to meet their other basic needs. Te Tūāpapa Kura Kāinga is focusing on:

- increasing the supply of affordable housing
- helping households into home ownership.

Te whakapiki i ngā whare utu-pai

Increasing the supply of affordable housing

Over recent decades, not enough houses have been built to meet demand from strong population growth, investment preferences and other factors. This mismatch between supply and demand has led to poor affordability in both the home ownership and rental markets.

Rising housing costs are making it harder for many households to afford market rents and have placed significant pressure on the public housing system. The waitlist for public housing is still growing, despite the increase in supply of public housing in recent years.

As well as increasing the supply of public housing, we are also working to increase supply across the rest of the housing market. This is the most effective way to improve housing affordability for renters and first home buyers.

In places of high need, infrastructure investment, funding support and government-led developments will increase the pace, scale and density of housing development with good access to opportunity and amenity, including of affordable homes.

Te Tahua Whakahohoro Hanga Whare Housing Acceleration Fund

In March 2021, the Government committed \$3.8 billion to the Housing Acceleration Fund to unlock a mix of private-sector-led and government-led housing developments. We played an important role in the fund's development. This included identifying the underlying issues and using our place-based partnerships and connections across government to develop a solution to address supply issues across Aotearoa.

Te Tahua Whakahohoro Hanganga Infrastructure Acceleration Fund

The Infrastructure Acceleration Fund is a contestable fund of at least \$1 billion for infrastructure investment to unlock housing development in the short-to-medium term. It will help fund the critical infrastructure needed to open up more land for housing development, allow for a wider mix of affordable housing for households to own or rent, and accelerate housing development to moderate price growth.

We worked closely with Kāinga Ora and the Treasury to develop this fund. Our place-based insights, particularly through our urban growth partnerships, were critical in the development of the fund. We are now supporting Kāinga Ora to ensure it is well placed to administer the fund.

Te Tahua Hanganga Māori me Whai Kāinga, Whai Oranga

Māori Infrastructure fund and Whai Kāinga, Whai Oranga

The Housing Acceleration Fund also includes a \$350 million Māori Infrastructure Fund to unlock Māori-led housing projects, such as papakāinga developments, developments on whenua Māori or rural developments with onsite infrastructure needs. This funding complements the \$380 million allocated to Māori housing through Whai Kāinga, Whai Oranga.

Both the Māori Infrastructure Fund and significant portions of Whai Kāinga, Whai Oranga will be administered by Te Tūāpapa Kura Kāinga.

Ngā kaupapa kaitā

Large scale projects

Kāinga Ora is leading the largest urban redevelopment ever undertaken in Aotearoa. This multi-billion dollar programme will transform suburbs and communities across the country. The Housing Acceleration Fund will be used to speed up delivery of these projects in Auckland and Porirua. Kāinga Ora, as the Government's urban development delivery agency, has a unique opportunity through these projects to accelerate the pace and scale of housing delivery and significantly improve wellbeing in high-need areas. No other agency or council in Aotearoa is set up to manage such a development.



Photo: Kāinga Ora

Ko te Kaupapa Kaitā ki Porirua ki te Rāwhiti te kaiwhiwhi tuatahi mai i Te Tahua Whakahohoro Hanga Whare

Eastern Porirua Large Scale Project is the first recipient from the Housing Acceleration Fund

In July 2021, \$136 million of the Housing Acceleration Fund was allocated to the Eastern Porirua Large Scale Project managed by Kāinga Ora.

The funding will significantly boost the project by helping to tackle the current poor quality of trunk water infrastructure and enabling land redevelopment for new housing in and around Cannons Creek East.

The investment will fund three projects: a new sewer pipe through Bothamley Park, a new water reservoir and a stormwater project to address flooding.

This will improve the resilience and capacity of the water supply network in Eastern Porirua and significantly reduce the discharge of raw sewage into waterways including the harbour, which is of cultural, historical and spiritual significance to Ngāti Toa Rangatira.

Ngāti Toa Rangatira and Porirua City Council are partners in this regeneration project, which will future proof essential water services for most of the 19,000 existing residents in Eastern Porirua and provide the infrastructure needed to build more homes.

It is estimated the work may create up to 250 jobs over the next few years.

Te Hōtaka Whenua hei Whakatū Kāinga

Land for Housing Programme

In the Land for Housing programme, we look to buy vacant or underused Crown and private land that is suitable for housing development. This land is then sold to a development partner and we work with them to build houses.

Since 2015, the programme (and its predecessors) has completed seven developments providing 899 homes. Ten sites are currently contracted to deliver over 1,690 homes in the next seven years, with another 12 sites acquired that are expected to deliver most of the 4,550 homes within the next 10 years. This is around 7,100 homes, with 2,640 (34 percent) being affordable or KiwiBuild and 1,477 (17 percent) being public housing.

The Housing Acceleration Fund also includes additional funding for the Land for Housing Programme, to accelerate development of vacant or underused Crown-owned land, operate in more regions, and deliver a broader range of affordable housing options for rental and home ownership. We are engaging with development partners to gauge interest in the delivery of affordable purpose-built rental and progressive home ownership products under the new settings.

Te Hōtaka Whenua a Kāinga Ora

Kāinga Ora Land Programme

Cabinet agreed to establish a programme for Kāinga Ora to undertake strategic land purchases to increase the pace, scale and mix of its housing developments, including of more affordable housing. The programme will be financed through \$2 billion of Kāinga Ora borrowing and \$46 million a year of operating funding.

Kāinga Ora is already investing in a mix of brownfield and greenfield land acquisitions. Te Tūāpapa Kura Kāinga is working on the final parameters for the programme and will also be involved through its Crown entity monitoring role and as a local partner of Kāinga Ora in place-based engagement areas.

Te Aronga Hou o Te Tahua

Residential Development Response

Refocused Residential Development Response Fund

The Residential Development Response Fund was established in Budget 2020 to support residential construction activity and minimise the economic impact from COVID-19, in response to the risk of a decline in new house building and construction sector jobs. The fund was created with \$250 million originally appropriated for KiwiBuild and \$100 million of operational funding.

In March 2021, with the pipeline of future work remaining strong, the Government announced that the focus of this fund will shift from supporting construction activity and jobs through COVID-19 to focus on supporting the delivery of more affordable housing options for rent and home ownership. Te Tūāpapa Kura Kāinga is working with the Minister for Housing and stakeholders in the affordable housing sector on the detailed design of the new funding settings.

Te Kaupapa KiwiBuild

KiwiBuild

KiwiBuild homes are newly built homes delivered at below market price to help families into home ownership. The KiwiBuild programme also enables other market and affordable homes to be delivered through our partnerships with developers.

The programme is continuing to facilitate the development of new residential homes, with a mix of more affordable KiwiBuild homes and market homes, through the Buying off the Plans underwrite programme. KiwiBuild is enabling the delivery of an affordable home product that is currently in record-high demand, with over 800 completed, and nearly 1,000 under construction.

Te āwhina i ngā whānau ki te hoko i tōna anō whare

Helping households into home ownership

Some households that do not need the level of support provided by public housing, still face barriers to home ownership. We provide targeted help to first home buyers and other disadvantaged households to purchase a home.

Te Tahua Progressive Home Ownership

Progressive Home Ownership Fund

As house prices have increased, families who would once have bought a home have been priced out of home ownership. Given the gap between house prices and what is affordable, many will face challenges in purchasing a home in the future.

The Progressive Home Ownership (PHO) Fund is a \$400 million investment that will help between 1,500 and 4,000 individuals, families and whānau buy their own homes.

Through the PHO Fund, we are supporting individuals, families and whānau into home ownership by:

- enabling housing providers to develop and expand their progressive home ownership schemes through the provider pathway
- supporting iwi and Māori organisations to offer PHO through Te Au Taketake
- enabling them to partner with the Government, through the direct to households pathway.

We have taken a staged approach to the PHO Fund. We started with initial funding of \$39 million to support people to buy their own homes.

In the first phase, we worked with four well-established housing providers that already provide progressive home ownership to their communities to support more individuals, families and whānau.

- New Zealand Housing Foundation will help 78 families into home ownership in Auckland, through its Shared Ownership Programme.
- Queenstown Lakes Community Housing Trust will help 25 families into home ownership in Queenstown, through its Secure Home leasehold scheme.

- Manawa PHO Limited (the housing arm of Ngā Pōtiki ā Tamapahore Trust) will help 30 families into home ownership in Pāpāmoa, through its Shared Equity scheme.
- Habitat for Humanity New Zealand will help 33 families own their own home in Auckland, Hamilton and Nelson, through its rent-to-buy scheme.

At 30 June 2021, 46 families had moved into homes in Auckland, Hamilton and Queenstown with support from the PHO Fund.

The second phase of the PHO Fund was launched in May 2021, and contracts will be announced in September 2021. The Government direct to household pathway will be launched as part of phase three of the fund in 2021/22. Information about PHO, including funding pathways and accessing PHO funding is available at hud.govt.nz/residential-housing/progressive-home-ownership.

Ngā rawa kāinga tuatahi

First home products

First home products, consisting of the First Home Grant and First Home Loan, are designed to help first home buyers to overcome the barriers created by home loan deposit requirements. The products are designed to support first home buyers on modest incomes into a modest home. They sit alongside other home ownership initiatives such as Progressive Home Ownership and KiwiBuild.

In March 2021, the Government increased the house price caps in areas where the First Home Grant and First Home Loan were becoming increasingly out of reach for first home buyers. The income caps for single buyers and two or more buyers were also raised, meaning more people are able to access these products. The income cap for a single buyer was raised to \$95,000, and for two or more buyers to \$150,000.

Te hua – He pūnaha panoni i a ia anō

Outcome – A self-adjusting system

The system works together and with communities to review, respond and adapt.

We need a system that is set up to deliver improved housing and urban outcomes, be it supporting families in need, or building the homes and developing the infrastructure we need in Aotearoa. We are working to:

- improve the capacity and capability of the system to deliver
- increase partnerships and collaboration
- improve understanding of the system and support evidence-based decisions.

Our work in 2020/21 included:

- leading and coordinating the Government responses to the Housing Policy and Services Kaupapa Inquiry (Wai 2750)
- progressing the Urban Growth Agenda, including supporting implementation of the National Policy Statement on Urban Development, and building urban growth partnerships
- developing the Government Policy Statement on Housing and Urban Development
- supporting the repeal and replacement of the Resource Management Act 1991
- providing assurance across the system through regulating and monitoring other agencies and providers.



Photo: Kāinga Ora

Te ārahi i tā te Karauna urupare ki te Wai 2750 Uiui Kaupapa

Kei te ārahi Te Tūāpapa Kāinga i tā te Karauna urupare ki te Uiui Kaupapa Wai 2750 e whakatewhatewha nei i ngā kaupapa here me ngā ratonga whai whare Māori. He huarahi te Wai 2750 e tūhura ai i ngā āhuatanga me tūhura, ā, tā mātau tautuhi anō i te pūnaha whai whare i runga tonu i te mahitahi ki te Māori.

Ka tutuki ai tēnei mā ngā ara e toru:

- Ka whakakaotia ngā umanga kāwanatanga nō rātau te haepapa ki ngā kaupapa here me ngā ratonga whai whare.
- Ka tautoko mātau i te hātepe Wai 2750 mā te hoatu i ngā whakamārama whānui, whakamārama tika anō hoki e pā ana ki tā te Karauna kaupapa here, ā rātau mahi me ngā whakarereanga hoki mō te whai whare Māori.
- Ka whai mātau kia hāngai ngā kaupapa here o te wā me ngā mahi ki ngā manako me ngā wawata o te Māori.

Ka kapi i te tūāoma tuatahi o Wai 2750 te wāhi ki ā te Karauna kaupapa here e hāngai ana ki te kāinga koretanga o te Māori nō te tau 2009 ā mohoa nei. I tū te wiki tuatahi o ngā whakawātanga mō te kāinga koretanga o te Māori mai i te 22 ki te 26 o Maehe 2021, i rangona ai ngā taunakitanga a te tangata whenua. Ko te tuarua i tū mai i te 17 ki te 21 o Mei, i rangona ai ngā taunakitanga kē atu a te tangata whenua me ngā taunakitanga a ngā mātanga anō hoki. I rangona ngā taunakitanga a te Karauna mai i te 21 ki te 25 o Hune.

I aro te tūāoma tuatahi ki:

- ā te Karauna 'kaupapa here, tukanga, mahi me ngā whakarereanga' e hāngai ana ki te kāinga koretanga o te Māori mai i te marama o Akuhata 2009 ā mohoa nei
- ngā rautaki a te Karauna e hāngai ana ki te kāinga koretanga o te Māori
- ngā urupare Māori ki ēnei rautaki, kaupapa here, ngā tukanga, ngā mahi me ngā whakarereanga.

Leading the Crown response to the Wai 2750 Kaupapa Inquiry

Te Tūāpapa Kura Kāinga leads the Crown's response to the Wai 2750 Kaupapa Inquiry into Māori housing policy and services. Wai 2750 is the opportunity to explore where we need to, and how we can, reset the housing system in partnership with Māori.

We do this in three ways:

- We bring together government agencies responsible for housing policy and services.
- We support the Wai 2750 process by giving complete and accurate information about the Crown's policy, practice and omissions on Māori housing.
- We work to ensure current policy and practice meet Māori needs and aspirations.

Stage one of Wai 2750 covers the Crown's policies relating to Māori homelessness from 2009 to the present. The first week of hearings into Māori homelessness was held from 22 to 26 March 2021 with tangata whenua evidence, and the second from 17 to 21 May with more tangata whenua and expert evidence. Crown evidence was heard from 21 to 25 June.

Stage one focused on:

- Crown 'policies, practices, actions and omissions' relating to Māori homelessness from August 2009 to the present
- strategies of the Crown relevant to Māori homelessness
- Māori responses to these strategies, policies, practices, actions and omissions.

Te Whakaahu i te Urban Growth Agenda

Progressing the Urban Growth Agenda

The Urban Growth Agenda (UGA) is a government-wide programme that aims to remove barriers to the supply of land and infrastructure and make room for cities to grow up and out.

The UGA's main objective is to improve housing affordability, underpinned by affordable urban land. This is supported by wider objectives to:

- improve choices about the location and type of housing
- improve access to employment, education and services
- help emission reductions and build climate resilience
- enable quality-built environments, while avoiding unnecessary sprawl.

The UGA has five interconnected focus areas that cover aspects of urban and infrastructure planning and provision:

- **infrastructure funding and financing** – enabling a more responsive supply of infrastructure and appropriate cost allocation
- **urban planning** – to allow for cities to make room for growth, support quality-built environments and enable strategic integrated planning
- **urban growth partnerships** – to build stronger partnerships with local government as a means of developing integrated spatial planning
- **transport pricing** – to ensure the price of transport infrastructure promotes efficient use of the network
- **legislative reform** – to ensure that regulatory, institutional and funding settings are collectively supporting UGA objectives.

Te Tūāpapa Kura Kāinga is the lead agency for urban growth partnerships and co-leads the urban planning and legislative reform focus areas with the Ministry for the Environment.

Te Whakaū i Te Tauākī Kaupapa Here ā-Motu – Te Whakawhanake Tāone

Implementing the National Policy Statement – Urban Development

The National Policy Statement – Urban Development (NPS-UD) is part of the urban planning focus area in the UGA. It requires councils to plan well for growth: both up and out. To do this, councils are directed to open up development capacity so more homes can be built in response to demand. Councils must also enable greater intensification in areas where people want to live and are well-connected to jobs, transport and community facilities.

The NPS-UD took effect from 20 August 2020 and replaced the National Policy Statement on Urban Development Capacity 2016. Te Tūāpapa Kura Kāinga and the Ministry for the Environment are jointly responsible for its implementation.

Implementation of the NPS-UD is well under way, with councils around Aotearoa making progress. Over the last year, Te Tūāpapa Kura Kāinga and the Ministry for the Environment focused on providing implementation support by issuing guidance, running a series of seminars on NPS-UD requirements and doing targeted engagement with councils in main urban areas. We will continue to support councils as they implement the NPS-UD. We are also using a compliance and monitoring strategy to ensure that councils comply with the NPS-UD requirements.

Te Tautoko i te whakahoutanga o te Ture Whakahaere Rawa

Supporting Resource Management Act reform

Alongside the Ministry for the Environment, we are supporting the Government's repeal and replacement of the Resource Management Act 1991 (RMA). The reform has the potential to address significant drivers of housing supply shortages, improve housing affordability and support urban development. The Government has decided to replace the RMA with three Acts

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

This year, we worked with the Ministry for the Environment and other agencies on advice on the reforms, focusing on areas that will be essential to improving housing supply and affordability and enabling urban growth and change.

Te whakatūturu i ētahi āhuatanga puta noa i te pūnaha

Providing assurance across the system

Te Whakarite i ngā Ratonga Whai Whare Hapori

Regulating Community Housing Providers

Te Tūāpapa Kura Kāinga regulates, registers and monitors Community Housing Providers (CHPs) through the Community Housing Regulatory Authority. CHPs have an integral role to play in delivering public housing. They have strong community connections, and knowledge and expertise in delivering housing that provides warm, safe, dry homes for vulnerable people.

The registered CHP sector has grown in size, scope and diversity in recent years:

- At 30 June 2021, the number of registered CHPs had increased to 60, compared with 55 the previous year and 31 at 30 June 2015.
- The number of Māori registered providers has increased from 6 on 1 November 2017 to 18 on 30 June 2021.
- Māori providers now comprise 30 percent of the total register.

At 30 June 2021, CHPs provided 14,509 tenancies, up from 13,030 a year earlier, an increase of 11 percent. The number of Income Related Rent Subsidy tenancies offered by registered CHPs increased to 10,230, up 34 percent from 7,635 a year earlier.

This year, our monitoring focused on governance. Registered CHPs were required to submit copies of their conflict of interest registers and their risk registers. Overall, our monitoring found that CHP Boards are being provided with sufficient information to undertake their governance effectively.

The Community Housing Regulatory Authority welcomes new applications to grow the community housing sector, and in particular applications from Māori providers to deliver housing to their communities.

Te Aroturuki i a Kāinga Ora me te Kamupene Tāmaki Redevelopment

Monitoring Kāinga Ora and the Tāmaki Redevelopment Company

Te Tūāpapa Kura Kāinga monitors the performance of Kāinga Ora (a Crown entity) and Tāmaki Redevelopment Company Ltd (a Public Finance Act 1989 Schedule 4A company) to ensure they are meeting system objectives.

We advise the responsible Ministers on board appointments, board performance, proposals and investment cases, and the setting and clarifying of expectations for each entity.

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

Photo: Kāinga Ora

Te hauora me te āheinga o te rōpū whakahaere

Organisational
health and
capability



Te hanga i tētahi hāpori wāhi mahi tōnui

Building a thriving workplace community

Te Tūāpapa Kura Kāinga is committed to building an inclusive and diverse organisation where its people feel part of a thriving community.

Te whakarite i tētahi wāhi e tōnui ai te tangata

Providing an environment for our people to thrive

As a relatively new agency, we have the opportunity to implement a way of working that creates a sense of belonging right from the start.

In August and September 2020, we brought all our Wellington people together in a single office, which provides more space for our increasing workforce. We also rolled-out our visual identity to put whakaaro and kaupapa Māori at the heart of our workspaces.

This increased our sense of culture and community and has enabled better team work and collaboration. We have been able to come together for all-staff meetings (including karakia and waiata), mihi whakatau for new starters, team events, and create “neighbourhoods” of shared space for teams.



Te Tautiaki – te whakakaha i tō mātau āheinga ā-ahurea

E ū ana mātau ki te whakakaha i te āheinga ā-ahurea o tō mātau rōpū whakahaere, ā, ki te whakamana i te wāhi ki a MAIHI me te hanga i tētahi ahurea ngākaunui, ahurea urupare atu ki te ao Māori i runga i te ngākaupono.

Ko tā Our Kaupapa whakamahuki i Te Tūāpapa Kura Kāinga – he rōpū whakahaere ū ki te Tiriti, aro ki te whenua. Mā te whakaū i a MAIHI e tutuki ai tō mātau takohanga ki Te Tiriti o Waitangi. Kei te whakakaha a Te Tautiaki, tā mātau rautaki āheinga ā-ahurea, mahere mahi anō hoki, i tō mātau āheinga, tērā i tāngia ai mā te tairitenga piriti i tikina atu e Te Arawhiti – te Tari mō ngā Hononga o te Karauna me te Māori. Ko tā Te Tautiaki he whakaū i te mōhio me pakari ake ngā pūkenga me te māia o te iwi e pai ake ai ngā whakapātanga me te mahi tahi ki ngā iwi me te Māori kia taea ai ngā rautaki kaupapa Māori hei urupare ki te mōreareatanga whai whare.

Mā te titonga o ā mātau karakia me ngā waiata, ērā e tino whakamahia ana puta noa i Te Tūāpapa Kura Kāinga, e kitea ai tō mātau oati ki te hanga i tētahi ahurea e ngākau nui ana ki te ao Māori, ka mutu, he māori noa iho taua āhuatanga. Ka whakatauhia ngā kaimahi hou ki Te Tūāpapa Kura Kāinga, he tikanga tēnei e tautoko nei, e pōhiri hoki nei i ngā pūkenga, ngā awata me ngā whānau o ā mātau kaimahi hou. Kua whai wāhi atu ētahi o ā mātau kaiārahi ki ngā wānanga e takatū ai rātau ki te tū hei kaikōrero, hei kaiwaiata hoki i roto i te whakatau.

I te marama o Mei, i whakarewaina e mātau tētahi hōtaka mahi hei whakakaha i tō mātau āheinga ā-ahurea, e aro nei ki ngā āhuatanga e toru:

- **Tā mātau Rautaki Reo Māori** – kua whakaritea a **Taukaea** i runga i te tautoko a Te Taura Whiri i te Reo. Ka whakaatu a Taukaea i te takatūtanga o Te Tūāpapa Kura Kāinga kia tū ai hei kaiārahi ā-pūnaha i roto i tana ū ki te mana o te reo Māori me te whakaū i ngā panonitanga ki te whakawhanake, ki te whakatō, kia māori hoki ai te reo Māori. E hāngai ana a Taukaea ki Te Public Service Act 2020, e mea nei me whakawhanake ngā rōpū whakahaere o te rāngai tūmatanui i te āheinga o ā rātau tāngata ki te kōrero tahi me te mārāma ake ki te whakaaro Māori.

Te Tautiaki – growing our cultural capability

We are committed to building our organisational cultural capability, and to enabling the application of MAIHI and shaping a culture that embraces and responds to te ao Māori in a meaningful way.

Our Kaupapa defines Te Tūāpapa Kura Kāinga as a Tiriti-anchored and whenua-based organisation. Applying MAIHI is how we uphold our commitment to Te Tiriti o Waitangi. Te Tautiaki, our cultural capability strategy and action plan, is building our capability, which has been illustrated by using the bridge analogy adopted by Te Arawhiti – the Office for Māori Crown Relations. Te Tautiaki conveys the need to grow the skills and confidence of our people to better engage and partner with iwi and Māori to enable kaupapa Māori approaches in response to the housing crisis.

The creation and respect of our karakia and waiata, widely used across Te Tūāpapa Kura Kāinga, shows our commitment to shaping a culture that embraces and normalises te ao Māori. Our kaimahi hōu (new starters) are welcomed to Te Tūāpapa Kura Kāinga through whakatau, which is a tikanga that embraces and welcomes the skills, passions and whānau of our new kaimahi. Some of our leaders have been involved in wānanga to prepare them to undertake kaikōrero and kaiwaiata roles as part of the whakatau.

In May 2021, we launched a work programme to build our cultural capability, which focuses on three areas:

- **Our Māori Language Plan – Taukaea** – has been developed with the support of Te Taura Whiri i te Reo – the Māori Language Commission. Taukaea show the preparedness of Te Tūāpapa Kura Kāinga to being a system leader in its commitment to recognising the mana and critical awareness of te reo Māori and to making the necessary change to develop, embed and normalise te reo Māori. Taukaea aligns with the Public Service Act 2020, which requires public sector organisations to develop and maintain the capability of their people to engage with Māori and understand Māori perspectives.

- **Ko Whare Kōrero tā mātau wānanga tū ki te marae** e whai nei kia mārama ake ai mātau ki Te Tiriti o Waitangi me ngā kaupapa Māori i roto i te horopaki o te ao Māori. I puta te whakaaro mō te Whare Kōrero i te whakatauki: Ko wheako te matua o whakaaronui – it is through experience that understanding and empathy is developed. I tū tō mātau Whare Kōrero tuatahi i te marama o Hūrae 2021. E whakatū hoki ana mātau i ngā akoranga i te wāhi mahi hei āwhina i ō mātau tāngata ki te whakaū i Te Tiriti o Waitangi ki ā rātau mahi i roto i tā mātau whai kia tū hei rōpū whakahaere e arahina ana e te Tiriti. Nō te marama o Maehe 2021, tōna 70 ōrau o ō mātau kaiārahi kua whai wāhi atu. I tīmata tā mātau whakaū i tēnei āhuatanga mai i te marama o Hūrae 2021.
- Mā ā mātau **hōtaka ono-wiki, mā Te Kākano me Tipu**, e whakatakoto ana mātau i tētahi tūāpapa āheinga ā-ahurea me te mārama ake ki te reo me ngā tikanga Māori, me ngā pakiwaitara Māori e whakamahia nei e Te Tūāpapa Kura Kāinga. I tīmata a Te Kākano i te marama o Hune 2021, ā, ka tīmata te hōtaka Tipu ā te marama o Oketopa 2021.
- **Whare Kōrero is our marae-based wānanga** focused on building our people's understanding of Te Tiriti o Waitangi and kaupapa Māori in a te ao Māori setting. The concept for Whare Kōrero is set out in the whakatauki: Ko wheako te matua o whakaaronui – it is through experience that understanding and empathy is developed. Our first Whare Kōrero took place in July 2021. We are also offering workshop-based learning to help our people understand and implement Te Tiriti o Waitangi in their work as we strive to be a Tiriti-led organisation. Since March 2021, around 70 percent of our leaders have participated. We started rolling these out to our people from July 2021.
- Through our **Te Kākano and Tipu six-week learning programmes**, we are building a strong foundation of cultural capability and understanding of te reo and tikanga Māori, and the Māori narratives used by Te Tūāpapa Kura Kāinga. Te Kākano started in June 2021 and our Tipu programme is due to start in October 2021.



He mātai take – Te Tautiaki

Kua whakawhanakehia e Te Tautiaki ngā kaupapa maha me ō mātau tāngata e whai nei ki te whakakaha i te āheinga ā-ahurea o tō mātau rōpū whakahaere hei whakaahua i tētahi ahurea whakaa-ro nui ki te ao Māori i runga i te ngākau pono.

“He hirahira ngā mahi e mahia nei e Te Tautiaki hei tautoko i ō mātau tāngata ki te whakakaha i tō rātau āheinga, ā, kia whai māramatanga hoki ai rātau mō te ao Māori i runga i tā mātau whai kia tū hei rōpū whakahaere e arahina ana e te Tiriti.”

Kararaina Calcott-Cribb, Pou Whakarae Tuarua, Tumuaki – Te Kāhui Kāinga Ora.

Ko te koronga o tēnei huarahi he whakapakari i ngā pūkenga me te māia ā-ahurea o ō mātau tāngata ki te whakawhiti i te ‘piriti’ ki te ao Māori me te mahi tahi ki ngā iwi me te Māori e taea ai ngā rautaki kaupapa Māori hei urupare ki te mōreareatanga whare.

I tū tuatahi a Te Kākano me te Whare Kōrero i tēnei tau. I whakatuwherahia ētahi huarahi ki ō mātau tāngata hei whakapiki i te mōhio ki ngā tikanga me te ao Māori, ā, kia pātaihia hoki ā rātau pātai i tētahi wāhi tūmatanui. I te wā nei, e 104 o ō mātau tāngata kua rēhita i tō rātau pīrangī kia tae atu ki Te Kākano, ā, e 43 ki Whare Kōrero.

“He mea homai e Te Kākano te tūāpapa e mārama ai mātau ki ngā āhuatanga i kitea nō mātau i noho ki te marae. Ko ngā mātauranga i mau i a mātau i Whare Kōrero he āwhina i tā mātau mārama ake ki te ao Māori kia whai wāhi mai aua akoranga ki ā mātau mahi. E kore e wareware i a au tā mātau i rongō ai nō mātau i poroakitia i te marae.”

Amy Rice, Pou Kaupapa Here nō Housing Needs and Response

Case study – Te Tautiaki

Te Tautiaki has developed a range of initiatives in partnership with our people, focused on building our organisational cultural capability to shape a culture that embraces and responds to te ao Māori in a meaningful way.

“The work Te Tautiaki is doing is important to support our people to grow their capability and have an understanding of te ao Māori as we strive to be a Tiriti-anchored organisation.”

Kararaina Calcott-Cribb, Deputy Chief Executive, Tumuaki – Te Kāhui Kāinga Ora.

The purpose of this journey is to grow the skills and cultural confidence of our people to cross over the ‘bridge’ to te ao Māori and partner with iwi and Māori to enable kaupapa Māori approaches in the response to the housing crisis.

The first Te Kākano and Whare Kōrero happened this year. Our people were given the opportunity to increase their knowledge of tikanga and te ao Māori and ask any questions they might have in an open environment. Currently, 104 of our people have registered their interest to attend Te Kākano and 43 for Whare Kōrero.

“Te Kākano gave us the foundation we needed to understand what was happening during our marae stay. The knowledge we gained at Whare Kōrero helped us better understand te ao Māori so we can apply that in our work. The feeling we got as we were farewelled from the marae is something I’ll never forget.”

Amy Rice, Policy Advisor in Housing Needs and Response

Tuia – he rautaki ā-tīma ki ngā mahi me ngā whakawhanaketanga





I te marama o Aperira 2021, i whakarewa mātau i a Tuia Te Here Tangata (Tuia), tā mātau rautaki ā-tīma ki ngā mahi me ngā whakawhanaketanga. I waihangatia a Tuia hei kukume mai i ō mātau tāngata ki te whakatutuki i tō mātau koronga: ngā hapori tōnui e whai kāinga ai te katoa. I ahu mai te ingoa o Tuia Te Here Tangata i te whakataukī e kōrero ana mō te tuitui i te tangata kia kotahi mai ai. He whakamaharatanga pai i tō mātau kaha, pēnei i tētahi rau harakeke, ki te whakakotahi mātau i ō mātau pūkenga, ā, ki te mahitahi ki tētahi whāinga kotahi.

Ko tā Tuia he whakahāngai i ngā mahi a te tangata ki a Our Kaupapa, ki a MAIHI me ngā rautaki ā-wāhi. He whakaū tēnei i te whakaaro he mea nui tā mātau rautaki mahi ki te whakatutukitanga o ō mātau whāinga me te whakakaha i te whakaaro o te mahi tahi e whai hua ai a Aotearoa whānui. E toru kōrerotanga mō Tuia a ā mātau tīma i ia tau, tae ana ki te wā o Matariki nā te mea he wā tērā hei huritao tahi, hei ako tahi i runga i ngā āhuatanga o inamata, ā, hei whakanui, hei whakamahere hoki mō te anamata.

Tuia – a team-based approach to performance and development

In April 2021, we launched Tuia Te Here Tangata (Tuia), our team-based approach to performance and development. Tuia is designed to engage our people in fulfilling our purpose: thriving communities where everyone has a place to call home. The name Tuia Te Here Tangata is a direct reference to the whakataukī that could be interpreted to mean “to weave the rope of man”. It reminds us that, just like a strand of flax, we are stronger when we combine our skills and work together towards a common goal.

Tuia aligns people’s work to *Our Kaupapa*, MAIHI and place-based approaches. This reinforces that how we work is critical to reaching our goals and strengthening our culture of working together to make a difference for all people of Aotearoa. Our teams will have a Tuia conversation three times a year, including during Matariki because this is a time to collectively reflect and learn from the past, celebrate the present and plan for the future.

			
<p>To connect Begin by doing something to create an environment where everyone feels valued as a member of the team.</p>	<p>Understand the past in order to move forward Review key elements of the team’s previous work plan, highlighting successes and feedback.</p>	<p>Identify and clarify priorities and alignment Get everyone on the same page about Te Tūāpapa Kura Kāinga and group priorities and aligning the team’s work with those.</p>	<p>Accelerate a plan for success Create a work plan for the next period – the deliverables, behaviours and capability building we are committed to.</p>

Ngā tūhononga tāngata

Our people networks

Our people networks celebrate diversity, provide safe spaces, and encourage thought leadership across Te Tūāpapa Kura Kāinga. Each group has a focus on diversity, support, connection and development, and they lead different initiatives throughout the year. Our networks include:

- Rainbow Network
- Wāhine Toa, Wāhine Āhuru (Women's Network)
- Whakatipu Mauriora (Mental Health Network)
- Green Group
- Social Club
- Waiata Group.

Te mārama me te whakangāwari i te mariu

Understanding and mitigating bias

Alongside our work, to address the pay gap we have been focusing on supporting our people to understand and mitigate bias in their work. We launched a programme in June 2021 that explores common links between bias and discrimination. By 30 June 2021, 33 percent of our people had completed the foundational e-learning programme.

Te Rangi Wāhine – Choose to challenge

International Women's Day – Choose to challenge

At Te Tūāpapa Kura Kāinga, we marked International Women's Day by sharing stories about influential women in history who challenged the status quo, such as:

- Te Puea Hērangi
- Merata Mita
- Meri Te Tai Mangakahia
- Farah Palmer
- Aigagalefili Fepulea'i-Tapua'i

Wāhine Toa, Wāhine Āhuru (Women's Network) collected donations for Women's Refuge as part of the Love Grace handbag appeal with useful items going to women in need.

Also, in early August 2021, Wāhine Toa, Wāhine Āhuru and the Rainbow Network held a panel discussion on speaking out to challenge bias. Panel members shared their experiences and tips on finding the courage to speak out, being an ally, and creating a culture in which people are celebrated and diversity is welcomed.

Te Marama Pride ki Te Tūāpapa Kura Kāinga

International Pride Month at Te Tūāpapa Kura Kāinga

Our Rainbow Network celebrated International Pride Month in several ways including:

- **Rainbow Network shared lunch** – we invited organisations within the Cross-Agency Rainbow Network to a shared lunch. We were pleased to have people attend from several other public service agencies.
- **InsideOUT Q and A session** – InsideOUT works to give rainbow young people in Aotearoa a sense of safety and belonging in their schools and communities. This national charity provides resources, information, workshops and support for anything concerning rainbow or LGBTQIA+ issues and education for schools, workplaces and community organisations.
- **Sweat with Pride** – people within the organisation participated in a 21-minute a day fitness challenge to raise funds to support the New Zealand Aids Foundation, and partnership projects with RainbowYOUTH and OUTLine.

Te whakatika i te āputa utu Addressing the pay gap

Since our establishment, we have progressively reduced our gender pay gap. Our goal is to reduce pay gaps over time through improvements to our people systems and how we work. This year, we extended our gender pay gap analysis and action planning to include ethnic pay gaps.

The gender pay gap reduced from 16.9 percent in 2019 to 9.7 percent at 30 June 2021. The main drivers of our gender pay gap are vertical segregation, which sees more women in lower-paid salary ranges, and a small number of employees who have historical terms and conditions of employment.

At 30 June 2021, our Māori pay gap was 1.3 percent, our Pasifika pay gap was 15.4 percent and our Asian pay gap was 17.0 percent. The main drivers of the Pasifika and Asian pay gaps are vertical and occupational segregation, which sees more Pasifika and Asian people in lower paid occupation types. However, when compared across each salary band (which indicates roles of similar complexity), distribution is fairly even.

In 2020/21 we maintained a gender balance across our leadership group, with 59 percent of our leaders at 30 June 2021 being women, compared with 60 percent in June 2020.

We undertook equal pay activity at the end of 2020, which increased pay in like-for-like roles. We published our remuneration bands on our intranet and reviewed all of our recruitment policies to ensure they minimise bias and contain neutral language. We are developing a new remuneration framework with the Public Service Association to offer a more transparent approach to pay for our roles under coverage of our collective agreement. We expect to implement the new approach before the end of 2021.

In July 2020, we implemented our 'flexible working by default' approach, which reflects guidance from Te Kawa Mataaho Public Service Commission. In August 2020 we undertook a pulse survey to understand our people's experience with flexible working. The survey found that 75 percent of our people vary where they work, 35 percent vary their work schedule, and, overall, the flexible working approach meets the needs of 74 percent of our people.

Te whakaū i te hauora, te haumarū me te oranga ki te wāhi mahi

Embedding health, safety and wellbeing in the workplace

This year, we have focused on embedding our health, safety and wellbeing practices and processes. We revised our health and safety worker participation framework, which has resulted in better engagement and more defined areas of responsibility.

We continue to focus on our critical health and safety risk, which we reviewed in February and May 2021. This year, 12 workplace incidents occurred involving employees, compared with six in 2019/20. None of these incidents were notifiable to WorkSafe. We received 20 reports of discomfort and pain from employees relating to workstation set-ups, compared with 46 reports in 2019/20. Contracted service providers who deliver our external programmes reported 20 serious incidents, compared with 11 in 2019/20, which we addressed accordingly.

We continued training our health and safety representatives and maintained representative numbers proportional to our workforce. Representatives were also trained in domestic violence awareness and awareness and prevention of bullying and harassment in the workplace.

We launched a Health and Safety Essentials online module in April 2021, which all new starters complete within their first week. Existing employees were asked to complete the module within four months.

We maintain a strong focus on supporting our people to manage workload and their mental wellbeing. At 30 June 2021, 70 of our people (22 percent) had participated in the St John Mental Health First Aid Course and another course was held in August 2021. Whakatipu Mauriora drives initiatives, including highlighting how our leaders manage their own mental wellbeing and achieve balance in their lives.

Te oranga o te rōpū whakahaere – ngā whakapātanga me ngā huanga
Organisational wellbeing – engagement and turnover

Our unplanned turnover rose from 15 percent to 21.9 percent in the year to 30 June 2021, an increase of 6.9 percent.

Our last two organisational pulse surveys happened in August 2020 (81 percent engagement), with a focus on flexible working, and in November 2020 (84.1 percent engagement) with a focus on mental health.

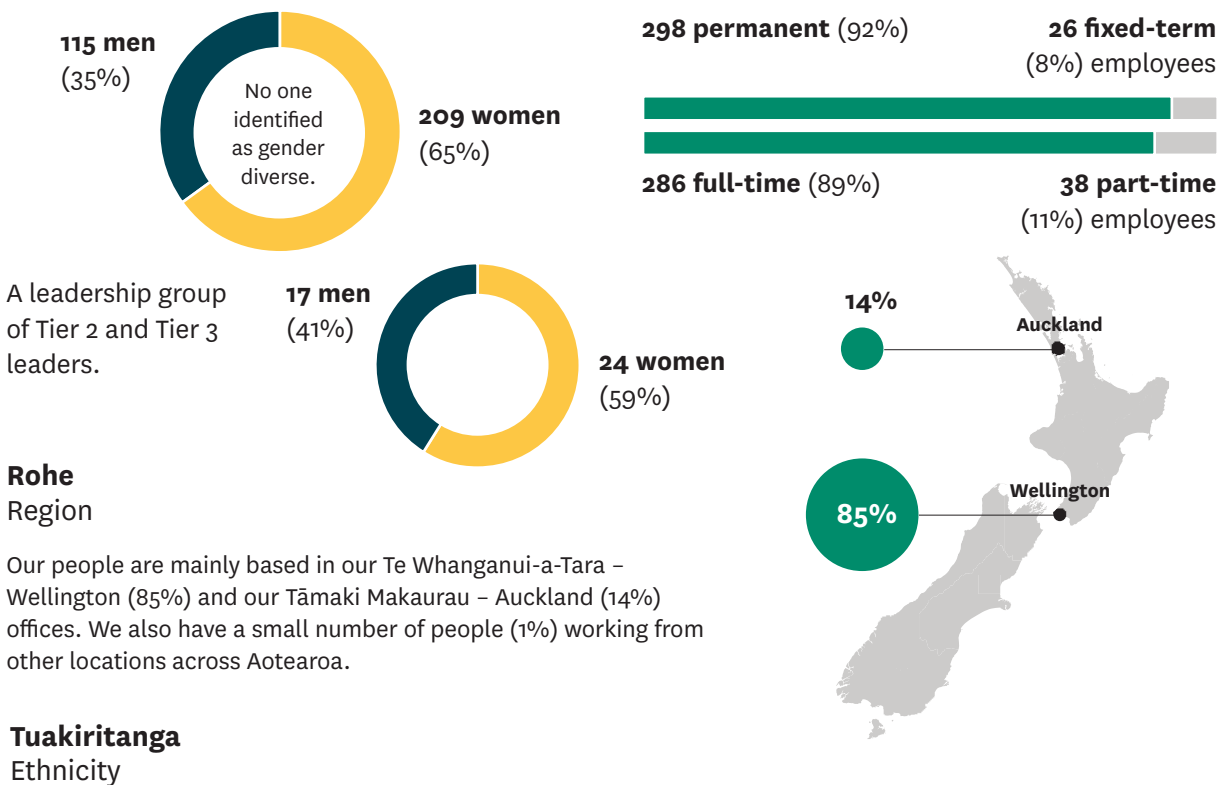
In April and May 2021, 88.2 percent of our people participated in Te Taunaki, the first public service census run by Te Kawa Mataaho Public Service Commission.



Ā mātau tāngata

Our people

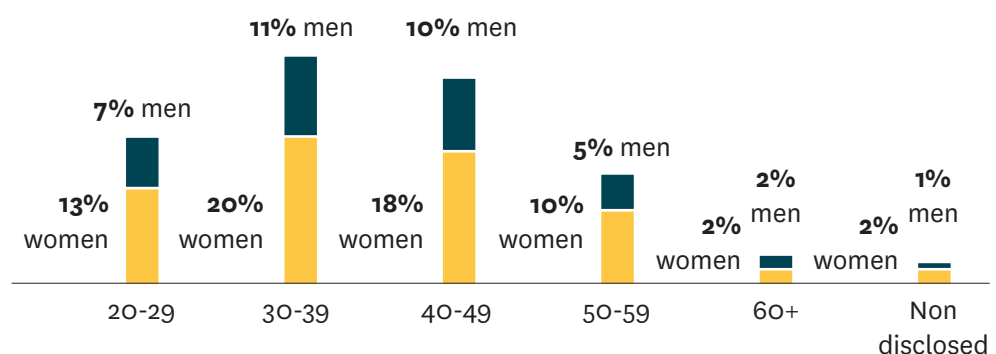
At 30 June 2021, Te Tūāpapa Kura Kāinga had 324 employees², an increase of 3.2% from 30 June 2020 (314 employees). This includes:



Pakeketanga

Age

Eighty percent of our workforce is under the age of 50. The largest of these brackets being 30-39 years of age.



² Excludes contractors, casual employees and employees who are seconded from other agencies.

³ This overall percentage calculates to more than 100% because some people identify with more than one ethnicity.

Ngā whakahaere me te whakahaere tūraru

Governance and risk management

Te Tūāpapa Kura Kāinga has a two-tier governance model that supports the Chief Executive and Senior Leadership Team (SLT) work effectively and efficiently, plan strategically and work across system stakeholders.

The SLT comprises the Chief Executive and Deputy Chief Executives. The SLT supports the Chief Executive to shape our strategic direction, ensuring focus is on the priorities that matter and a whole of organisation approach is taken first and foremost.

The SLT is supported by three internal subcommittees. The membership of the subcommittees is mandated by the Chief Executive, and the Chair and Deputy Chair roles are held by Deputy Chief Executives.

- Data, Information and Privacy Steering Group provides oversight and assurance to the Chief Executive and SLT that robust policies, processes, systems and practices are in place for the management of data, information and privacy.
- Safety and Wellbeing Committee provides objective guidance, insight and challenges on health, safety and security. The committee is mandated by the Chief Executive.
- Te Komiti Māori helps the Chief Executive to lift Māori capability across Te Tūāpapa Kura Kāinga, ensures the protection and promotion of Māori interests and advances the delivery of kaupapa Māori housing – specifically through the Māori and Iwi Housing Innovation (MAIHI) Framework for Action.

We also have a **Risk and Assurance Committee** with external members to provide independent input and oversight. The committee gives advice on risk processes and practices, assurance programmes and our control environment.

Te rautaki whakahaere tūraru

Approach to risk management

Effective risk management is critical to sound governance. Te Tūāpapa Kura Kāinga has an enterprise risk management framework and policy that is being refreshed and embedded to ensure it remains fit for purpose. We monitor and report on our system and financial risks in line with relevant government frameworks.

Key parts of our work programme are driven by our responsibility to manage risk in the system, including our system intelligence work programmes that monitor for emerging challenges. The SLT reviews strategic risks, which affect both the system and organisation, and makes decisions to support mitigation activity. Oversight of other organisational, project and programme risks is provided by the SLT subcommittees and other internal governance structures. Te Tūāpapa Kura Kāinga independent Risk and Assurance Committee provides advice to the Chief Executive on effective risk management and appropriate assurance to help us meet our organisational risk and assurance maturity goals.

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

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

Te whakarite tōmua kia koke tonu ai ngā mahi

Business continuity planning

Before the COVID-19 pandemic, we had undertaken emergency management and business continuity planning as part of our business-as-usual activities. This ensured we were well positioned to respond to the pandemic. We were able to move quickly to set up and deliver critical services on behalf of the Government, for example, the homelessness response.

Lessons were learned around internal and external communications, information flows, and governance and decision-making. The pandemic also reinforced the importance of strong leadership, relationships across the sector, workforce planning, and ensuring our people have the tools and support to work as effectively as they can.

This year, we implemented several improvements to ensure we remain well-positioned to respond to future emergencies.



Tuhinga o mua 2020/21

Performance and financial information



STATEMENT OF RESPONSIBILITY

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

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

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Ministry;
- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2021 and its operations for the period ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2022 and its operations for the year ending on that date.



Andrew Crisp

Chief Executive
Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development
30 September 2021

INDEPENDENT AUDITOR'S REPORT

To the readers of Ministry of Housing and Urban Development's Annual Report for the year ended 30 June 2021

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

- the financial statements of the Ministry on pages 90 to 118, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2021 on pages 21 to 49 and 68 to 88;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2021 on pages 134 to 143; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 120 to 133 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2021;
 - the schedules of expenses; and revenue for the year ended 30 June 2021; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 90 to 118:
 - present fairly, in all material respects:
- its financial position as at 30 June 2021; and
- its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Ministry on pages 21 to 49 and 68 to 88:
 - presents fairly, in all material respects, for the year ended 30 June 2021:
- what has been achieved with the appropriation; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 134 to 143 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.

- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 120 to 133 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2021; and
 - expenses; and revenue for the year ended 30 June 2021.

Our audit was completed on 30 September 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Chief Executive for the information to be audited

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

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

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

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

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

Responsibilities of the auditor for the information to be audited

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

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

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's information on strategic intentions for the period 2019–2023 and relevant Estimates and Supplementary Estimates of Appropriations 2020/21, and the 2020/21 forecast financial figures included in the Ministry's 2019/20 Annual Report.

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1 to 61, but does not include the information we audited, and our auditor's report thereon.

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

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

Independence

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

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



John Whittal

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

Our Performance Framework



Te Ine Kauneke

Measuring Progress on our Outcomes

The work that Te Tūāpapa Kura Kāinga has undertaken, and the results achieved, during 2020/21 to progress towards our outcomes is set out in *Progress towards our strategic intentions* (refer to pages 20 to 49).

The tables that follow provide additional context for how we are progressing towards our strategic intentions. They present results for the outcome measures that are included in our *Statement of Strategic Intentions* 2019–23.

Many of the outcome measures use data that is generated by other agencies. We have included the latest available results for each indicator. The publication of some datasets has been delayed because the COVID-19 pandemic affected the ability to collect data, for example, the 2020 General Social Survey, which was due to be published in 2020/21, is not expected to be published until 2022/23.


Where sufficient data is available, we have included a trend. The direction of the arrow indicates the direction of change (up indicating an increase, down indicating a decrease) and the colour indicates whether this change is the progress we want to see (green where change is moving in the desired direction, red where it is not). A bar indicates no significant change.

For some measures, we have included a narrative update and, where appropriate, provided references to the relevant part of the *Progress towards our strategic intentions* section of this report.



He hāpori tōnui

Vibrant, flourishing communities



What we expect to see when the system is working well	Measures	Commentary	Trend ¹
Sustainable buildings, infrastructure, spaces and the natural environment are integrated in Aotearoa's urban centres.	There are agreed strategic objectives for specific regions, which drive spatial planning.	<p>The purpose of urban growth partnerships is to collectively address the big challenges around housing, land use and infrastructure planning. The Crown works with local government and iwi to agree on long term strategic priorities for high growth areas.</p> <ul style="list-style-type: none"> At 30 June 2021, there were five established partnerships across Aotearoa, with work progressing on two proposed partnerships. At 30 June 2020, there were two established, four emerging and one proposed partnership across Aotearoa. 	
	Increase in the proportion of adults who said they could easily get to most of their local green spaces.	<p>In 2018, 96 percent of people reported finding it easy to access their nearest public park or green space. This figure was also 96 percent for Māori.²</p> <p><i>Note: No General Social Survey (GSS) update is available for 2020/21. Latest results are from the 2018 GSS. The 2020 GSS, which was due to be published in 2020/21, was delayed due to the COVID-19 pandemic. The next update is expected to be published in 2022/23.</i></p>	
	Increase in the proportion of adults who feel safe when walking alone in their neighbourhood after dark.	<p>Data collected during April to June 2020:</p> <ul style="list-style-type: none"> 75 percent of New Zealand adults aged 18+ years indicated they felt safe when walking alone in their neighbourhood after dark 68 percent of Māori adults aged 18+ years indicated they felt safe when walking alone in their neighbourhood after dark.³ <p>There is no directly comparable previous result. However, in 2018:</p> <ul style="list-style-type: none"> 62 percent of New Zealand adults aged 15+ years felt safe when walking alone in their neighbourhood after dark 62 percent for Māori adults aged 15+ years felt safe when walking alone in their neighbourhood after dark.⁴ <p><i>Note: Latest results available are from the June 2020 Household Labour Force Survey wellbeing supplement.</i></p>	
The work Te Tūāpapa Kura Kāinga had undertaken to progress towards sustainable buildings, infrastructure, spaces and the natural environment being integrated in Aotearoa's urban centres is included in <i>Te Hanga i ngā Whakahoatanga whakatipu tāone – Building urban growth partnerships</i> (see page 29). Our work in <i>Progressing the Urban Growth Agenda</i> (see page 47) also contributes to both this outcome and <i>A self-adjusting system</i> .			

¹ Where sufficient data is available, we have included an indicative trend. These have not been statistically tested for significance.

² Stats NZ. (2019). Wellbeing statistics: 2018. [Stats.govt.nz/information-releases/wellbeing-statistics-2018](https://stats.govt.nz/information-releases/wellbeing-statistics-2018) Sourced from the latest available Stats NZ's General Social Survey (GSS).


³ Stats NZ. (2020). Wellbeing statistics: June 2020 quarter. [Stats.govt.nz/information-releases/wellbeing-statistics-june-2020-quarter](https://stats.govt.nz/information-releases/wellbeing-statistics-june-2020-quarter) This survey question was removed from the Household Labour Force Survey (HLFS) wellbeing supplement after the June 2020 quarter.

⁴ Stats NZ. (2019). Wellbeing statistics: 2018. [Stats.govt.nz/information-releases/wellbeing-statistics-2018](https://stats.govt.nz/information-releases/wellbeing-statistics-2018)

What we expect to see when the system is working well	Measures	Commentary	Trend
People have access to education, employment, amenities and services that meet their physical, social and cultural needs.	Increase in the proportion of people who can access their place of employment within a 30-minute car ride or 45-minute public transport ride.	<p>In 2020/21:</p> <ul style="list-style-type: none"> 45 percent of jobs can be accessed within 45 minutes via driving 24 percent via cycling 16 percent via public transport 5 percent via walking.⁵ <p>In 2019/20:</p> <ul style="list-style-type: none"> 44 percent of jobs can be accessed within 45 minutes via driving 23 percent via cycling 15 percent via public transport 5 percent via walking. <p>In 2018/19:</p> <ul style="list-style-type: none"> 45 percent of jobs can be accessed within 45 minutes via driving 28 percent via cycling 15 percent via public transport 7 percent via walking. 	
	Increase in the proportion of people with access to essential services (including health care, supermarkets and schools) by walking, cycling, public transport and car within 15 minutes.	<p>In 2020/21, the proportion of people within 15 minutes of essential services by transport mode included:</p> <ul style="list-style-type: none"> Supermarket: 50.7 percent via public transport and 39.7 percent within a 15-minute walk. Primary school: 98.4 percent within a 15-minute drive, and 61.6 percent within a 15-minute walk. Secondary school: 27.4 percent via public transport and 20.8 percent via a 15-minute walk. Doctor: 62.3 percent via public transport and 51.5 percent via a 15-minute walk.⁶ <p>In 2019/20, the proportion of people within 15 minutes of essential services by transport mode included:</p> <ul style="list-style-type: none"> Supermarket: 51.0 percent via public transport and 39.6 percent within a 15-minute walk. Primary school: 98.5 percent within a 15-minute drive, and 61.8 percent within a 15-minute walk. Secondary school: 28.0 percent via public transport and 20.9 percent via a 15-minute walk. Doctor: 61.6 percent via public transport and 51.3 percent via a 15-minute walk. <p>In 2018/19 the proportion of people within 15 minutes of essential services by transport mode included:</p> <ul style="list-style-type: none"> Supermarket: 51.2 percent via public transport and 39.5 percent within a 15-minute walk. Primary school: 98.5 percent within a 15-minute drive, and 61.5 percent within a 15-minute walk. Secondary school: 28.8 percent via public transport and 20.5 percent via a 15-minute walk. Doctor: 61.9 percent via public transport and 51.3 percent via a 15-minute walk. 	
<p>The work Te Tūāpapa Kura Kāinga had undertaken to progress towards people having access to education, employment, amenities and services that meet their physical, social and cultural needs is included in Te hanga i ngā whakahoatanga whakatipu tāone – Building urban growth partnerships (see page 29). Using a place-based approach to develop local solutions (see page 21) will help ensure that development meets the needs of local communities.</p> <p>Our work in Progressing the Urban Growth Agenda (see page 47) also contributes to both this outcome and A self-adjusting system.</p>			

⁵ 2020/21 Figures provisional. Final figures available at NZTA. (2021 – In Print). [NZTA annual report \(end 30 June 2021\). nzta.govt.nz/resources/annual-report-nzta/](https://nzta.govt.nz/resources/annual-report-nzta/)

⁶ 2020/21 Figures provisional. Final figures available at NZTA. (2021 – In Print). [NZTA annual report \(end 30 June 2021\). nzta.govt.nz/resources/annual-report-nzta/](https://nzta.govt.nz/resources/annual-report-nzta/)


What we expect to see when the system is working well	Measures	Commentary	Trend
Communities have appropriate spaces for businesses to operate and grow.	Increase in urban productivity.	<p>Our work to build urban growth partnerships (see page 29) and to progress the urban growth agenda (see page 47) contribute to communities having appropriate spaces for businesses to operate and grow.</p> <p>Increases in gross domestic product (GDP) per capita were seen across all regions with major urban areas in the five years to March 2020:⁷</p> <ul style="list-style-type: none"> • Auckland 38.3% (GDP per capita \$71,978) • Waikato 37.0% (GDP per capita \$56,664) • Bay of Plenty 54.1% (GDP per capita \$56,623) • Wellington 24.2% (GDP per capita \$74,785) • Canterbury 24.8% (GDP per capita \$62,323) • Otago 38.2% (GDP per capita \$58,353). <p>Increases in gross domestic product per capita were seen across all regions with major urban areas in the five years to March 2019:⁸</p> <ul style="list-style-type: none"> • Auckland 39.0% (GDP per capita \$69,974) • Waikato 27.5% (GDP per capita \$54,128) • Bay of Plenty 44.4% (GDP per capita \$53,700) • Wellington 23.9% (GDP per capita \$74,251) • Canterbury 22.6% (GDP per capita \$60,101) • Otago 36.1% (GDP per capita \$57,974). <p><i>Note: Latest results are for the five years to March 2020.</i></p>	
Māori can enjoy the full use of their land.	Increase in the proportion of Māori land used for housing and Māori community development.	<p>The Ministry is working through the Māori and Iwi Housing Innovation (MAIHI) Framework for Action to improve housing outcomes for Māori.</p> <p>We administer three funds to give effect to MAIHI – Te Taupua Fund, He Kūku ki te Kāinga Fund and He Taupae Fund (see page 27).</p> <p>This year, we worked with Te Puni Kōkiri to develop Whai Kāinga, Whai Oranga, a \$380 million commitment over the next four years to deliver new housing and repairs to existing housing stock for Māori across Aotearoa (see page 25).</p> <p>In place to monitor the proportion of Māori land used for housing and Māori community development.</p>	

⁷ Stats NZ (2021). New Zealand's regional economies 2020. stats.govt.nz/information-releases/regional-gross-domestic-product-year-ended-march-2020. Percentage change in regional GDP is for the five years to March 2020. GDP per capita is based on the year ended March 2020.

⁸ Stats NZ (2020). New Zealand's regional economies 2019. stats.govt.nz/infographics/new-zealands-regional-economies-2019. Percentage change in regional GDP is for the five years to March 2019. GDP per capita is based on the year ended March 2019.

He ora mā roto i ngā mahi whare

Wellbeing through housing

What we expect to see when the system is working well	Measures	Commentary	Trend
Everyone has access to a warm, safe and dry home with security of tenure appropriate to their circumstances.	Decrease in the proportion of the population who are experiencing homelessness.	<p>Our work to prevent homelessness is focused on the Aotearoa Homelessness Action Plan (HAP). Te Tūāpapa Kura Kāinga is responsible for 10 of the immediate actions in the HAP. The HAP also provides a roadmap for developing long-term solutions to homelessness that builds on the actions already under way.</p> <p>We are also partnering to increase the supply of public and transitional housing. Public housing gives an affordable home with security of tenure. Transitional housing gives people in need a place to live and support while they find a permanent home. See page 31 to 37 for more information.</p> <p>In March 2018, an estimated 102,123 people were living in severe housing deprivation.^{9 10} Of these:</p> <ul style="list-style-type: none"> • 3,624 people were without shelter, including 900 Māori • 7,929 were living in temporary and/or non-private dwellings, including 1,089 Māori • 30,171 were sharing accommodation in severely crowded dwellings, including 10,890 Māori • 60,399 were living in uninhabitable housing that was lacking one of the six basic amenities, including 15,327 Māori. <p><i>Note: In 2021, the University of Otago extended the 2018 Estimate of Severe Housing Deprivation to include information on uninhabitable housing – housing that was lacking one of the six basic amenities: tap water that is safe to drink, electricity, cooking facilities, a kitchen sink, a bath or shower, a toilet.</i></p>	
	Increase in the proportion of people who have lived in one house for at least the last five years.	<p>Our work on the HAP and partnering to increase the supply of public and transitional housing (see pages 31 to 37) contributes to this measure. Improving the experience of renting (see page 39) also contributes to this measure.</p> <p>In 2018, 53 percent of adults aged 15 years and over had lived in the same dwelling for at least the last five years. This figure was 47.1 percent for Māori.¹¹</p> <p><i>Note: No update available for 2020/21. Latest results are from the 2018 General Social Survey (GSS). The 2020 GSS, which was due to be published in 2020/21, was delayed due to the COVID-19 pandemic. The next update is expected to be published in 2022/23.</i></p>	
People have access to the services they need to be able to sustain their housing.	Decrease in the proportion of children living in homes with cold, dampness or mould.	<p>In 2019/20,¹² 7 percent of children and young people (ages 0–17) lived in households reporting a major problem with dampness or mould. This figure was 11 percent for Māori children.</p> <p>In 2018/19,¹³ 8 percent of children and young people (ages 0–17) lived in households reporting a major problem with dampness or mould. This figure was 13 percent for Māori children.</p> <p>In 2017/18, 8.5 percent of children and young people (ages 0–17) lived in households reporting a major problem with dampness or mould.</p> <p><i>Note: Latest results are from 2019/20.</i></p>	




⁹ These figures reflect the situation in 2018 and do not reflect the impact of more recent developments, policies or the Covid-19 pandemic.

¹⁰ Amore, K., Viggers, H., Howden Chapman, P. (2021). Severe housing deprivation in Aotearoa New Zealand, 2018: June 2021 update. hud.govt.nz/news-and-resources/statistics-and-research/2018-severe-housing-deprivation-estimate

¹¹ Stats NZ. (2019). Wellbeing statistics: 2018. stats.govt.nz/information-releases/wellbeing-statistics-2018

¹² Department of the Prime Minister and Cabinet (2021). Child Poverty Related Indicators Report. dpmc.govt.nz/publications/child-poverty-related-indicators-report-2019-20

¹³ Department of the Prime Minister and Cabinet. (2020). Child Poverty Related Indicators Report. dpmc.govt.nz/our-programmes/reducing-child-poverty/childpoverty-measures-targets-and-indicators

What we expect to see when the system is working well	Measures	Commentary	Trend
	Increase in the diversity of supply of homes in communities.	<p>As at 30 June 2021, Māori Community Housing Providers (CHPs) comprised 18 of the 60 registered CHPs, or 30 percent. During this time, Māori CHPs were providing 11.4 percent of the total CHP housing stock.</p> <p>In 2020/21, there was an increase in higher density residential dwellings, with residential apartments making up 15.5 percent and flats making up 19.2 percent of net new dwellings.</p> <p>As at 30 June 2020, Māori CHPs comprised 17 of the 55 registered CHPs, or 31 percent. During this time, Māori CHPs were providing 3.67 percent of the total CHP housing stock.</p> <p>In 2019/20, there was an increase in higher density residential dwellings, with residential apartments making up 15.9 percent and flats making up 16.1 percent of net new dwellings.¹⁴</p>	
	Decrease in crowding.	<p>In 2020, 9.4 percent of people were living in a crowded dwelling. This figure was 16.4 percent for Māori.¹⁵</p> <p>In 2019, 8.9 percent of people were living in a crowded dwelling. This figure was 16.2 percent for Māori.</p> <p><i>Note: These results are not directly comparable with results that were provided in the 2019/20 Annual Report, which were taken from Census data. Latest results are from the 2019/20 Household Economic Survey.</i></p>	
	Decrease in the proportion of Tenancy Tribunal applications due to rent arrears.	<p>In 2020, there were 22,237 claims to the Tenancy Tribunal, of which 60 percent were for rent arrears.¹⁶</p> <p>In 2019, there were 29,496 claims to the Tenancy Tribunal, of which 66 percent were for rent arrears.</p> <p>In 2018, there were 32,222 claims to the tribunal, of which 69 percent were for rent arrears.</p> <p><i>Note: Latest results are from 2020.</i></p>	
	Decrease in the proportion of people who have lived in five or more houses in the last five years.	<p>Our work on the HAP and partnering to increase the supply of public and transitional housing (see pages 31 to 37) contributes to this measure. Improving the experience of renting (see page 39) also contributes to this measure.</p> <p>In 2018, 5 percent of adults aged 15 years and over had moved dwellings five or more times in the past five years. This was the case for 9 percent of Māori.¹⁷</p> <p><i>Note: No update available for 2020/21. Latest results are from the 2018 General Social Survey (GSS). The 2020 GSS, which was due to be published in 2020/21, was delayed due to the COVID-19 pandemic. The next update is expected to be published in 2022/23.</i></p>	

¹⁴ Data from local councils, provided by Corelogic and managed by Te Tūāpapa Kura Kāinga.¹⁵ Sourced from Household Economic Survey, Stats NZ.¹⁶ Provided by the Ministry of Business, Innovation and Employment.¹⁷ Stats NZ. (2019). Wellbeing statistics: 2018. www.stats.govt.nz/information-releases/wellbeing-statistics-2018




What we expect to see when the system is working well	Measures	Commentary	Trend
People have the opportunity to fully participate in the community.	Increase in the average adult score for sense of belonging to their neighbourhood.	In 2018, more than two-thirds of New Zealand adults (69 percent, 15+ years) felt a sense of connection with others in their neighbourhood. This proportion was the same for Māori (69 percent). ¹⁸ <i>Note: No update available for 2020/21. Latest results are from the 2018 General Social Survey (GSS). The 2020 GSS, which was due to be published in 2020/21, was delayed due to the COVID-19 pandemic. The next update is expected to be published in 2022/23</i>	
	Increase in the proportion of Māori who have visited their ancestral marae in the past 12 months.	In 2018, 29.4 percent (2013: 33 percent) of Māori had visited their marae tipuna in the past 12 months. ¹⁹ <i>Note: Latest results are from the 2018 Te Kupenga – Survey of Māori wellbeing.</i>	
<p>Our work to ensure people have the opportunity to fully participate in the community is included in <i>Wellbeing through housing</i> (see page 31 to 40) by ensuring that people have a warm, dry and secure home that meets their needs.</p> <p>Our work towards <i>Vibrant flourishing communities</i> (see page 21 to 30) also contributes to this outcome. In particular, the MAIHI Framework for Action and place-based approach to developing local solutions will ensure people are more connected to, and participate in, their local communities.</p>			

¹⁸ Stats NZ. (2019). Wellbeing statistics: 2018. stats.govt.nz/information-releases/wellbeing-statistics-2018

¹⁹ Stats NZ (2020). Connections to people and place key to Māori wellbeing. stats.govt.nz/information-releases/te-kupenga-2018-final-english

Ngā kāinga utu-ngāwari ki ngā reanga katoa

Affordable homes for every generation

What we expect to see when the system is working well	Measures	Commentary	Trend
People are able to rent or buy appropriate housing for their changing needs.	Increase in rental housing affordability.	<p>At June 2020, 44.7 percent of renter households were spending 30 percent or more of their household disposable income on housing costs.²¹</p> <p>At June 2019, 42.7 percent of renter households were spending 30 percent or more of their household disposable income on housing costs.²²</p> <p>At June 2018, 44.6 percent of renter households were spending more than 30 percent of their household disposable income on housing costs.²³</p> <p><i>Note: These results are not directly comparable with results that were provided in the 2019/20 Annual Report, which were taken from the Experimental Housing Percentage Measure. Latest results are from the Household Income and Housing Cost Statistics: Year ended June 2020.</i></p>	
	Decrease in the time to house people from the public housing register.	<p>In the year to June 2021, the median time to house people on the housing register was 168 days.²⁴</p> <p>In the year to June 2020, the median time to house people on the housing register was 126 days.</p> <p>In the year to June 2019, the median time to house people on the housing register was 101 days.</p>	
	Increase in home ownership.	<p>In 2020, 63.2 percent of people were living in owner-occupied dwellings. For Māori, this was 45.1 percent and for Pacific peoples 30.9 percent.²⁵</p> <p>In 2019, 62.6 percent of people were living in owner-occupied dwellings. For Māori, this was 45.7 percent and for Pacific peoples 31.6 percent.</p> <p><i>Note: These results are not directly comparable with results that were provided in the 2019/20 Annual Report, which were taken from Census data. Latest results are from the 2019/20 Household Economic Survey.</i></p>	
<p>Our work to ensure people are able to rent or buy appropriate housing for their changing needs is included on pages 41 to 44. We are enabling an increase in the supply of affordable housing through the establishment of the Housing Acceleration Fund. The Land for Housing programme is purchasing underused Crown and private land to onsell for housing development. The Progressive Home Ownership Fund is enabling families who have been priced out of home ownership to buy a home.</p>			

²⁰ "Renter households" refers to the total figure for people living in dwellings not owned by usual residents.



²¹ Stats NZ (2021). Household income and housing cost statistics: Year ended June 2020 – corrected. stats.govt.nz/information-releases/household-income-and-housing-cost-statistics-year-ended-june-2020 (Household income and housing cost-statistics: Year ended June 2020 (corrected) Microsoft Excel Open XML Spreadsheet, Table 10).

²² Stats NZ (2021). Household income and housing cost statistics: Year ended June 2020 – corrected. stats.govt.nz/information-releases/household-income-and-housing-cost-statistics-year-ended-june-2020 (Household income and housing cost-statistics: Year ended June 2020 (corrected) Microsoft Excel Open XML Spreadsheet, Table 10).

²³ Stats NZ (2020). Household income and housing cost statistics: Year ended June 2019. stats.govt.nz/information-releases/household-income-and-housing-cost-statistics-year-ended-june-2019 (Household income and housing-cost statistics: Year ended June 2019 – corrected 25 February 2020 Microsoft Excel Open XML Spreadsheet, Table 5).

²⁴ Ministry for Social Development (2021). Annual Report. msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/

²⁵ Sourced from Household Economic Survey, Stats NZ.

What we expect to see when the system is working well	Measures	Commentary	Trend
Land is used efficiently, effectively and sustainably to provide homes for people across generations.	Decrease in the price to cost ratio of residential housing.	For 2020/21, the price to cost ratio is 1.95. ²⁶ For 2019/20, the price to cost ratio is 1.61. For 2018/19, the price to cost ratio is 1.60.	
Māori, whānau, hapū and iwi are empowered to realise their housing aspirations.	Increase in Māori home ownership.	In 2020, 45.1 percent of Māori were living in owner-occupied dwellings. ²⁷ In 2019, 45.7 percent of Māori were living in owner-occupied dwellings. <i>Note: These results are not directly comparable with results that were provided in the 2019/20 Annual Report, which were taken from Census data. Latest results are from the 2019/20 Household Economic Survey.</i>	
Innovative solutions support scale, pace and quality.	Increase in the proportion of new builds using prefabrication or modular construction.	New Zealand's biggest residential builder, Kāinga Ora – Homes and Communities, has developed a strategy with targets to increase the amount of modular and prefabricated housing solutions it procures and develop partnerships across government and industry to drive broader uptake. ²⁸ The Ministry does not have a measure of the proportion of new builds using prefabrication or modular construction.	





²⁶ Ministry analysis using the same methodology as used for the National Policy Statement on Urban Development Dashboard. National Policy Statement on Urban Development Capacity – Price efficiency indicators technical report: Price-cost ratios (hud.govt.nz).

²⁷ Sourced from Household Economic Survey, Stats NZ.

²⁸ Provided by Kāinga Ora – Homes and Communities.

He punaha panoni i a ia anō

A self-adjusting system

What we expect to see when the system is working well	Measures	Commentary	Trend
Housing supply meets housing demand.	Decrease in the ratio of new households to new dwelling consents.	As at June 2021, the ratio of new households to new dwelling consents was 0.74. ^{29 30 31} As at June 2020, the ratio of new households to new dwelling consents was 0.84.	
	Decrease in average time taken to complete resource consents.	In 2019/20, the median number of working days to approve or decline a notified resource consent with a hearing was 205. The median number of working days for a non-notified source consent was 31. ³² In 2018/19, the median number of working days to approve or decline a notified resource consent with a hearing was 206. The median number of working days for a non-notified source consent was 29. In 2017/18, the median number of working days to approve or decline a notified resource consent with a hearing was 175. The median number of working days for a non-notified source consent was 26. <i>Note: Latest results are from the 2019/20 Resource Consents Explorer.</i>	
	An increase in the proportion of people who are satisfied with the area in which they live.	In 2018, 77 percent of adults aged 15 years and over found their neighbourhood attractive, and 68 percent of Māori adults found their neighbourhood attractive. ³³ <i>Note: No update available for 2020/21. Latest results are from the 2018 General Social Survey (GSS). The 2020 GSS, which was due to be published in 2020/21, was delayed due to the COVID-19 pandemic. The next update is expected to be published in 2022/23.</i>	
<p>Our work to enable housing supply to meet housing demand is included on pages 47 to 48.</p> <p>We are the lead or co-lead agency for three of the five focus areas in the Urban Growth Agenda (UGA). We are jointly implementing the National Policy Statement – Urban Development (NPS-UD) with the Ministry for the Environment. The NPS-UD, which is part of the planning focus area in the UGA, requires councils to plan well for growth.</p> <p>We are supporting the Government's repeal and replacement of the Resource Management Act 1991, which has the potential to address significant drivers of housing supply shortages and affordability, and support urban development.</p> <p>Our work to build urban growth partnerships (see page 29) also contributes to this outcome.</p>			
Collaboration and effective partnerships shape the system.	Increase in stakeholder pulse check of perceived effectiveness of the Ministry of Housing and Urban Development's relationships.	In 2021, 87.5 percent of respondents indicated they were at least moderately satisfied, with 62.5 percent indicating they were very or extremely satisfied. In 2020, 90.5 percent of respondents indicated they were at least moderately satisfied, with 61.9 percent indicating they were very or extremely satisfied.	
	Increase in the number of people housed as a result of iwi partnerships.	In 2020/21, 402 dwellings were built in partnership with iwi. In 2019/20, 253 dwellings were built in partnership with iwi. In 2018/19, 157 dwellings were built in partnership with iwi.	



²⁹ This result is not comparable with the result provided in the 2020 Annual Report because we have revised the measurement methodology.

³⁰ Stats NZ (2021). Dwelling and household estimates: June 2021 quarter. stats.govt.nz/information-releases/dwelling-and-household-estimates-june-2021-quarter

³¹ Stats NZ (2021). Building consents issued: June 2021. stats.govt.nz/information-releases/building-consents-issued-june-2021

³² Ministry for the Environment (2021). Resource Consents Explorer 2014/15 to 2019/20. [Resource Consents Explorer \(shinyapps.io\)](https://resourceconsentsexplorer.shinyapps.io/) This does not account for events that stop the statutory clock, an information request, or section 37 time extensions. The average time for resource consents being processed across the country may have increased due to a number of factors in a number of different areas. Factors may include the volume of resource consents sought, complexity of resource consents, and resourcing of local councils.

³³ Stats NZ. (2019). Wellbeing statistics: 2018. stats.govt.nz/information-releases/wellbeing-statistics-2018 Sourced from the latest available Stats NZ's General Social Survey (GSS).

What we expect to see when the system is working well	Measures	Commentary	Trend ¹
Sector capability and capacity is continuously developing.	Increase in the quality assessment of local government's housing and business development capacity assessment and future development strategies.	Under the National Policy Statement on Urban Development (NPS-UD), tier 1 and 2 councils were required to complete the housing component of their housing and business development capacity assessment (HBA) by 31 July 2021. Each HBA must: <ul style="list-style-type: none"> estimate the housing development capacity for housing in their region quantify the available development capacity for housing in their region and district for the short, medium and long term. 	
	Decrease in cost per metre-squared of residential construction.	The cost per metre-squared for 2020/21 was \$3,017.06. ³⁴ The cost per metre-squared for 2019/20 was \$2,941.59. The cost per metre-squared for 2018/19 was \$2,782.61.	
Future consequences are foreseen and planned for.	Information is accessible and used to inform decisions.	From 1 July 2020 to 30 June 2021 there have been 5,839 visits to the Housing Dashboard. From 23 October 2019 to 30 June 2020 there have been 9,753 visits to the Housing Dashboard. ^{35 36}	
	Increased local and national planning for responding to environmental change.	The NPS-UD, launched in August 2020, requires that planning decisions contribute to well-functioning urban environments that are resilient to the likely current and future effects of climate change. A number of other policy tools will also contribute to this planning including: <ul style="list-style-type: none"> Government Policy Statement on Housing and Urban Development, supporting broader, cross-government policy responses to climate change. The Resource Management Act reforms. The Emissions Reduction Plan, which will include changes to the planning system and the transport and building and construction sectors. The National Adaptation Plan, which will set out actions that ensure New Zealand's homes are resilient to the future climate. 	

³⁴ The increase in the average cost of residential construction may have been contributed to by numerous factors, including type of materials use, variance in the cost of materials, the standard to which property is built to, variance in labour cost, prevalence of bespoke home building, size of properties built and increased costs associated with more challenging plots.

³⁵ The first publication of the Housing Dashboard was on 23 October 2019. Therefore, data is not available for the full 2019/20 financial year and is not directly comparable with the 2020/21 data.

³⁶ This figure was retrieved in July 2021, and is not directly comparable with the figure included in the 2019/20 Annual Report.

Tuhinga o Mua 2020/21

Statement of Performance 2020/21

Vote Housing and Urban Development

The appropriations reported in this annual report are:

Multi-category Expenses and Capital Expenditure

- **Managing the Housing and Urban Development Portfolio**

Departmental Output Expenses

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

- **Public Housing**

Non-departmental Output Expenses

- Purchase of Public Housing Provision
- Services for People in Need of or at risk of Needing Public Housing
- Non-departmental Other Expenses
- Support for the Provision of Public Housing Supply

- **Transitional Housing**

Non-departmental Output Expenses

- Provision of Transitional Housing Places
- Transitional Housing Services

Non-departmental Capital Expenditure

- Acquisition, Development and Construction of Transitional Housing

Non-departmental Output Expenses

- He Kūkū Ki Te Kāinga – Increasing Māori Housing Supply

Departmental Capital Expenditure

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

Multi-category Expenses and Capital Expenditure

Managing the Housing and Urban Development Portfolio

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.

2020 Actuals \$000	Financial Performance	2021 Actuals \$000	2021 Budget \$000
	Departmental output expenses		
	Revenue		
	<u>Revenue – Crown</u>		
15,989	Facilitating the purchase and redevelopment of Land for Housing Purposes	5,000	5,000
22,569	Management of Housing Provision & Services	23,825	23,825
29,364	Policy Advice & Ministerial Servicing	40,224	40,224
	<u>Revenue – Departmental</u>		
158	Facilitating the purchase and redevelopment of Land for Housing Purposes	19	-
602	Management of Housing Provision & Services	354	219
655	Policy Advice & Ministerial Servicing	386	387
	<u>Revenue – Third Party</u>		
-	Facilitating the purchase and redevelopment of Land for Housing Purposes	4	4
-	Management of Housing Provision & Services	49	49
-	Policy Advice & Ministerial Servicing	67	67
69,337	Total Revenue	69,928	69,775
	Expenses		
8,610	Facilitating the purchase and redevelopment of Land for Housing Purposes	4,720	5,004
21,343	Management of Housing Provision & Services	23,740	24,093
28,800	Policy Advice & Ministerial Servicing	33,742	40,678
58,753	Total Expenses	62,202	69,775

Performance information for this appropriation:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
78.3%	The satisfaction rating given by the Minister for overall satisfaction annually	83.7% ¹	Reach, or exceed 70%

¹ The Minister of Housing completed one survey addressing a number of elements that provide indications of their overall satisfaction with the Ministry for information and advice received for their portfolio role. The measure will be updated next year to reflect the 5-point scale used by the Department of the Prime Minister and Cabinet Policy Project. This year's result, based on this updated scale, is equivalent to 4.18 out of 5.

Facilitating the purchase and redevelopment of Land for Housing Purposes

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
16	Number of potential project investigations (and due diligence) completed	4 ²	5
New measure for 2020/21	Number of settled land acquisitions	8	3
New measure for 2020/21	Number of signed development agreements	4	2

Management of Housing Provision and Services

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
New measure for 2020/21	An annual monitoring report will be provided within 90 working days of receiving a Community Housing Provider annual return	48.8% ³	90%

² In 2020/21, an additional 15 potential projects were investigated and did not progress through all stages of the due diligence process because they were unsuitable for inclusion in the Land for Housing Programme.

³ The 2020/21 monitoring performance reflects both workload pressures associated with New Zealand's Covid-19 response and competing workload priorities. The primary focus for the team in 2020/21 was evaluation completion rates (ie, finishing applications to become a registered CHP). We expect monitoring performance to improve in 2021/22.

Policy Advice and Ministerial Servicing

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
3.7	Technical quality of policy advice papers will be assessed against the policy quality framework	3.7 ⁴	Achieve an average score of at least 3/5

Percentage of requests completed within either specified or statutory timeframe:

95.6%	Ministerial correspondence	98.41%	95% or above
100%	Ministerial Official Information Act 1982 requests	95.96% ⁵	95% or above
98.9%	Parliamentary questions	100%	95% or above

⁴ We received an average of 3.7 on the policy quality framework 5-point scale through an external review undertaken of 25 papers by NZIER. This measure was updated this year to reflect the new policy quality framework 5-point scale. 100% of papers scored 3 or above and 36% scored 4 or above.

⁵ Percentage for Departmental Official Information Act 1982 requests completed within either specified or statutory timeframe was 98.46%.

Public Housing

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

2020 Actuals \$000	Financial Performance	2021 Actuals \$000	2021 Budget \$000
Non-departmental output expenses			
1,071,138	Purchase of Public Housing Provision	1,201,794	1,215,694
33,055	Services for People in Need of or at Risk of Needing Public Housing	68,946	59,906
2,835	Services Related to the Provision of Public Housing	6,704	547
Non-departmental other expenses			
1,760	Support for the Provision of Public Housing Supply	2,685	23,055
1,108,788	Total Expenses	1,280,129	1,299,202

Performance information for this appropriation:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
New measure	The net increase in additional public housing places will be at least:	3,018	2,300

The forecast from the 2019/20 Supplementary Estimates of Appropriations was that the total number of public housing places provided by all public housing providers would be at least 73,500 at 30 June 2021. Public housing places are made up of total tenancies (Kāinga Ora and Community Housing Providers Income Related Rent Subsidy places and market renters) plus Kāinga Ora vacancies. The total number of public housing places provided by all public housing providers at 30 June 2021 was 74,337.

Purchase of Public Housing Provision

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
68,643	The number of tenancies subsidised by an income-related rent subsidy will be at least:	71,738	70,500

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

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
1,115+	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:	2,051	2,000

Support for the Provision of Public Housing Supply

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
New measure for 2020/21	The total number of Community Housing Provider places contracted as a result of upfront funding will be at least:	380	385

Transitional Housing

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

2020 Actuals \$000	Financial Performance	2021 Actuals \$000	2021 Budget \$000
Non-departmental output expenses			
93,788	Provision of Transitional Housing Places	163,917	161,628
69,022	Transitional Housing Services	89,361	119,077
Non-departmental capital expenditure			
3,622	Acquisition, Development and Construction of Transitional Housing	-	63,593
166,432	Total Expenses	253,278	344,298

Performance information for this appropriation:

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

The total number of transitional housing places provided at 30 June 2021 was 4,432. This excludes approximately 880 Covid-19 response places.

Provision of Transitional Housing Places

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
New measure	The net increase in additional transitional housing places in areas of demand will be at least:	1,198	1,200

Transitional Housing Services

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
3,399	The total number of transitional housing places that receive associated support services will be at least:	4,212	4,050

Acquisition, Development and Construction of Transitional Housing

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

Performance information for this category:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
30	The number of transitional housing places that will be acquired, developed or constructed will be between:	0 ⁷	10–30

⁷ The programme for which this funding was initially intended did not start in the 2020/21 financial year. This funding has now been redirected to the 2021/22 financial year to continue the Government's focus on delivering new transitional housing places.

Non-departmental Output Expenses

He Kūkū Ki Te Kāinga – Increasing Māori Housing Supply

This appropriation is limited to increasing the housing supply provided by Māori service providers.

2020 Actuals \$000	Financial Performance	2021 Actuals \$000	2021 Budget \$000
681	Total Expenses	13,984	28,319

Performance information for this appropriation

2019/20 Performance ⁸	Performance measure	2020/21 Performance	2020/21 Target
-	Number of new housing places created for individuals/whānau	67 housing places created	50
-	Number of individuals/whānau placed in housing	156 individuals and 44 whānau	100

Departmental Capital Expenditure

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

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

2020 Actuals \$000	Financial Performance	2021 Actuals \$000	2021 Budget \$000
2,224	Total Expenses	3,084	5,100

Performance information for this appropriation:

2019/20 Performance	Performance measure	2020/21 Performance	2020/21 Target
Achieved	Capital expenditure is in accordance with the Capital Asset Management Plan	Achieved	Achieved

⁸ Last year's performance information on this appropriation was reported in the B14 Vote Housing and Urban Development 2019/20 Minister's Report on Non-departmental Appropriations presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989 by the Minister of Housing.



Financial statements

For the year ended 30 June 2021



MINISTRY OF HOUSING AND URBAN DEVELOPMENT

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2021

Actual 2020 \$000		Notes	Actual 2021 \$000	Budget* 2021 \$000	Revised Budget* 2021 \$000	Forecast* 2022 \$000
Revenue						
71,022	Revenue Crown		69,049	64,122	69,049	71,677
1,415	Other revenue	2	879	-	726	-
72,437	Total revenue		69,928	64,122	69,775	71,677
Expenses						
44,987	Personnel costs	3	44,858	46,135	52,363	54,987
196	Depreciation and amortisation	7,8	684	528	630	630
232	Loss on disposal		-	-	-	-
563	Capital charge	4	477	602	477	477
15,606	Other operating expenses	5	16,183	16,857	16,305	15,583
61,584	Total expenses		62,202	64,122	69,775	71,677
10,853	Net surplus/(deficit) and total comprehensive revenue and expense		7,726	-	-	-

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

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

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

Actual 2020 \$000		Notes	Actual 2021 \$000	Budget* 2021 \$000	Revised Budget* 2021 \$000	Forecast* 2022 \$000
Assets						
Current assets						
26,072	Cash and cash equivalents		17,356	9,743	10,407	8,537
47	Trade and other receivables	6	28	1,073	47	47
268	Prepayments		341	153	268	268
26,387	Total current assets		17,725	10,969	10,722	8,852
Non-current assets						
2,593	Property, plant and equipment	7	4,993	5,769	7,063	8,933
-	Intangible assets	8	-	70	-	-
2,593	Total non-current assets		4,993	5,839	7,063	8,933
28,980	Total assets		22,718	16,808	17,785	17,785
Liabilities						
Current liabilities						
5,645	Trade and other payables	9	1,880	5,256	5,919	5,919
10,853	Return of operating surplus	11	7,726	-	-	-
95	Provisions	10	-	206	95	95
-	Deferred revenue		208	-	-	-
2,620	Employee entitlements	12	2,996	1,197	2,004	2,004
19,213	Total current liabilities		12,810	6,659	8,018	8,018
Non-current liabilities						
27	Provisions	10	59	-	27	27
204	Employee entitlements	12	313	123	204	204
231	Total non-current liabilities		372	123	231	231
19,444	Total liabilities		13,182	6,782	8,249	8,249
9,536	Net assets		9,536	10,026	9,536	9,536
Equity						
9,536	Taxpayers' funds	13	9,536	10,026	9,536	9,536
9,536	Total Equity		9,536	10,026	9,536	9,536

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

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

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

Actual 2020 \$000		Notes	Actual 2021 \$000	Budget* 2021 \$000	Revised Budget* 2021 \$000	Forecast* 2022 \$000
9,136	Balance as at 1 July		9,536	10,026	9,536	9,536
10,853	Total comprehensive revenue/(expense)		7,726	-	-	-
400	Capital injections		-	-	-	-
(10,853)	Repayment of operating surplus to the Crown	11	(7,726)	-	-	-
9,536	Balance as at 30 June	13	9,536	10,026	9,536	9,536

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

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

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000	Budget* 2021 \$000	Revised Budget* 2021 \$000	Forecast* 2022 \$000
Cash flows from operating activities					
71,022	Receipts from Revenue Crown	69,049	64,122	69,049	71,677
1,415	Receipts from other revenue	1,106	-	726	-
(14,261)	Payments to suppliers	(18,883)	(16,857)	(16,235)	(15,268)
(44,783)	Payments to employees	(44,618)	(46,135)	(52,433)	(54,960)
(327)	Payments for capital charge	(819)	(602)	(819)	(819)
443	Goods and services tax (net)	(614)	-	-	-
13,509	Net cash flows from operating activities	5,221	528	288	630
Cash flows from investing activities					
(2,224)	Purchase of property, plant and equipment	(3,084)	(5,100)	(5,100)	(2,500)
(2,224)	Net cash flows from investing activities	(3,084)	(5,100)	(5,100)	(2,500)
Cash flows from financing activities					
890	Capital contribution	-	-	-	-
(1,189)	Repayment of surplus to the Crown	(10,853)	-	(10,853)	-
(299)	Net cash flows from financing activities	(10,853)	-	(10,853)	-
10,986	Net increase/(decrease) in cash and cash equivalents	(8,716)	(4,572)	(15,665)	(1,870)
15,086	Cash and cash equivalents at the beginning of the year	26,072	14,315	26,072	10,407
26,072	Cash and cash equivalents at the end of year	17,356	9,743	10,407	8,537

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

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

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

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021 (continued)

RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

Actual 2020 \$000		Actual 2021 \$000
10,853	Net surplus	7,726
	Add/(less) non-cash items:	
196	Depreciation and amortisation expense	684
(490)	Other non-cash movements	-
(294)	Total non-cash items	684
	Add/(less) items classified as investing or financing activities	
232	Net losses/(gains) on sale of property, plant and equipment	-
	Add/(less) movements in statement of financial position items	
911	(Increase)/decrease in receivables and prepayments	(54)
913	Increase/(decrease) in payables	(3,765)
-	Increase/(decrease) in deferred revenue	208
(111)	Increase/(decrease) in provisions	(95)
897	Increase/(decrease) in employee entitlements	376
81	Increase/(decrease) in non-current employee entitlements	109
27	Increase/(decrease) in non-current provisions	32
2,950	Total net movements in statement of financial position items	(3,189)
13,509	Net cash flows from operating activities	5,221

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

STATEMENT OF COMMITMENTS

As at 30 June 2021

Non-cancellable operating lease commitments

The Ministry leases premises in the normal course of its business. The Ministry leases two properties with non-cancellable leasing periods, one is for one month, and the other is for 94 months. Both leases have varying terms, escalation clauses, and renewal rights.

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

Capital commitments

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

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

As at 30 June 2021, there are no outstanding capital commitments (2020: \$2.231 million).

Actual 2020 \$000		Actual 2021 \$000
	Non-cancellable operating lease commitments	
1,890	Not later than one year	1,779
7,085	Later than one year and not later than five years	7,075
6,780	Later than five years	5,012
15,755	Total non-cancellable operating lease commitments	13,866
	Capital commitments	
2,231	Leasehold improvements	-
2,231	Total Capital commitments	-
17,986	Total commitments	13,866

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

STATEMENT OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2021

Quantifiable contingent liabilities

Personal grievances

As at 30 June 2021, the Ministry had one quantifiable contingent liability, relating to one employment claim, yet to be settled at year-end.

The total estimate for this quantifiable contingent liability is \$22,000 (2020: nil).

Unquantifiable contingent liabilities

Personal grievances

As at 30 June 2021, the Ministry had one unquantifiable contingent liability, relating to an employment claim that was ongoing at year-end.

The Ministry is currently defending this claim.

Contingent assets

The Ministry has no quantifiable or unquantifiable contingent assets (2020: nil).

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

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

NOTES TO THE DEPARTMENTAL FINANCIAL STATEMENTS

For the year ended 30 June 2021

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MINISTRY OF HOUSING AND URBAN DEVELOPMENT

NOTES TO THE DEPARTMENTAL FINANCIAL STATEMENTS

For the year ended 30 June 2021

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

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

The Ministry reports on the Crown activities it administers in the non-departmental statements and schedules on pages 120 to 133.

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

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

These financial statements of the Ministry are for the year ended 30 June 2021 and were approved for issue by the Chief Executive on 30 September 2021.

Basis of preparation

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

Statement of compliance

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

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

Measurement base

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

Presentation currency and rounding

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

Changes in accounting policies

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

Standards issued and not yet effective and not early adopted

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

Amendment to PBE IPSAS 2 *Cash Flow Statement*

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for the year ending 30 June, with early application permitted. This amendment will result in additional disclosures. The Ministry does not intend to early adopt the amendment.

PBE IPSAS 41 *Financial Instruments*

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

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

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

Effective Date of PBE IFRS 9 delays the effective date of PBE IFRS 9 by one year, from 1 January 2021 to 1 January 2022.

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

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

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

The Ministry does not intend to early adopt the standard.

PBE FRS 48 *Service Performance Reporting*

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

Critical judgements and estimates

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

Long service leave

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

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

Note 12 provides an analysis of the exposure in relation to estimates and uncertainties surrounding sick and long service leave liabilities.

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

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

Budgeting and forecasting figures

Basis of the budget and forecast figures

The 2021 budget figures are for the year ended 30 June 2021 and were published in the 2019/20 annual report. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ended 30 June 2021.

The revised budget figures are those included in the Supplementary Estimates of Appropriations (Budget) for the year ending 30 June 2021.

The 2022 forecast figures are for the year ending 30 June 2022, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 30 June 2022.

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

The 30 June 2022 forecast figures have been prepared in accordance and comply with PBE FRS 42 *Prospective Financial Statements*.

The forecast financial statements were authorised for issue by the Chief Executive on 12 April 2021. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Significant assumptions – forecast figures

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what might occur during the 2021/22 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions which were adopted as at 21 April 2021, were as follows:

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

- operating costs are based on historical experience of legacy agencies and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred; and
- Estimated year-end information for 2020/21 was used as the opening position for the 2021/22 forecasts.

The actual financial results achieved for 30 June 2022 are likely to vary from the forecast information presented, and the variations might be material.

Revenue

Revenue – Non-exchange transactions

Revenue Crown

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

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

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

The total amount of Revenue Crown is non-exchange.

Revenue – Exchange transactions

Other revenue

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.

Expenditure

Expenses are recognised as goods and services are received.

Foreign currency transactions

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

Capital charge

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

Operating leases

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

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

Cash and cash equivalents

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

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

Trade and other receivables

Receivables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method. Receivables are not discounted due to the short-term nature of the balance.

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

Property, plant and equipment

Property, plant and equipment consists of furniture and office equipment, and computer hardware. Property, plant and equipment is shown at cost less accumulated depreciation and impairment losses.

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

Additions

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

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

Type of asset	Estimated life (years)	Depreciation Rate
Computer hardware	3 years	33.3%
Plant and equipment	5 to 10 years	10% to 20%
Furniture and fittings	5 years	20%
Lease hold improvements	9 to 10 years	10% to 11.1%

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

Impairment

Non cash-generating assets

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment at each balance date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell its value in use.

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

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

The total impairment loss and reversal of previously recognised impairments are recognised in the Statement of Comprehensive Revenue and Expense.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use by the Ministry are recognised as an intangible asset.

Subsequent to recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment.

Staff training, and ongoing software maintenance costs are recognised as an expense in the period they 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 period is recognised in the Statement of Comprehensive Revenue and Expense.

Payables

Payables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method. Payables are not discounted due to the short-term nature of the balance.

Income tax

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Employee entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

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

	2021	2020
Long term discount rate	4.30%	4.30%
Salary inflation rate	3.08%	2.72%

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver, the Government Superannuation Fund and Individual Retirement Plan (formerly Global Retirement Trust) are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expense as incurred.

Financial instruments

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

Provisions

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

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

Lease make-good provision

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

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

Restructuring

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 commenced.

Taxpayers' funds

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

Cost allocation accounting policies

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

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

Commitments

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

Contingent assets and contingent liabilities

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

2. Other revenue

Actual 2020 \$000		Actual 2021 \$000
	Other revenue	
1,415	Revenue from departments	759
-	Revenue from third parties	120
1,415	Total other revenue	879

Other revenue is derived from mostly exchange revenue.

3. Personnel costs

Actual 2020 \$000		Actual 2021 \$000
34,777	Salaries and wages	38,317
8,470	Contract employees	3,335
963	Contributions to defined contribution and benefit schemes	1,130
652	Other personnel expenses	713
27	ACC employer contributions	96
98	Increase/(decrease) in employee entitlements	1,267
44,987	Total personnel costs	44,858

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

4. Capital charge

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

The Ministry pays a capital charge to the Crown based on its taxpayers' funds excluding any memorandum accounts as at 30 June of the previous financial year and 31 December of the current financial year. The capital charge rate for the year ending 30 June 2021 is 5.0% (2020: 6.0%).

5. Other operating expenses

Actual 2020 \$000		Actual 2021 \$000
	Fees to Auditors	
210	- fees to Audit New Zealand for audit of financial statements	295
40	- fees to other auditors for internal audit services provided	36
1,145	Consultancy fees	1,690
1,130	Leasing and renting costs	1,630
1,886	Legal fees	1,838
260	Subscriptions	396
3,494	Other operating costs	3,122
83	Restructuring costs	(52)
5,086	Professional services	5,188
2,272	Computer operating costs	2,040
15,606	Total other operating expenses	16,183

6. Trade and other receivables

Actual 2020 \$000		Actual 2021 \$000
47	Receivables from third parties	28
-	Less: provision for doubtful debts	-
47	Total trade and other receivables	28

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

The above receivables all measured at fair value upon initial recognition in accordance with IFRS 9 *Financial Instruments*. They are subsequently remeasured at amortised cost using the effective interest rate method.

Those specific debtors that are insolvent are fully provided for. As at 30 June 2021, the Ministry has identified no debtors that are insolvent. Receivables from other Government departments are nil as at 30 June 2021 (2020: nil). We would expect that the future cashflows associated with these receivables are certain. There is minimal uncertainty associated with our third-party receivables, and we would expect that the full amount would be received.

The Ministry has a policy that all 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 2021, all overdue receivables have been assessed for impairment and no provisions have been applied.

7. Property, plant and equipment

	Computer Hardware \$000	Plant and Equipment \$000	Furniture and Fittings \$000	Leasehold Improvements \$000	Actual \$000
Cost or valuation					
Balance as at 1 July 2019	658	9	106	-	773
Additions	134	-	17	2,073	2,224
Disposals	(35)	(9)	(106)	-	(150)
Balance as at 30 June 2020	757	-	17	2,073	2,847
Additions	266	-	695	2,123	3,084
Disposals	-	-	-	-	-
Balance as at 30 June 2021	1,023	-	712	4,196	5,931
Accumulated depreciation					
Balance as at 1 July 2019	62	1	5	-	68
Depreciation charge for the year	193	-	3	-	196
Eliminate on disposal	(4)	(1)	(5)	-	(10)
Balance as at 30 June 2020	251	-	3	-	254
Depreciation charge for the year	327	-	124	233	684
Eliminate on disposal	-	-	-	-	-
Balance as at 30 June 2021	578	-	127	233	938
Carrying amounts					
As at 30 June 2020	506	-	14	2,073	2,593
As at 30 June 2021	445	-	585	3,963	4,993

Work in Progress

Work in Progress totalling \$84,000 is comprised entirely of computer equipment (2020: \$2.103 million).

Impairment

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

8. Intangible assets

	Actual \$000
Cost	
Balance as at 1 July 2019	100
Disposals	(100)
Balance at 30 June 2020	-
Balance at 30 June 2021	-
Amortisation and impairment losses	
Balance as at 1 July 2019	10
Eliminate on disposal	(10)
Balance at 30 June 2020	-
Balance at 30 June 2021	-
Carrying amounts	
As at 30 June 2020	-
As at 30 June 2021	-

Impairment

There has been no impairment to intangible assets during the financial year.

9. Trade and other payables

Actual 2020 \$000		Actual 2021 \$000
4,575	<i>Payables under exchange transactions</i> Trade and accrued expenses	1,424
1,070	<i>Payables under non-exchange transactions</i> GST, FBT and PAYE payable	456
5,645	Total trade and other payables	1,880

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.

The above payables all measured at fair value upon initial recognition in accordance with PBE IFRS 9 *Financial Instruments*. They are subsequently remeasured at amortised cost using the effective interest rate method.

10. Provisions

Actual 2020 \$000		Restructuring \$000	Make-Good \$000	Actual 2021 \$000
	Current			
206	Balance at 1 July	83	12	95
95	Additional provisions made	-	-	-
(166)	Amounts used	(13)	(10)	(23)
(40)	Amounts reversed	(70)	(2)	(72)
95	Total current provisions	-	-	-
	Non-current			
-	Balance at 1 July	-	27	27
27	Additional provisions made	-	32	32
-	Amounts used	-	-	-
-	Amounts reversed	-	-	-
27	Total current provisions	-	59	59
122	Total provisions	-	59	59

Restructuring

The Ministry had previously recognised a restructuring provision at 30 June 2020 of \$83,000. This has since been reversed as amounts provided for were no longer required.

Lease Make-Good Provision

In respect of a number of its leased premises, the Ministry is required at the expiry of the lease term to make-good any damage caused to the premises and to remove any fixtures or fittings installed by the Ministry.

The cash-flows associated with the non-current portion of the lease make-good provision are expected to occur in July 2021.

11. Return of operating surplus

Actual 2020 \$000		Actual 2021 \$000
10,853	Net surplus/(deficit)	7,726
-	Less retention of underspends	-
10,853	Total return of operating surplus	7,726

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

12. Employee entitlements

Actual 2020 \$000		Actual 2021 \$000
	Current portion:	
616	Salary and wages	818
1,898	Annual leave	2,038
54	Long service leave	88
52	Sick leave	52
2,620	Total current employee benefits	2,996
	Non-current portion:	
204	Long service leave	313
204	Total non-current employee benefits	313
2,824	Total employee entitlements	3,309

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

For each employee, the liabilities are calculated as follows:

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

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

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash flows. A long-term discount rate of 4.30% (2020: 4.30%) has been applied and a salary inflation factor of 3.08% (2020: 2.72%) was used. The discount rates and salary inflation factor used are those advised by the Treasury.

We have determined that the liability as at 30 June 2021 in respect of long service leave benefits is \$401,335. The liability calculated represents the value of the accrued portion of entitlements that will arise in the future in accordance with the assumptions made plus the face value of outstanding leave as at 30 June 2021.

If the discount rate were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus would be an estimated \$24,000 higher/lower.

If the salary inflation factor were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus would be an estimated \$23,000 higher/lower.

Sensitivities

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

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

Assumptions	Liability \$000	Effect of change \$000
Best estimate	401	
Salary increases + 1%	424	23
Salary increases - 1%	381	(20)
Discount rates + 1%	380	(21)
Discount rates - 1%	425	24
Withdrawal rates x 1.2	361	(40)
Withdrawal rates x 0.8	450	49

13. Equity

Actual 2020 \$000		Actual 2021 \$000
	Taxpayers' funds	
9,136	Opening balance	9,536
10,853	Net surplus/(deficit)	7,726
(10,853)	Return of operating surplus to the Crown	(7,726)
890	Capital contribution from the Crown	-
(490)	Capital withdrawal to the Crown	-
9,536	Total equity as at 30 June	9,536

14. Related party information

Identity of related parties

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

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

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

Key management personnel remuneration

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

Actual 2020 \$000		Actual 2021 \$000
2,762	Salaries and other short-term employee benefits	2,042
8.2	Full-time equivalent members	5.8

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

15. Financial instrument risks

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

Credit risk

Credit risk is the risk that a third party will default on its obligations causing the Ministry to incur a loss. In the normal course of our business, the Ministry incurs credit risk from trade debtors and transactions with financial institutions.

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

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

At 30 June 2021, there were no significant other concentrations of credit risk (2020: nil). The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. Refer to Note 6 for a breakdown of the receivables balance.

Fair value

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

Market risk

An assessment has been completed at 30 June 2021 and the Ministry does not have any exposure to price risk or credit risk.

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

Interest rate risk

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

Liquidity risk

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

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

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office.

The Ministry maintains a target level of available cash to meet liquidity requirements. The table below analyses the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2020				
Receivables (see note 6)	47	-	-	-
Payables (see note 9)	4,575	-	-	-
2021				
Receivables (see note 6)	28	-	-	-
Payables (see note 9)	1,424	-	-	-

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

Actual 2020 \$000		Note	Actual 2021 \$000
Financial assets measured at amortised cost			
26,072	Cash and cash equivalents		17,356
47	Receivables	6	28
26,119	Total		17,384
Financial liabilities measured at amortised cost			
4,575	Payables	9	1,424
4,575	Total		1,424

Fair value hierarchy

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

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

In 2020/21 there were no instruments recognised at fair value in the Statement of Financial Position.

Estimation of fair values analysis

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

Trade and other receivables/payables

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

16. Explanation of major variances against budget

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

Personnel costs

Personnel costs were underspent by \$7.5 million due to lower staffing numbers than expected. The Ministry had budgeted workforce of 377 FTEs for the year-ended 30 June 2021, but was only able to manage an average FTE of 325 during the year.

The Ministry also faced a higher than average unexpected turnover of staff in the final quarter of the 2020/21 year.

Cash and cash equivalents

Cash and cash equivalents were over budget by \$6.9 million as the Ministry has incurred less than anticipated expenditure. The surplus cash remains with HUD until it is required to be returned to the Crown by or on 31 October 2021. Until then, it forms part of the return of operating surplus.

Property, plant and equipment

Property, plant and equipment was under budget by \$2.1 million due to less than expected additions during the year. The expected additions mainly related to the costs associated with leasehold improvements and fitout to the Wellington premises at 7 Waterloo Quay.

Trade and other payables

Trade and other payables were under budget by \$4 million due to timing differences for the year ended 30 June 2021. The Ministry has also made a conscious effort to address the level of payables on the balance sheet at the end of each month, which has also contributed to the reduction in trade and other payables at year-end.

17. Capital management

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

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

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

18. Events after balance date

There are no significant events after balance date.

19. Impact of COVID-19

During the year the Ministry was able to continue operating throughout the different COVID alert levels with little disruption. The Ministry has adopted a flexible work from home policy, which due to its IT infrastructure set up of modern technology and cloud-based solutions, it's employees can work from home with ease and little disruption.

The Ministry reviews its significant judgements and estimates annually, and at 30 June 2021 the Ministry concluded there was no continuing impacts on its financial statements as a result of COVID-19. Largely because the Ministry does not hold assets which require revaluation, and no provisions for bad debts or write-offs were necessary because debtors were not able to pay. In addition, there were no significant impacts on the Treasury's discount rate model due to changes in the market as a result of COVID.

After balance date, in August 2021 New Zealand moved into Alert Level 4 in response to COVID-19 and the Delta Variant entering the country. This has not materially impacted on the actual results that have occurred between year-end and the signing of the financial statements.





Non-departmental statements and schedules

For the year ended 30 June 2021

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 2021

Actual 2020 \$000		Actual 2021 \$000	Budget* 2021 \$000
	Operating revenue		
78,428	KiwiBuild property sales	108,310	140,460
622	Other revenue	824	-
79,050	Total non-departmental revenue	109,134	140,460

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

SCHEDULE OF NON-DEPARTMENTAL EXPENSES

For the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000	Budget* 2021 \$000
1,108,788	Public housing	1,280,129	1,259,407
120,701	KiwiBuild expenses	62,197	55,043
162,810	Transitional housing	253,278	150,105
78,022	First Home Grants	80,693	109,720
-	Progressive Home Ownership grants	342	500
-	Progressive Home Ownership write-downs	15,278	49,782
-	Shovel-Ready projects	42,860	-
-	COVID-19 operational costs	8,649	-
38,121	Other operating expenses	61,745	69,080
29,489	GST input expense	70,418	27,288
1,537,931	Total non-departmental operating expenses	1,875,589	1,720,925

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

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

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2021.

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

SCHEDULE OF NON-DEPARTMENTAL ASSETS

As at 30 June 2021

Actual 2020 \$000		Note	Actual 2021 \$000	Budget* 2021 \$000
Current assets				
250,872	Cash and cash equivalents		67,961	100,000
84,965	Prepayments	3	88,475	62,030
36,287	Trade and other receivables	4	97,830	27,379
271,800	Inventory	5	347,568	367,872
643,924	Total current assets		601,834	557,281
Non-current assets				
-	Prepayments	3	82	-
-	Property, plant and equipment	6	29,900	-
10,805	Investment in Crown Entity		14,332	18,397
10,805	Total non-current assets		44,314	18,397
654,729	Total non-departmental assets		646,148	575,678

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

The Ministry monitors one Crown entity, Kāinga Ora – Homes and Communities (previously known as Housing New Zealand Corporation). The Crown's investment in the entity is consolidated in the Financial Statements of the Government on a line-by-line basis. The net investment in this entity is included in this schedule.

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES

As at 30 June 2021

Actual 2020 \$000		Note	Actual 2021 \$000	Budget* 2021 \$000
Current liabilities				
221,415	Trade and other payables	7	245,814	201,914
2,167	Deferred revenue		5,643	-
223,582	Total liabilities		251,457	201,914

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

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

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2021.

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

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS

As at 30 June 2021

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

Actual 2020 \$000		Actual 2021 \$000
Non-cancellable operating lease commitments		
15,208	Not later than one year	5,978
14,063	Later than one year and not later than five years	-
3,456	Later than five years	-
32,727	Total non-cancellable operating lease commitments	5,978

Capital commitments

The Ministry, on behalf of the Crown, has no non-cancellable capital commitments as at 30 June 2021 (2020: nil).

Contingent rents

During the 2020/21 year, the Ministry on behalf of the Crown, paid \$204.2 million in contingent rents.

The above amount includes approximately \$161.2 million of social housing accommodation lease arrangements provided directly by private community housing providers and Kāinga Ora – Homes and Communities. The remaining \$43 million of contingent rents are contractual arrangements with social housing providers to provide income related rent subsidies.

These are considered contingent rents on the basis that there are many uncertain factors that affects the amount of subsidy that the Crown contributes, and these factors depend on the clients personal situation at any point in time including their income, employment and living situation.

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

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2021

Contingent liabilities

The Ministry, on behalf of the Crown, had no quantifiable or unquantifiable contingent liabilities (2020: nil).

Contingent assets

The Ministry, on behalf of the Crown, had no contingent assets (2020: 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 2021.

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

NOTES TO THE NON-DEPARTMENTAL STATEMENTS AND SCHEDULES

For the year ended 30 June 2021

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NOTES TO THE NON-DEPARTMENTAL FINANCIAL STATEMENTS AND SCHEDULES

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

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

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2021. 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 2021.

Basis of preparation

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

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

Presentation currency and rounding

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

Changes in accounting policies

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

- revenue from PHO loans;
- transfer expenses with performance obligations; and
- transfer expenses without performance obligations.

Significant accounting policies

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

Revenue

Exchange revenue

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

Revenue from sales of land not designated for KiwiBuild properties

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

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

Revenue from sales of land and dwellings designated for KiwiBuild properties

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

Revenue from PHO Loans

The interest unwind on PHO loans reflects the increase in value of the loans as the period to repayment reduces. PHO loans are classified as fair value through the operating balance and the interest unwind is calculated using the market discount rate at the beginning of the year.

Expenditure

Expenses are recognised in the period to which they relate.

Grant expenditure

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

Discretionary grants are those 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.

Transfer expenses without performance obligations

The Ministry incurs transfer expenses in the form of government grants. The grants are payable once applicants meet a specific criteria, and these disbursements do not have any contractual future performance obligations. As such they are immediately recognised as a transfer expense in the Schedule of Non-departmental Expenses.

Transfer expenses with performance obligations

The Ministry incurs transfer expenses in the form of government grants. The grants are payable once applicants meet a specific criteria but have contractual future performance obligations to be satisfied. As such they are first recognised in the Schedule of Non-departmental Assets as a prepayment and subsequently amortised as the performance obligation are fulfilled.

Commitments

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

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

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

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

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

Goods and Services Tax (GST)

All items in the non-departmental 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.

Cash and cash equivalents

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

Trade and other receivables

Trade and other receivables are measured at fair value on initial recognition, and subsequently at amortised cost less any provision for impairment.

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).

Payables

Payables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method. Payables are not discounted due to the short-term nature of the balance.

Inventory

They are deemed current assets on the basis that they are anticipated to be bought and sold within 12 months.

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.

Property, plant and equipment

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

Additions

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

Disposals

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

Depreciation

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

Subsequent costs

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

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

Revaluations

The Ministry reviews the carrying amount of its inventory and land classified as property, plant and equipment annually. To ensure that land does not differ materially from its fair value and for inventory that it is held at lower of its net realisable value or cost. If there is a material difference, then its carrying amount is adjusted accordingly.

Land is usually held as property plant and equipment until the land is able to be sold, then it is transferred to inventory. Land which is subject to a signed development agreement, is not reassessed as its purchase price is deemed its fair value. For land, fair value is determined on a class of asset basis. Additions between revaluations are initially recorded at cost.

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

- if the last valuation was performed 12 months or less no valuation is required;
- if the last valuation performed was between 13 -35 months, a desktop valuation is required; and
- a full valuation is required if the last valuation date was 36 months or more.

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

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.

Provisions

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

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

Budget figures

Basis of the budget figures

The budget figures are for the year ended 30 June 2021 and are consistent with the best estimates.

Standards issued and not yet effective and not early adopted

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

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for the year ending 30 June, with early application permitted. This amendment will result in additional disclosures. The Ministry does not intend to early adopt the amendment.

PBE IPSAS 41 Financial Instruments

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

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

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

Effective Date of PBE IFRS 9 delays the effective date of PBE IFRS 9 by one year, from 1 January 2021 to 1 January 2022.

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

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

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

The Ministry does not intend to early adopt the standard.

PBE FRS 48 Service Performance Reporting

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

Critical judgements in applying the Ministry's accounting policies

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

2. Explanation of major variances against budget

Explanations for major variance from the Non-departmental budget figures are as follows:

Transitional housing expenses

Was overspent by \$103.1 million compared with Budget, this was due to the Ministry receiving new Government response to COVID-19 funding post budget. The increase in funding related to \$78.6 million to bring on additional transitional housing places, and a further \$52 million for related transitional housing services.

Shovel-ready projects expenses

Was overspent by \$42.8 million compared with Budget, this was due to the Ministry receiving new Government response to COVID-19 funding post budget. The increase in funding related to the delivery of the Governments shovel-ready infrastructure projects.

Cash and cash equivalents

At 30 June 2021, cash and cash equivalents was \$32 million less than anticipated, mainly due to a \$25 million purchase of inventory under the land for housing programme in June. This purchase had not been expected when the original budget was set.

Trade and other receivables

At 30 June 2021, trade and other receivables increased by \$70 million, mainly due to an increase of \$68.3 million for recovery of proceeds from the sale of KiwiBuild dwellings.

3. Prepayments

Actual 2020 \$000		Actual 2021 \$000
84,965	Public housing prepayments	88,475
-	Progressive Home Ownership prepayments	82
84,965	Total trade and other receivables	88,557

Transfer Expenses

The Ministry incurs transfer expenses in the form of grants to progressive home ownership providers. Although the grant disbursement criteria are met, the grants are disbursements with and without future performance obligations. The grant funding without performance obligations are immediately expensed once a notice of grant funding is received and the applicant has met the disbursement criteria. For grant funding with performance obligations, the amount is amortised over the performance period as the performance obligation has been fulfilled. The performance period for progressive home ownership spans 15 years.

4. Trade and other receivables

Actual 2020 \$000		Actual 2021 \$000
14,590	Debtors from non-related parties	97,830
21,697	Accrued revenue	-
-	Less: provision for doubtful debts	-
36,287	Total trade and other receivables	97,830

The above receivables are measured at fair value upon initial recognition in accordance with PBE IFRS 9.

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

5. Inventory

Actual 2020 \$000		Actual 2021 \$000
271,800	Land intended for sale	347,568
271,800	Total inventory	347,568

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

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

The total amount of inventories recognised as an expense during the period was \$14.1 million (2020: \$58.8 million).

6. Property, plant and equipment

	Land \$000	Actual \$000
Cost or valuation		
Balance as at 30 June 2020	-	-
Additions	29,900	29,900
Disposals	-	-
Balance as at 30 June 2021	29,900	29,900
Accumulated depreciation		
Balance as at 30 June 2020	-	-
Depreciation charge for the year	-	-
Eliminate on disposal	-	-
Balance as at 30 June 2021	-	-
Carrying amounts		
As at 30 June 2020	-	-
As at 30 June 2021	29,900	29,900

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

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

Impairment

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

The most recent valuation of land and buildings was performed by an independent registered valuer, Extensor Advisory Ltd. The valuation is effective as at 30 June 2021. 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

Actual 2020 \$000		Actual 2021 \$000
3,365	Trade payables	6,588
218,050	Accrued expenses	224,229
-	PHO loan commitment	14,997
221,415	Total payables	245,814

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.

The above payables are measured at fair value upon initial recognition in accordance with PBE IFRS 9.

8. Financial instruments

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

Actual 2021 \$000		Notes	Actual 2021 \$000
	Financial assets measured at amortised cost		
250,872	Cash and cash equivalents		67,961
14,590	Trade and other receivables	4	97,830
265,462	Total		165,791
	Financial liabilities measured at amortised cost		
221,415	Trade and other payables	7	245,814
221,415	Total		245,814

Credit risk

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

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

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

Although cash and cash equivalents as at 30 June 2021 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Market risk

An assessment has been completed at 30 June 2021 and the Ministry does not have any exposure to price risk or credit risk.

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

Cash flow interest rate risk

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

Liquidity risk

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

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

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office.

The Ministry maintains a target level of available cash to meet liquidity requirements. The table below analyses the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2020				
Receivables (see note 4)	7,812	6,778	-	-
Payables (see note 7)	221,415	-	-	-
2021				
Receivables (see note 4)	97,830	-	-	-
Payables (see note 7)	245,814	-	-	-

9. Events after balance date

There were no significant events after balance date.

10. Impact of COVID-19

During the year the Ministry was able to continue operating throughout the different COVID alert levels with little disruption. The Ministry has adopted a flexible work from home policy, which due to its IT infrastructure set up of modern technology and cloud-based solutions, its employees can work from home with ease and little disruption.

Before COVID-19 there were already pressures on supply of housing across the housing continuum. These pressures are driven by a number of factors including lack of housing supply, under investment of infrastructure, capacity and capability issues within the construction sector to enable the increase in housing supply needed. Also, economic factors such as interest rates, lending criteria LCR coupled with lack of supply have pushed housing prices and rents upwards.

COVID has only exacerbated these pressures, largely due to the reliance on the construction sector to bring on new supply at a rate that is needed. Constraints on the construction sector include but are not limited to their ability to recruit migrate skilled workers into the country because of COVID restrictions, as private sector has suffered job losses from those business that had to reduce staff or go under as a result of being hit hard financially. These are examples why the construction sector just cannot build at the rate needed. In addition, the Ministry has seen increases in demand for public housing and emergency housing, as the result of the governments efforts to ensure the most vulnerable New Zealanders are housed and off the streets.

After balance date, in August 2021 New Zealand moved into Alert Level 4 in response to COVID-19 and the Delta Variant entering the country. This has not materially impacted on the actual results that have occurred between year-end and the signing of the financial statements.

Statement of budgeted and actual expenses and capital expenditure

For the year ended 30 June 2021



APPROPRIATION STATEMENTS

Statement of cost accounting policies

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

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

For the year ended 30 June 2021

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

Actual 2020 \$000		Approved appropriation 2021 \$000	Actual 2021 \$000	Location of performance Information ¹
Vote Housing and Urban Development				
Departmental output expenses				
1,477	Community Housing Regulatory Authority	-	-	4
2,499	Facilitating Redevelopment of Surplus Crown Land	-	-	4
6,111	KiwiBuild Unit	-	-	4
19,383	Management of Housing Places, Providers & Services	-	-	4
109	Administering the Legacy Social Housing Fund	-	-	4
2,831	Establishment of Kāinga Ora - Homes and Communities	-	-	4
32,410	Total departmental output expenses	-	-	
Multi-category expenses appropriations				
-	<i>Managing the Housing and Urban Development Portfolio MCA</i>	69,775	62,202	
Departmental output expenses				
-	Policy Advice and Ministerial Servicing	40,678	33,742	1
-	Management of Housing Provision and Services	24,093	23,740	1
-	Facilitating the purchase and redevelopment of land for housing	5,004	4,720	1
29,174	<i>Policy Advice and Related Outputs MCA</i>	-	-	
Departmental output expenses				
26,296	Policy Advice	-	-	4
2,504	Related Services to Ministers	-	-	4
374	Crown Monitoring Advice	-	-	4
61,584	Total departmental output expenses	69,775	62,202	
Departmental capital expenditure				
2,224	Capital Expenditure PLA	5,100	3,084	1

The numbers in this column represent where the end of year performance information has been reported for each appropriate administered by the Ministry, as detailed below:

1. The Ministry's annual report.

2. Minister of Housing and Urban Development in the Vote Housing and Urban Development Non-Departmental Appropriations Report

3. Reported in the Kāinga Ora – Homes and Communities Annual Report

4. No reporting due to an exemption under section 15D of the *Public Finance Act 1989*.

Non-departmental output expenses				
2,798	Housing New Zealand Corporation Support Services	-	-	4
15,342	Kāinga Ora - Homes and Communities	33,462	26,749	3
1,871	KiwiBuild Operations	6,575	5,679	4
681	He Kūkū Ki Te Kāinga - Increasing Māori Housing Supply	28,319	13,984	1
490	He Taupua - Increasing Māori Housing Provider Capability	3,132	3,079	1
-	He Taupae - Building Māori housing capability across the Māori housing continuum	1,000	971	1
-	Local Innovations and Partnerships	3,660	1,327	1
-	Support Services to increase home ownership	3,000	342	4
8	Management of Crown Properties held under the Housing Act 1955	8	8	4
21,190	Total non-departmental output expenses	79,156	52,139	
Benefits or related expenses				
27,463	KiwiSaver HomeStart Grant	-	-	4
50,559	First Home Grants	109,720	80,693	4
78,022	Total benefits or related expenses	109,720	80,693	
Non-departmental other expenses				
431	Housing Assistance	789	357	4
900	Social Housing Provider Development	1,234	400	4
1,331	Total non-departmental other expenses	2,023	757	
Non-departmental capital expenditure				
-	Land for Housing - Deferred Settlements	17,460	-	4
-	Te Puke Tāpapatanga a Hape (Ihumātao)	29,900	29,900	4
-	Total non-departmental capital expenditure	47,360	29,900	
Non-departmental multi-category expenses and capital expenditure				
22,081	<u>Community Group Housing MCA</u>	23,795	23,113	
Non-departmental output expenses				
12,675	Community Group Housing Market Rent Top-Up	13,891	13,891	4
Non-departmental other expenses				
3,606	Community Housing Rent Relief	4,104	3,422	4
Non-departmental capital expenditure				
5,800	Acquisition and Improvement of Community Group Housing Properties	5,800	5,800	4

1,108,788	<i>Public Housing MCA</i>	1,299,202	1,280,129	
	Non-departmental output expenses			
1,071,138	Purchase of Public Housing Provision	1,215,694	1,201,794	1
33,055	Services for People in Need of or at risk of Needing Public Housing	59,906	68,946	1
2,835	Services Related to the Provision of Public Housing	547	6,704	4
	Non-departmental other expenses			
1,760	Support for the Provision of Public Housing Supply	23,055	2,685	1
	<i>Transitional Housing MCA</i>			
166,432	Non-departmental output expenses	344,298	253,278	
93,788	Provision of Transitional Housing Places	161,628	163,917	1
69,022	Transitional Housing Services	119,077	89,361	1
	Non-departmental capital expenditure			
3,622	Acquisition, Development and Construction of Transitional Housing	63,593	-	1
1,326,475	Total multi-category expense and capital expenditure	1,737,070	1,618,722	
1,461,652	Total annual and permanent appropriations	1,980,429	1,785,295	

DETAILS OF MULTI-YEAR APPROPRIATIONS

KiwiBuild Housing MYA

On 1 October 2018, a multi-year appropriation, KiwiBuild Housing was established in Vote Housing and Urban Development, non-departmental output expenses for the acquisition, construction and provision of KiwiBuild dwellings. This appropriation expires on 30 June 2022.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental output expense:			
KiwiBuild Housing			
Opening appropriation	2,039,923	2,039,923	
Adjustment to appropriation	(649,714)	(649,714)	
Adjusted total appropriation	1,390,209	1,390,209	
Cumulative actual expenditure at 1 July	317,727	317,727	
Current year actual expense	203,770	238,316	2
Cumulative actual expenditure at 30 June	521,497	556,043	
Appropriation remaining at 30 June	868,712	834,166	

* In accordance with section 4 of the *Public Finance Act 1989*, this appropriation was utilised for the purchases of KiwiBuild Housing inventory (\$130.3 million for 93 houses and 8 land parcels acquired) and is also necessary to reflect the expense of cost of goods sold (\$108.0 million for 198 houses and 36 land parcels sold) in accordance with Generally Accepted Accounting Practice.

COVID-19 Housing Providers Operational Cost MYA

On 30 April 2020, a multi-year appropriation, COVID-19 Housing Providers Operational Cost was established in Vote Housing and Urban Development, non-departmental output expenses for payments to Housing Providers for additional operational costs incurred associated with responding to COVID 19. This appropriation expires on 30 June 2021.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental output expense:			
COVID-19 Housing Providers Operational Cost			
Opening appropriation	10,000	10,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	10,000	10,000	
Cumulative actual expenditure at 1 July	1,189	1,189	
Current year actual expense	8,811	8,649	2
Cumulative actual expenditure at 30 June	10,000	9,838	
Appropriation remaining at 30 June	-	162	

Residential Development Supply MYA

On 1 September 2020, a multi-year appropriation, Residential Development Supply was established in Vote Housing and Urban Development, non-departmental output expenses for payments to assist with acquisition, construction and provision of residential development. This appropriation expires on 30 June 2025.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental output expense:			
Residential Development Supply			
Opening appropriation	344,000	344,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	344,000	344,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	99,000	-	2
Cumulative actual expenditure at 30 June	99,000	-	
Appropriation remaining at 30 June	245,000	344,000	

Infrastructure Investment to Progress Urban Development MYA

On 1 August 2020, a multi-year appropriation, Infrastructure Investment to Progress Urban Development was established in Vote Housing and Urban Development, non-departmental output expenses for investment into shovel-ready housing and infrastructure projects to enable urban development, regeneration and housing outcomes. This appropriation expires on 30 June 2024.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental output expense:			
Infrastructure Investment to Progress Urban Development			
Opening appropriation	271,670	271,670	
Adjustment to appropriation	-	-	
Adjusted total appropriation	271,670	271,670	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	183,070	45,750	2
Cumulative actual expenditure at 30 June	183,070	45,750	
Appropriation remaining at 30 June	88,600	225,920	

Housing Infrastructure Fund – Fair Value Write Down MYA

On 1 October 2018, a multi-year appropriation, Housing Infrastructure Fund – Fair Value Write Down was established in Vote Housing and Urban Development, non-departmental other expense for the fair-value write down of interest-free loans from the Housing Infrastructure Fund to Territorial Local Authorities. This appropriation expires on 30 June 2023.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental other expense:			
Housing Infrastructure Fund – Fair Value Write Down			
Opening appropriation	190,791	190,791	
Adjustment to appropriation	(160,791)	(160,791)	
Adjusted total appropriation	30,000	30,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	30,000	5,839	4
Cumulative actual expenditure at 30 June	30,000	5,839	
Appropriation remaining at 30 June	-	24,161	

Write Down and Write-off of Progressive Home Ownership Loans MYA

On 1 April 2020, a multi-year appropriation, Write down and write off of Progressive Home Ownership Loans was established in Vote Housing and Urban Development, non-departmental other expense for the fair-value write down of interest-free loans to suppliers of Progressive Home Ownership schemes and write-off of any potential bad debts associated with such loans. This appropriation expires on 30 June 2024.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental other expense:			
Write Down and Write-off of Progressive Home Ownership Loans			
Opening appropriation	286,755	286,755	
Adjustment to appropriation	-	-	
Adjusted total appropriation	286,755	286,755	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	56,751	15,278	4
Cumulative actual expenditure at 30 June	56,751	15,278	
Appropriation remaining at 30 June	230,004	271,477	

Housing Infrastructure Fund Loans MYA

On 1 October 2018, a multi-year appropriation, Housing Infrastructure Fund Loans was established in Vote Housing and Urban Development, non-departmental capital expenditure for interest-free loans of a duration of ten years or under to Territorial Local Authorities to finance the infrastructure needed to unlock residential development. This appropriation expires on 30 June 2023.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental capital expenditure:			
Housing Infrastructure Fund Loans			
Opening appropriation	642,824	642,824	
Adjustment to appropriation	(406,464)	(406,464)	
Adjusted total appropriation	236,360	236,360	
Cumulative actual expenditure at 1 July	10,597	10,597	
Current year actual expense	225,763	148,351	2
Cumulative actual expenditure at 30 June	236,360	158,948	
Appropriation remaining at 30 June	-	77,412	

Progressive Home Ownership Fund MYA

On 1 February 2020, a multi-year appropriation, Progressive Home Ownership Fund was established in Vote Housing and Urban Development, non-departmental capital expenditure to assist access to home ownership through progressive home ownership schemes. This appropriation expires on 30 June 2024.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental capital expenditure:			
Progressive Home Ownership Fund			
Opening appropriation	400,000	400,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	400,000	400,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	80,000	11,174	2
Cumulative actual expenditure at 30 June	80,000	11,174	
Appropriation remaining at 30 June	320,000	388,826	

Progressive Home Ownership - Prepayment of Grants MYA

On 1 July 2020, a multi-year appropriation, Progressive Home Ownership – Prepayment of Grants was established in Vote Housing and Urban Development, non-departmental capital expenditure to facilitate the prepayment of grants associated with PHO loans. This appropriation expires on 30 June 2025.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental capital expenditure:			
Progressive Home Ownership - Prepayment of Grants			
Opening appropriation	2,500	2,500	
Adjustment to appropriation	-	-	
Adjusted total appropriation	2,500	2,500	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	2,500	251	4
Cumulative actual expenditure at 30 June	2,500	251	
Appropriation remaining at 30 June	-	2,249	

Kāinga Ora - Homes and Communities Standby Credit Facility MYA

On 1 May 2020, a multi-year appropriation, Kāinga Ora - Homes and Communities Standby Credit Facility was established in Vote Housing and Urban Development, non-departmental capital expenditure to assist Kāinga Ora - Homes and Communities with short-term liquidity requirements in exceptional and temporary circumstances. This appropriation expires on 30 June 2024.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental capital expenditure:			
Kāinga Ora - Homes and Communities Standby Credit Facility			
Opening appropriation	1,000,000	1,000,000	
Adjustment to appropriation	-	-	
Adjusted total appropriation	1,000,000	1,000,000	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	-	-	4
Cumulative actual expenditure at 30 June	-	-	
Appropriation remaining at 30 June	1,000,000	1,000,000	

Vacant or Underutilised Crown Land Programme MYA

On 1 October 2018, a multi-year appropriation, Vacant or Underutilised Crown Land Programme was established in Vote Housing and Urban Development, non-departmental capital expenditure for the Crown's contribution to the development of housing in selected locations. This appropriation expires on 30 June 2022.

	Approved appropriation 2021 \$000	Actual 2021 \$000	Location of Performance Information
Appropriation for non-departmental capital expenditure:			
Vacant or Underutilised Crown Land Programme			
Opening appropriation	55,354	55,354	
Adjustment to appropriation	(55,354)	(55,354)	
Adjusted total appropriation	-	-	
Cumulative actual expenditure at 1 July	-	-	
Current year actual expense	-	-	4
Cumulative actual expenditure at 30 June	-	-	
Appropriation remaining at 30 June	-	-	

Vote Housing and Urban Development

	Approved appropriation 2021 \$000	Actual 2021 \$000
Total annual and permanent appropriations	1,980,429	1,785,295
Total multi-year appropriations	889,665	473,608
Total Vote Housing and Urban Development	2,870,094	2,258,903

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

For the year ended 30 June 2021

	Expenditure excluding remeasurements 2021 \$000	Appropriation Voted 2021 \$000	Unappropriated Expenditure 2021 \$000
Vote Housing and Urban Development			
Non-departmental capital expenditure			
Te Puke Tāpapatanga a Hape (Ihumātao)	29,900	29,900	29,900

Departmental expenditure

There was no unappropriated departmental expenditure incurred during the year.

Non-departmental expenditure

Te Puke Tāpapatanga a Hape (Ihumātao)

On 3 February 2021, the Ministry wrote to Joint Ministers requesting approval to purchase the land under Ihumātao and by doing so requested an approval to establish a new non-departmental capital appropriation (Te Puke Tāpapatanga a Hape (Ihumātao)) to facilitate the purchase. Joint Ministers approved this briefing on 9 February 2021 and based on this approval the Ministry completed settlement to purchase the land on 17 February 2021.

However, after settlement the Ministry was made aware that Ministers did not agree that the changes were to be included in the Supplementary Estimates and the increase in capital expenditure to be incurred under the authority of an Imprest Supply Act, which resulted in unappropriated expenditure during the year. The omission of the imprest supply financial recommendation was corrected in the Ministry's 2021 March Baseline Update.

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS

For the year ended 30 June 2021

The Ministry has not received any capital injections during the year (2020: \$400,000).

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

For the year ended 30 June 2021

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



Te Kāwanatanga o Aotearoa
New Zealand Government