

Hon Grant Robertson

Minister of Finance

Hon Dr Megan Woods

Minister of Housing



MEDIA STATEMENT

11 November 2022

New financing arrangements to continue to deliver Kāinga Ora build programme

“In the last five years Kāinga Ora has delivered over 8,370 newly built homes, over 900 retrofits and is overseeing the biggest urban development programme since the 1970s, with programmes like Large Scale Projects,” Megan Woods said.

“To ensure Kāinga Ora can expand this work further, Cabinet agreed to increase Kāinga Ora’s borrowing capacity by NZ\$2.75 billion for FY2022/23. This, along with all future financing requirements of Kāinga Ora, will be met by loans from NZDM,” Grant Robertson said.

Cabinet has agreed it makes more sense for Kāinga Ora to borrow from the Crown’s New Zealand Debt Management (NZDM) as it’s cheaper and provides more certainty than borrowing from private sources.

Currently, Kāinga Ora issues bonds in the private market, borrowing the capital cost of its build programme to build new public housing and retrofit existing homes and then uses the future revenue to service interest costs and make interest payments. Private market borrowing has allowed Kāinga Ora to kick-start housing delivery under the Government build programme, and with housing delivery now well underway it is time to make the move to Crown borrowing.

“We are committed to ensuring New Zealanders in need have access to warm, dry homes. We have added over 10,600 additional public homes through Kāinga Ora and Community Housing Providers, as well as over 4,000 more transitional houses,” Megan Woods said.

Further information on the change to the Kāinga Ora financing requirements is available on the Treasury website.

Media contact: Liz Banas 021 805 845