

TE PŪRONGO Ā-TAU
ANNUAL REPORT
2024/25



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Purpose of this document / Te whāinga o te pukapuka

The Annual Report provides a comprehensive overview of the financial and organisational performance of Kāinga Ora – Homes and Communities (Kāinga Ora) for the 2024/25 financial year. It is part of a suite of key accountability documents, ensuring transparency and demonstrating the commitment of Kāinga Ora to its goals and strategic objectives while complying with regulatory requirements.

The Kāinga Ora Climate Statements 2024/25 include our climate-related disclosure and our Greenhouse Gas Emissions Inventory. The Climate Statements are available at: kaingaora.govt.nz/kaingaoracclimatestatements2025

This report is presented to the House of Representatives pursuant to section 150(3) of the Crown Entities Act 2004 and section 19A of the Public Finance Act 1989.

How to navigate this document

The report is organised into the following key sections:

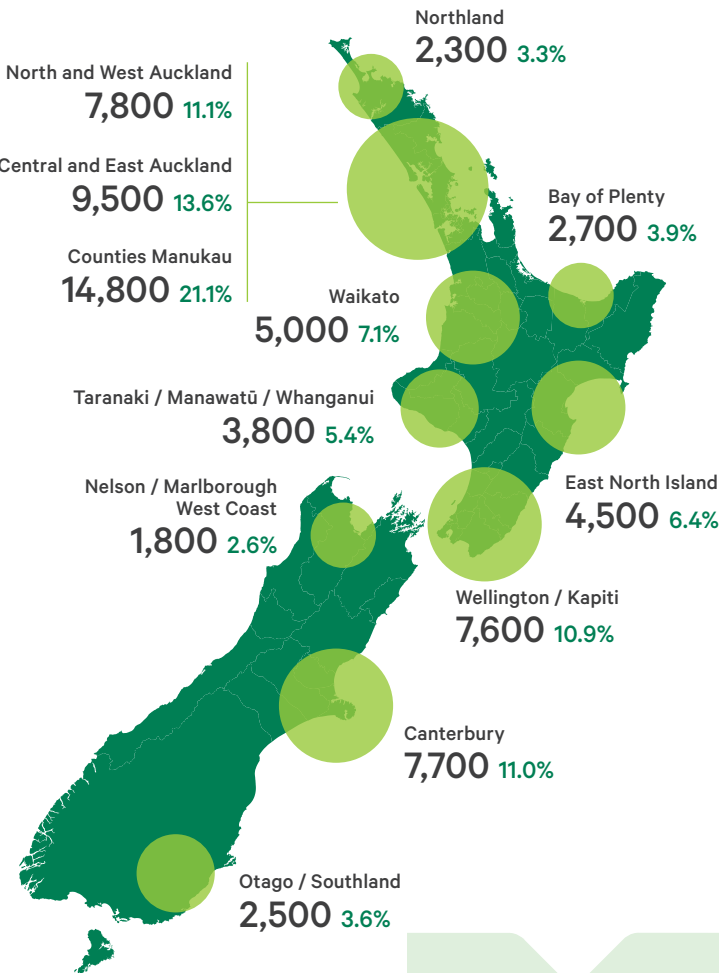
Section	Description	To go directly to this section:
Who we are	Summary of our vision, our role and the values that guide everything we do	see page 12
Implementing the Government’s priorities	Summary of how Kāinga Ora supported Government priorities during 2024/25	see page 16
Delivering on our vision and strategic objectives	Overview of activities and outputs delivered in 2024/25 and how they contributed to our short-term, medium-term and long-term goals	see page 23
Our statement of performance	Detailed reporting on outputs and services delivered, including Statement of Performance Expectations (SPE) measures and results	see page 48
Our governance and leadership	Information on our governance arrangements, risk management and compliance	see page 60
Organisational health and capability	Overview of organisational health, capability and workforce statistics supporting service delivery	see page 66
Our Statement of Intent performance measures	Assessment of our progress against strategic intentions as set out in the Statement of Intent 2022–2026	see page 73
Financial statements	Audited financial information, including explanations of significant variances.	see page 85

See **Contents** page for a more detailed breakdown of the report.

Our tenants and homes / Ō mātou kairēti, kāinga hoki

Our existing tenant base is large and diverse, and our assets are located across New Zealand.

Tenant distribution*



* Rounded to the nearest hundred.
All data as at June 2025.

Our tenants



200,000

OCCUPANTS
(rounded to the nearest thousand)

3.8%

KĀINGA ORA OCCUPANTS
PERCENTAGE OF
NZ POPULATION



People

46%

Tenancies
with children <18yrs

25%

Tenancies with
elderly 65+yrs

36%

Tenancies
with Māori

22%

Tenancies
with Pasifika



Household

9 years

Average
tenancy length

33%

Tenancies
10+ years

2.8

Average
household size



Demand

86%

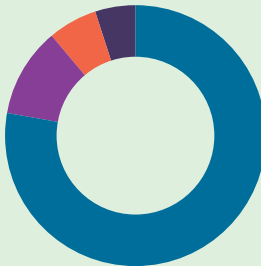
People with highest
needs housed from
Housing Register

4.1%

Risk rated
Percentage of people
risk rated by MSD prior
to becoming Kāinga Ora
tenants over the last 2 years.



Crowding



● Matches 78%
● Overcrowded 11%
● Underutilised 6%
● Severely overcrowded 5%

See note 1 for details.

Our homes



78,000

TOTAL MANAGED STOCK
(rounded to the nearest thousand)

\$46.3B

VALUE OF HOUSING AND
LAND PORTFOLIO

(as at 30 June 2025, from a total
asset pool at that time of \$47.7 billion)

3.7%

KĀINGA ORA PERCENTAGE OF
PRIVATE DWELLINGS IN NZ

Regional condition
ranges across 12
operating regions

27–46

Average age range

38,000

49%

Pre-1986 stock

1.7–2.5

Property condition
Score is out of 5,
with 1 being excellent
condition

Additional notes:

Note 1 – Additional information on crowding

Severely overcrowded: Tenant bedroom requirements are two or more than the number of bedrooms.

Overcrowded: Tenant bedroom requirements are one more than the number of bedrooms.

Matches: Tenant bedroom requirements are equal to the number of bedrooms, with a one-bedroom allowance for extra space.

Underutilised: Tenant bedroom requirements are two or more less than the number of bedrooms.

Regional rent ranges
across 12 operating
regions

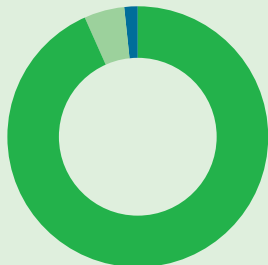
\$469
to \$637

Average weekly
rent range

\$475M

Total spend
maintenance (OPEX)
Year ending June 2025

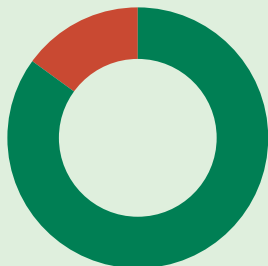
Housing types



● Social housing 73,147
● Supported housing 3,955
● Community housing
provider lease 1,102

See note 2 for details.

Flood risk for 1 in 100-year event



● Not affected 85%
● Building floor exposed 15%

See 2024/25 Climate
Statements for more details
on flood risk.

Note 2 – Additional information on types of housing we provide

Supported housing includes these types:

- **Transitional housing** provides people in urgent need with a warm, dry, safe place to live while they receive wrap-around support services. These homes are leased to providers contracted by HUD.
- **Community Group Housing** supports people with specific or complex needs through residential and non-residential housing. Kāinga Ora leases suitable properties to specialist providers.

Community housing provider leases are Kāinga Ora-owned homes leased to other social housing providers to manage.

Our annual performance scorecard /
Tō mātou kāri māka ā-tau mō ā mātou mahi

Our tenancy management

Disruptive behaviour incidents with a decision made in 15 days

96%

Target 90%

PRIOR YEAR BASELINE – N/A¹

Current tenant rental debt

\$6.9m

This includes around \$7.2m in targeted debt forgiveness

PRIOR YEAR BASELINE – \$19.4m

Our build performance and portfolio management

Renewals – new house builds and retrofits delivered²

4,330

Full year target 4,278

PRIOR YEAR BASELINE – 6,738

Percentage of homes tenanted

98.2%

Target 98%

PRIOR YEAR BASELINE – 97.8%

Our cost efficiency

Overhead costs/total revenue³

10.7%

Full year budget 11.1%

PRIOR YEAR BASELINE – 13.1%

Build cost per square metre (excl. GST)⁴

\$3,345

Target \$2,980 (by end of June 2026)

PRIOR YEAR BASELINE – \$3,473

Our financial sustainability

FY25 net deficit before tax

\$596m

FY25 budget \$610m deficit

PRIOR YEAR BASELINE – \$722m deficit

FY25 interest cover ratio⁵

1.4

Budget 1.0

PRIOR YEAR BASELINE – 0.8

KEY

Achieved/on track

At risk

Off track

1. The disruptive behaviour SPE was a new measure implemented in 2024/25.

2. This result includes 3, 456 gross new builds (SPE 2.1) and 874 retrofits of old Kāinga Ora homes – a total of 4,330 renewals.

3. Overhead costs include all support function-related costs.

4. This measure includes only above-ground build costs. While no target was set for this metric in 2024/25, data from the last two quarters suggests we are on track to meet the 2025/26 target.

5. Cash earnings divided by interest costs.

Foreword / Kupu whakataki

The Board is pleased to present the 2024/25 Annual Report. This year marked a significant period of reset and renewal for the organisation. In February 2025, the Kāinga Ora Reset Plan was announced, providing a clear mandate for change and a renewed focus on delivering greater value for New Zealanders. This was supported by a refreshed Statement of Intent and organisational strategy, aligning our efforts with Government priorities and community needs.

As we reflect on the 2024/25 financial year, we are pleased to report Kāinga Ora has made meaningful and measurable progress across all areas of our Reset Plan and we are on track to meet our commitments. The Board has worked hard to shift the organisation’s strategic direction, and while it is very pleased with the progress achieved so far, we recognise that further work is needed to ensure the organisation continues to deliver high-quality services in a financially sustainable way – both now and into the future.

Key milestones this year include meeting our housing delivery targets, strengthening tenancy management and significantly reducing both our build and operating costs. These achievements are the result of a disciplined approach to providing good-quality, warm and dry homes for those who need them the most. In the past year, Kāinga Ora placed 9,021 people from the Ministry of Social Development Housing Register into one of our homes – helping to address housing need and improving the lives of some of New Zealand’s most vulnerable citizens. In addition, we supported the Government’s goal of reducing the number of whānau in emergency housing, placing 956 families into Kāinga Ora homes through this initiative from when the programme started in May 2024 to 30 June 2025. Our new tenants join our more than 200,000 existing tenants living in Kāinga Ora housing across New Zealand.



Simon Moutter
KĀINGA ORA CHAIR

In the past year, Kāinga Ora placed 9,021 people from the Ministry of Social Development Housing Register into one of our homes – helping to address housing need and improving the lives of some of New Zealand’s most vulnerable citizens.

Tenant satisfaction continues to improve, with recent surveys reporting almost 80 percent of tenants now satisfied with their homes and the way we engage with them. This is a strong endorsement of the commitment of our frontline teams and the changes we have made. We are doing a better job of managing our homes and supporting our tenants.



Operational improvements have resulted in shorter vacancy periods, with 98 percent of lettable homes tenanted on any given day and a new tenant being settled every 11–12 minutes.

In terms of housing delivery, we have completed 4,330¹ new builds and retrofits this year. We have reviewed our development pipeline to ensure we are investing where the need is greatest and getting the best value for every dollar spent. As a result, some projects were paused or reassessed because they did not meet financial sustainability metrics or were no longer a fit for future demand. While these unplanned write-offs have impacted on this year’s financial result, it ensures we are on track to meet our long-term financial objectives. We have also taken a more strategic approach to our land holdings and identified surplus land for divestment, with proceeds either reinvested into homes that better meets tenants’ needs or used to reduce debt.

Operational improvements have resulted in shorter vacancy periods, with 98 percent of lettable homes tenanted on any given day and a new tenant being settled every 11–12 minutes.

We are being a fair but firm landlord. We are acting sooner on disruptive behaviour and using the Residential Tenancies Act tools more effectively. In 96 percent of cases where disruptive behaviour is reported, we have made decisions on the appropriate action to take within 15 working days. Over the past year, we issued more than 1,770 section 55A notices – a ninefold increase over the previous year – and terminated 74 tenancies for serious and persistent disruptive behaviour. This reflects our commitment to maintaining safe and respectful communities, and the feedback from continuing tenants and their neighbours where we have taken action is very supportive of this stance.

We have also introduced a new rent debt policy for tenants who do not meet their obligations to pay their rent or refuse to engage with us to repay their rental debt. The result has been pleasing and rent arrears have dropped significantly, with 2,400 fewer tenants in debt and total rent debt falling from \$19.4 million to \$6.9 million. This reduction includes aged debt amounts that were waived for tenants who have consistently maintained their ongoing payment commitments to get themselves back on track.

Cost efficiency this year has been a major focus. We have optimised our housing plans, improved procurement and reduced build costs by 3.6 percent over the full year, with a more significant 9 percent reduction in the last quarter as our optimised plans and improved ways of working gathered momentum. Our recently contracted rates for upcoming builds give us confidence that costs will continue to fall and align with market expectations.

We have also taken a disciplined approach to managing our support functions. The workforce has been resized from 3,400 to 2,600 full-time equivalents (FTEs), reflecting our narrowed focus as the country’s largest social housing landlord. We acknowledge this has been a challenging period for our people. The decision to reduce roles was not taken lightly, and we are deeply grateful for the contributions of all those who have been part of Kāinga Ora. Their mahi has laid important foundations for the organisation we are becoming.

Through key transformation initiatives, including enhancements to our Housing Delivery System and asset management strategies, we have reduced operating costs by \$71 million (before interest, depreciation, tax and amortisation) and, in so doing, exceeded our budgeted operating cost target by \$170 million.

While unbudgeted write-offs have impacted this year’s deficit, the underlying financial position is rapidly improving, with better earnings-to-interest coverage and the foundations in place for a more financially sustainable future.

We would like to take this opportunity to acknowledge the passing of John Duncan, former Deputy Chair and long-serving Kāinga Ora Board Member. John brought a deep expertise in finance, infrastructure and housing and made a lasting contribution to Kāinga Ora, Housing New Zealand and Hobsonville Land Company. His strategic insight and commitment to aligning central and local government helped shape a better New Zealand.

Finally, we want to say how impressed we are with how well Kāinga Ora people have responded to the Reset Plan and we are grateful for the progress they have made implementing it this year. While we know there is more to do, we can confidently look forward in the knowledge that we have an organisation in good heart, staffed by people who really care about our mission and who are determined to deliver great outcomes. As we look ahead, we remain committed to building a more responsive and efficient organisation – one that continues to meet the housing needs of today while preparing for the challenges of tomorrow.

Simon Moutter
Chair

30 September 2025

Jenn Bestwick
Deputy Chair

30 September 2025

1. This total comprises 3,456 newly built homes (SPE 2.1) and 874 homes that have been retrofitted.

Kupu Whakataki

Ka nui te hari o Te Poari ki te tāpae atu i te Pūrongo ā-Tau 2024/25 ki mua ia koutou. He tau tēnei i tautuhitia anō ngā mahi, i whakahoutia hoki te āhua o te whakahaere. I te marama o Pēpuere 2025, ka whakapuakina te Mahere Tautuhi anō mō Kāinga Ora, i hora rā i ētahi whakahau mārama mō te panoni tikanga, me tana arotahi kua whakahoutia, ki te whakaputa painga nui ake mō ngā tāngata o Aotearoa. I tautokona tēnei ki tētahi Tauāki Whakamaunga Atu me tētahi rautaki whakahaere kua whakahoutia, i whakahāngaitia ā mātou mahi ki ngā whakaarotau o te Kāwanatanga me ngā hiahia o te hāpori.

I a mātou e huritao nei mō te tau ahumoni 2024/25, e koa ana mātou ki te puaki kua kitea he kokenga whakamua whai take, ka taea hoki te ine, puta noa ngā wāhanga katoa o tā mātou Mahere Tautuhi Anō, ā, tērā e tutuki ō mātou whakaūnga katoa, e ai ki ngā tohu. Kua mahi nui Te Poari ki te kawē kē i te ahunga rautaki o te whakahaere, otirā, ahakoa e hari ana ki te kokenga whakamua taea noatia tēnei wā, e mārama ana mātou arā anō ngā mahi e tika ana kia hora tonu ai te whakahaere i ōna ratonga kounga tiketike kia tutuki ngā ritenga ahumoni toitū – mō nāianeī, mō āpōpō anō hoki.

Ko ētahi o ngā tohu huarahi taketake mō tēnei tau ko te whakatutuki i ā mātou ūnga hora whare, te whakapakari i ngā whakahaere mō ngā whare rēti, me te āta whakaheke i ō mātou utunga waihanga, whakahaere hoki. Ko ēnei tutukitanga te hua o tētahi ara pakari mō te hora kāinga kounga tiketike, mahana, maroke hoki mō te hunga e tino hiahia ana ki aua whare. I te tau ka mahue ake nei, ka whakaurungia e Kāinga Ora ētahi tāngata 9,021 mai i te Rēhita Whare o te Manatū Whakahiato Ora ki roto i tētahi o ō mātou whare – hei āwhina ēnei whare i te whakatutukitanga hiahia whare, hei whakapiki hoki i te noho o ētahi o ngā tāngata whakaraerae rawa atu o Aotearoa. Waihoki, i tautokona e mātou te whāinga o te Kāwanatanga kia whakahekea te maha o ngā whānau ki ngā



Simon Moutter
KĀINGA ORA CHAIR



I te tau ka mahue ake nei, ka whakaurungia e Kāinga Ora ētahi tāngata 9,021 mai i te Rēhita Whare o te Manatū Whakahiato Ora ki roto i tētahi o ō mātou whare – hei āwhina ēnei whare i te whakatutukitanga hiahia whare, hei whakapiki hoki i te noho o ētahi o ngā tāngata whakaraerae rawa atu o Aotearoa.

whare ohotata, nā te whakanoho i ētahi whānau 956 ki roto i ngā whare o Kāinga Ora mā roto i tēnei kōkiri, mai i te timatanga o te kaupapa i te marama o Mei 2024 ki 30 Hune 2025. Ka uru ō mātou kairēti hou ki roto i te kāhui kairēti 200,000 neke atu i roto i ngā whare o Kāinga Ora puta noa i Aotearoa.

E piki haere tonu ana te harikoa kairēti, me te kī, i roto i ngā uiuinga o ēnei rā, tata ki te 80 ōrau o ngā kairēti e hari ana mō ō rātou kāinga me tā mātou mahi tahi me rātou. He whakaūnga nui tēnei i te ū o ā mātou tira i te aroākapa e mahi ana, me ngā panonitanga nā mātou i whakatinana. He pai ake tā mātou whakahaere i ō mātou kāinga, tautoko hoki i ā mātou kairēti.

Mō te taha ki te hora whare, kua oti i a mātou ētahi 4,330 hanganga hou, whakahou whakamuri hoki i tēnei tau. Kua āta arotakea e mātou tā mātou kōawa whakawhanake kia mōhio ai kei te haumi rawa mātou ki ngā wāhanga he nui rawa te hiahia, ā, kei te puta hoki ngā tino painga ka taea mō ia tāra ka whakapaua. Nā konei, i whakatārewatia, i aromatawaitia anō rā ētahi kōkiri i te mea, kīhai i tutuki i aua mea ngā inenga toitū ahumoni, kāore hoki i tōtika hei whakatutuki i ngā hiahia o āpōpō. Ahakoa kua pā ēnei whakakorenga kaupapa ki te putanga ahumoni o tēnei tau, he mea tēnei e tika ai te hoe o tō mātou waka kia tutuki ō mātou whāinga ahumoni wā roa. Kua tahuri hoki mātou ki tētahi tikanga rautaki ake mō ngā whenua e puritia nei e mātou, kua tautohutia hoki ētahi whenua kāore i hiahiatia mō ngā mahi hei hokonga atu, me te haumi anō i ngā moni ki ngā whare he tōtika kē atu mō ngā hiahia o ngā kairēti, kua whakapaua atu rānei hei utu nama.

He kairihi whare takatika, āta pupuru tikanga hoki mātou. Kei te kōkiri tōmua mātou ki te whakatika i te whanonga whakapōraruru, ā, kua whai hua nui kē atu tā mātou whakamahi i ngā taputapu o te Residential Tenancies Act. Mō 96 ōrau o ngā



Nā ngā whakapikinga whakahaere kua poto kē iho ngā tāringa whare wātea, arā, 98 ōrau o ngā whare ka taea te rēti ka tukua ki tētahi kairēti i tēnā rā, i tēnā rā, ā, ka kitea he kairēti hou ia 11–12 meneti.

take kua tae mai he pūrongo mō te whanonga whakapōraruru, kua whakatauria e mātou ngā āhuatanga ka mahia, kia tika ai te whare, i roto i ngā rā mahi 15. I roto i te tau ka hipa ake nei, neke atu i te 1,770 ngā pānui tekiana 55A kua whakaputaina e mātou – e iwa whakareanga ake i tō mua tau – ā, 74 ngā rēti whare i whakamutua mō te whanonga tino hē, tino whakapōraruru pūputu hoki. Ka kitea i konei tā mātou ū ki te tiaki i ō tātou hāpori kia haumaruru, kia ngākau pai ki te tangata, ā, ko ngā whakahokinga kōrero mai i ngā kairēti e noho tonu ana, me ō rātou hāpori, e tino tautoko ana i tēnei āhua.

Kua whakautua e mātou he kaupapa here nama hou mō ngā kairēti kīhai i whakatutuki i ō rātou herenga ki te utu i tō rātou rēti, ka ātete tonu ki a mātou, me te kore e hui ki te kōrero mō te utu i tō rātou nama rēti. He koanga ngākau tēnei putanga, ā, kua tino heke ngā rēti e noho nama ana, arā, 2,400 kairēti whai nama te hekenga iho, ā, kua heke te rahi nama tapeke i te \$19.4 miriona ki te \$6.9 miriona. Kei roto i tēnei whakahekenga ngā utunga nama tawhito i mukua atu mō ngā kairēti i mahi pūputu ki te whakaea i ō rātou herenga utunga, kia hoki anō ki te eanga nama.

He arotahi matua te penapena moni mō ngā utu i tēnei tau. Kua whakapaingia e mātou ō mātou mahere whare, kua whakapikia te taha hoko taonga, kua whakahekea hoki ngā utunga hanganga mā te 3.6 ōrau i roto i te tau katoa, ā, tērā hoki tōna hekenga nui kē atu, arā e 9 ōrau i roto i tērā koata, nā te kitenga o te kahanga ake o te mahi o ā mātou mahere me ngā tikanga mahi kua tino whakapaingia. Mā ā mātou taumata utu o ēnei rā tata mō ngā hanganga meāke ka tīmata, ka mōhio mātou ka heke haere tonu ngā utunga, ka hāngai hoki ki ngā hiahia o te māketē.

Nā ngā whakapikinga whakahaere ka poto kē iho ngā tāringa whare wātea, arā, 98 ōrau o ngā whare ka taea te rēti ka tukua ki tētahi kairēti i tēnā rā, i tēnā, ā, ka kitea he kairēti hou ia 11–12 meneti.

Kua āta mahi nui mātou ki te whakatika i ngā whakahaere mō ā mātou taumahi tautoko. Kua whakarerekētia te ohu kaimahi mai i te 3,400 ki te 2,600 kaimahi wā kiki (FTE), hei whakaata tēnei i tā mātou arotahi kua whakawhāititia kia noho mātou hei kairēti whare pāpori rahi rawa o te motu. E whakaae ana mātou ki te kī, he wā uaua tēnei mō ā mātou kaimahi. Ehara i te mahi ngāwari te whakatau tikanga kia whakahekea te maha o ngā tūranga, ā, ka nui te mihi ki te mahi nui o te hunga katoa i mahi mō Kāinga Ora. Ka noho ā rātou mahi hei kahupapa hira mō te āhua o te whakahaere mō āpōpō.

Rā roto i ā mātou kōkiri whakaumu taketake, tae atu ki ngā whakapainga mō tō mātou Pūnaha Hora Whare, me ngā rautaki whakahaere rawa, kua whakahekea e mātou ngā utu whakahaere mā te \$71 miriona (i mua i te huamoni, te whakahekenga utu, te tāke me te whakaurupā haupū) ā, nā konei kua piki ki tua atu i tō mātou ūnga utunga o ngā kaute mō te tau mā te \$170 miriona.

Ahako kua pā ngā whakakorenga kaupapa kihai i puta i te rārangi kaute ki te takarepa mō tēnei tau, he horo tonu te pikinga ake o te tūnga ahumoni, ko te pikinga ake o te ōwehenga whiwinga ki ngā huamoni, ā, kei reira ngā pūtake e toitū ake ai te taha ahumoni ā ngā rā e heke mai nei.

Me tahuri mātou i konei ki te maumahara i a John Duncan, Tumuaki o Raro i mua, he mema Poari hoki nō Kāinga Ora mō te wā roa. He rūanuku a John mō te taha moni, hangaroto, hanga whare hoki, ā, ka nui ana mahi pūmau mō Kāinga Ora, Housing New Zealand me te Hobsonville Land Company. Nā tāna titiro hōhonu me tana ngākau ū ki te whakapiri i ngā mahi kāwanatanga ā-motu, ā-rohe hoki, i pai ake ai a Aotearoa.

Hei kupu whakamutunga e hiahia ana au ki te kī, he tino pai te urupare o ā mātou tāngata o Kāinga Ora mō te Mahere Tautuhi Anō, me te ahunga whakamua i roto i tēnei tau. Ahakoa e mōhio ana mātou arā anō ngā mahi e tika ana kia mahia, kei te titito whakamua mātou i runga i te mātau, he ora te ngākau o te whakahaere, ā, he kaimahi ōna e ngākaunui ana ki tā mātou kaupapa, e mahi nui ana hoki ki te hora putanga tino pai rawa atu. I a mātou e titiro whakamua ana, e ū ana tā mātou titiro ki te hanga whakahaere pakari kē atu, kakama kē atu, āna urupare – me tana whakatutuki i ngā hiahia whare o ēnei rā, me tana takatū ki ngā urupare o āpōpō.



Simon Moutter
Chair

30 September 2025



Jenn Bestwick
Deputy Chair

30 September 2025



 Mangere, Auckland

Who we are / Ko wai mā mātou

Our vision

Our vision to **build better, brighter homes, communities and lives for all New Zealanders** was created with input from our people, tenants and partners.

At Kāinga Ora, we understand that a house means more than a roof over someone’s head. We recognise that kāinga represent the hopes and dreams of whānau – an essential foundation for lives, families and thriving communities.

Our role

We are the largest tenancy services provider in New Zealand with a total portfolio of over 78,000 homes. We currently provide housing for over 200,000 tenants.

Our portfolio includes almost 4,000 supported housing homes, and a further 900 homes have been leased since 2020 by Te Āhuru Mōwai, the community housing arm of Ngāti Toa in Porirua.

We are responsible for the delivery of our funded large-scale projects (LSPs) in Auckland and Eastern Porirua. In collaboration with local councils, these projects upgrade vital infrastructure and unlock land for a mix of social and market housing.

Our values and our characteristics

Our values and characteristics unite us as an organisation, guiding how we achieve housing outcomes. They are the foundations on which our work is built – they help us make the right decisions and anchor how we will work daily. We developed our values to reflect the attitudes and behaviours we uphold.

Our organisational values



Manaakitanga
People at the Heart



Mahi Tahī
Better Together



Whanake
Be Bold

Our organisational characteristics

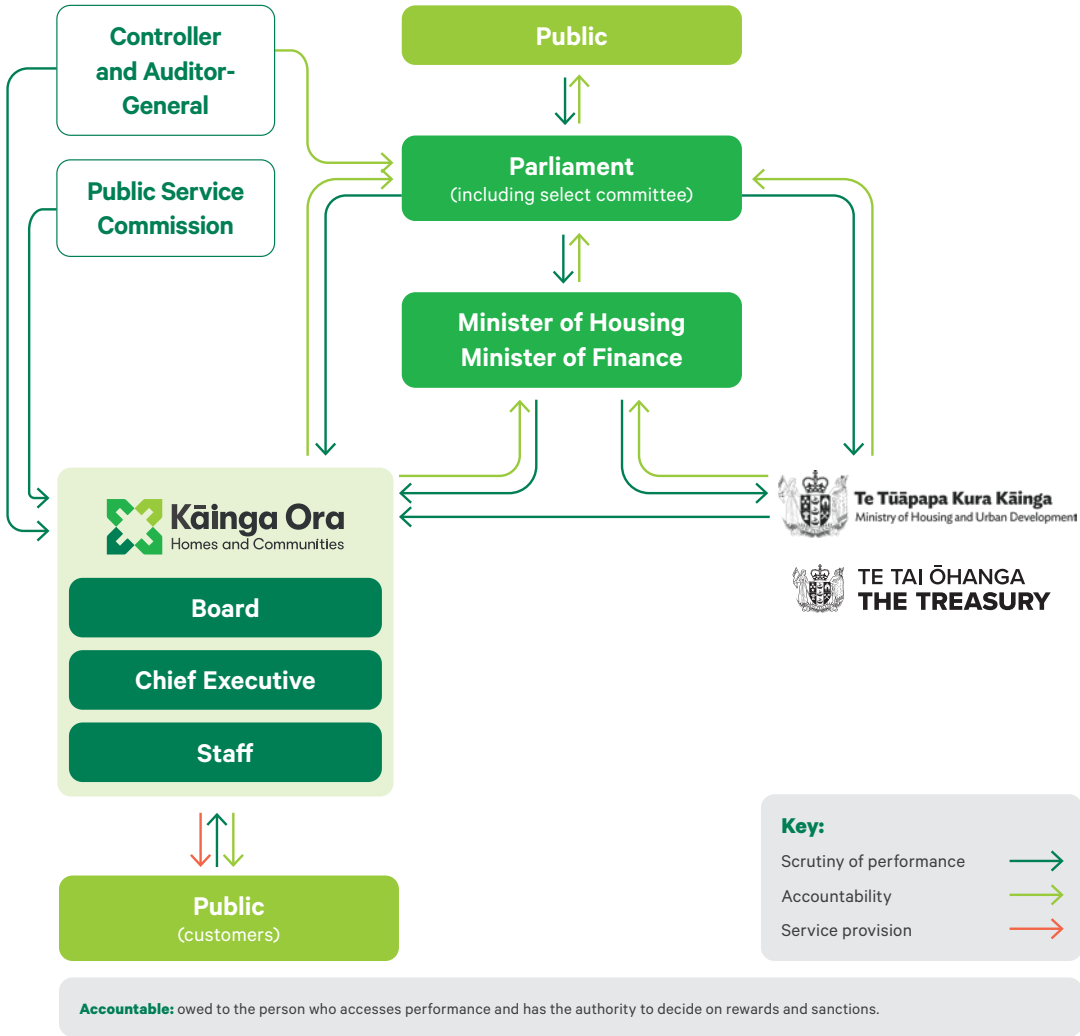
- Our characteristics are the foundations our work is built upon – alongside our internal priorities, they help us make the right decisions and anchor the ways we will work every day.
- **Strategy driven:** Our decisions are fact based, commercially sound and aligned with our long-term goals.
 - **High-performing people, inspiring culture:** Our people deliver excellent results with confidence, empowered by a culture that inspires and facilitates success.
 - **Operational excellence:** We are relentlessly focused on delivering smart solutions that create lasting value for the people we serve.

Our organisation

Kāinga Ora was established as a Crown agent (for the purposes of the Crown Entities Act 2004) on 1 October 2019 under the Kāinga Ora–Homes and Communities Act 2019.

Our responsible Ministers are the Minister of Finance and Minister of Housing. Kāinga Ora is monitored by the Ministry of Housing and Urban Development (HUD) and the Treasury.

We are governed by a Board appointed by our responsible Ministers. As a Crown agent, Kāinga Ora must give effect to Government policy when directed by the Minister of Housing and must comply with directions to support the whole-of-government approach made by the Minister for the Public Service and Minister of Finance.



Legislation driving our work

The Kāinga Ora–Homes and Communities Act 2019 and Urban Development Act 2020 set out the key functions of Kāinga Ora and the operating principles to follow when carrying out those functions. We acknowledge that several Reset Plan recommendations require Cabinet decisions to implement that may result in changes to our legislation and that this is work led by HUD.

Our legislation	Enables us to:
• Crown Entities Act 2004 • Kāinga Ora–Homes and Communities Act 2019 • Urban Development Act 2020 • Residential Tenancies Act 1986 • Public and Community Housing Management Act 1992	• Allocate and rent social housing properties to people who need them most, based on income-related rent • Provide tenancy services and act as a responsible landlord • Maintain and manage existing social housing • Build, acquire and redevelop social housing • Lease properties to other housing providers • Facilitate urban development (including selection and assessing of potential Specified Development Projects and land acquisition powers)

Who we collaborate with to deliver housing solutions

We maintain strong collaborative partnerships with a wide range of organisations to deliver social housing and support services across New Zealand. These partnerships ensure that housing solutions are effectively integrated with social support and community development initiatives.

The Ministry of Social Development (MSD) plays a critical role by managing the Social Housing Register, assessing applicants’ housing needs and determining priority levels. MSD also administers housing support products and emergency housing grants. HUD funds the income-related rent subsidies and provides policy advice, and we worked closely with HUD on a number of policy and legislative initiatives. We work with other agencies such as the Ministry of Business,

Innovation and Employment (MBIE), Whaikaha – Ministry of Disabled People, Oranga Tamariki, Department of Corrections and Ministry of Health on programmes, initiatives and system settings that affect mutual customers or pathways into and out of social housing.

Engagement with local councils supports community growth, infrastructure development and the identification of local housing needs. Our partnerships with Māori and iwi are central to delivering culturally responsive housing solutions and supporting Māori aspirations for housing and wellbeing. We also collaborate with a broad network of community organisations and social service providers.

Responding to the Independent Review of Kāinga Ora and delivering a Reset Plan

In May 2024, our responsible Ministers tasked the new Kāinga Ora Board with developing a credible and detailed plan to improve financial performance with the goal of eliminating losses. The Reset Plan was guided by direction from the Ministers of Finance and Housing, with a clear focus on the core role of Kāinga Ora as a good social housing landlord, significantly improving operational performance and delivering on Budget 2024 savings commitments.

The Reset Plan primarily focuses on actions Kāinga Ora can take within its existing mandate. The Board initiated a series of targeted initiatives to drive strategic change and enhance both financial and non-financial performance.

In addition, the Reset Plan identifies legislative and policy changes that would further support its implementation. These changes require Ministerial decisions and collaboration with other agencies. Kāinga Ora continues to work closely with relevant agencies to support broader policy development and ensure alignment with the Reset Plan’s objectives.

Figure 1: Timeline for key Reset Plan milestones



Implementing the Government’s priorities / Te whakatinana i ngā whakaarotau o Te Kāwanatanga

Strengthening our core landlord functions and improving financial sustainability

In 2024/25, Kāinga Ora took a targeted approach to implementing the Government’s priorities, focusing on strengthening core landlord functions, improving financial sustainability and supporting a more disciplined operating model. This work was in line with the direction outlined in the Reset Plan released in February 2025.

We have refreshed our organisational strategy and structure to focus more clearly on the areas that matter most. We have made real progress in six key areas.

Strengthening financial sustainability

We have taken a more disciplined approach to how we spend and invest. This includes refining our housing designs to reduce build and maintenance costs, setting clearer benchmarks to guide development decisions and improving how we track value for money. Kāinga Ora exceeded its targeted operating cost savings by \$170 million, which enabled us to come in under our overall budget despite the significant one-off write-down and restructuring costs we had to absorb in 2024/25. A key contributor to these savings was pioneering new technology to enhance our maintenance practices – for example, using drone technology on our reroofing programme. These changes are helping to ensure that Kāinga Ora remains financially sustainable into the future.

To support these changes, we established a Transformation Office to identify, validate and implement savings initiatives. We used the Transformation Office to reshape our systems, processes, financial management, culture and leadership to enable us to do our job better – now and into the future.

Building more homes for people who need them

We delivered 3,456 new homes across the country in 2024/25. After taking into account homes that were retired or redeveloped, this resulted in a net increase of 2,564 social homes. This means more people have access to warm, dry and safe housing. We exceeded the revised targets set by Ministers by using our new Housing Delivery System, which helps us build homes faster, more consistently and more efficiently. This work also supports the Government’s goal of reducing the need for emergency housing and helping more people into stable homes.

Supporting safer, more stable communities

We expect tenants to be good neighbours – and most of them are – but when disruptive behaviour occurs, we take it seriously and act quickly to address it. In 2024/25, we strengthened our approach to disruptive behaviour, which has seen us make earlier and more frequent use of the tools available under the Residential Tenancies Act (RTA). Our approach is about being firm, but fair. We work to understand what’s driving behaviour and refer tenants to specialist social and health services where needed. Alongside this, we use the RTA tools to drive behaviour change and provide a clear deterrent for disruptive behaviour. If behaviour does not change and issues continue, we will end tenancies.

Helping tenants stay on top of debt

Around 90 percent of Kāinga Ora tenants pay their rent on time. However, over the years, rent arrears have increased. In February 2025, we introduced a new approach to accelerate repayments and address long-standing issues. This included targeted debt forgiveness for eligible tenants – those with more than 12 weeks of rent debt who were consistently paying rent on time and making reasonable efforts to reduce what they owed. As a result of this initiative and other supporting actions, rental arrears decreased by \$12.5 million. Compared to a year ago, fewer tenants are in debt and more are making repayments or increasing the amount they repay.

Getting homes ready faster for new tenants

We have reduced the time it takes to prepare homes between tenancies. Average turnaround time has dropped to 18.4 days, down from 21.2 days last year. This improvement reflects faster repairs and maintenance, allowing us to get homes ready for new tenants more quickly. This means people on the Housing Register can move in sooner and we make better use of the homes we have. Our daily utilisation rate (which reflects the proportion of available homes that are occupied) improved to 98.2 percent, up from 97.8² percent last year. A higher utilisation rate shows we are matching people to homes more quickly and helping them into housing faster.

We are also streamlining our decisions around homes requiring major repairs, retrofitting or redevelopment. The number of homes removed from service due to major works or redevelopment decreased to 1,479 as at 30 June 2025, down from 2,004 the previous year – a 26.2 percent reduction. We are committed to maximising the availability of our housing stock and accelerating turnaround times.

Helping whānau out of emergency housing

We worked closely with MSD to reduce the number of whānau in emergency housing, aligning with the Government’s goal of a 75 percent reduction by 2030. The Government created a new Priority One fast track, which prioritises families with children under 18 who have been in emergency housing for 12 weeks or more. Our Placement teams coordinated with MSD and other agencies to match families to suitable homes and communities, using detailed household and community insights. The strengthened relationship with MSD included regular national and regional meetings and a Memorandum of Understanding to support bulk placements in social housing complexes. Between May 2024 and 30 June 2025, 956 families have been successfully placed into Kāinga Ora homes through this initiative.

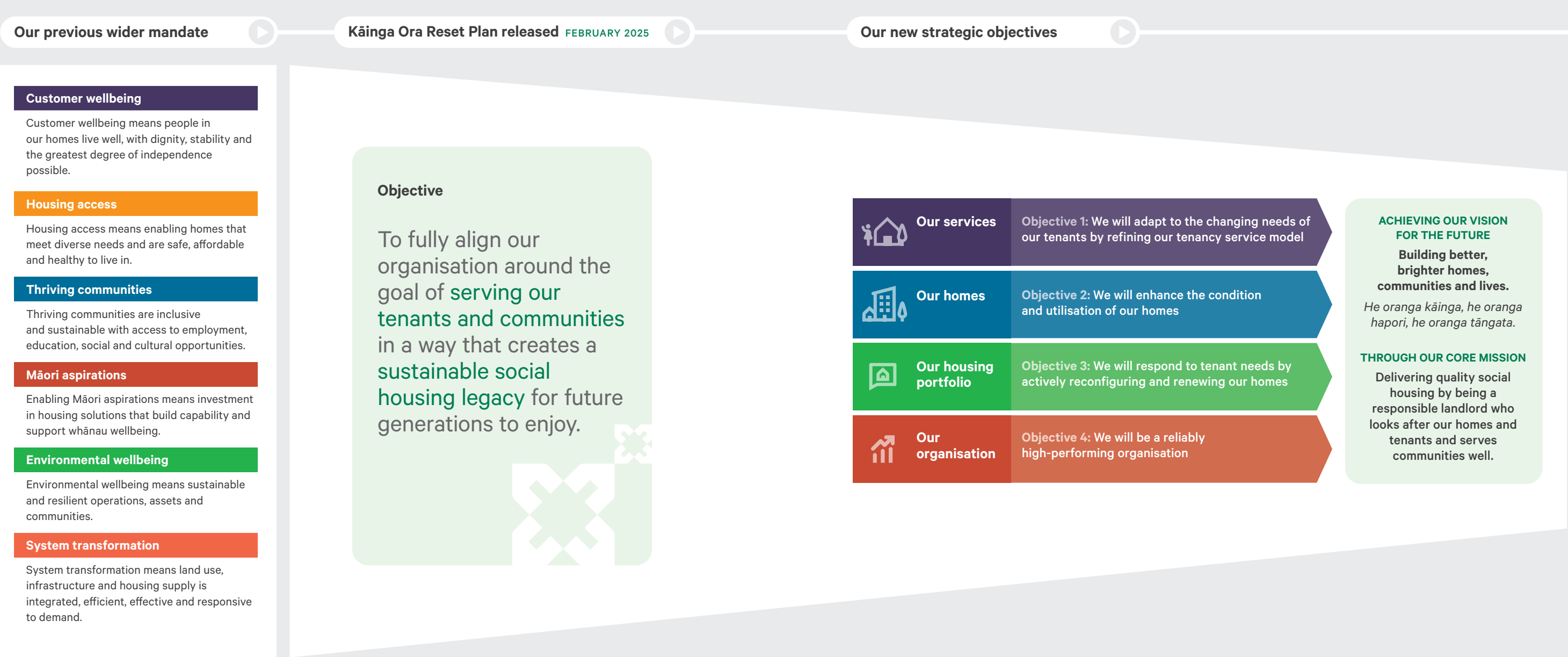
Together, these actions build on our ongoing efforts to improve how Kāinga Ora operates. We are working hard to build public confidence and deliver on the Government’s priorities by focusing on what matters to our tenants, our communities and the country. You will find more about what we have achieved in each of these areas throughout this report.

Aligning this report with our new strategic objectives

The Kāinga Ora Reset Plan has played a key role in shaping our refreshed strategic objectives, which are outlined in our [Statement of Intent \(SOI\) 2025/26–2028/29](#), published 30 June 2025. We have structured this Annual Report around our four new strategic objectives, marking a shift from our six broader strategic outcomes used in previous years. We made this change to reflect the evolving focus of Kāinga Ora and to show our commitment to delivering the Government’s priorities in a clearer and more targeted way.

2. This figure has been updated to reflect the current year’s methodology for calculating occupied homes.

Figure 2: Transitioning the organisation to focus on our core activities



In line with our statutory obligations under the Crown Entities Act 2004, we continue to report against the performance measures set out in our SOI 2022–2026, which can be found on page 73 of this document.

The table opposite provides a guide to where readers can find detailed performance results for 2024/25 within this report.

Our SOI 2022–2026 results	For performance measures relating to our SOI 2022–2026, please see page 73.
Our SPE 2024/25 results	For performance information relating to our SPE 2024/25, please see page 48.
Estimates of Appropriations measure results	For Vote Housing and Urban Development Estimates of Appropriations, please see page 83.

Financial performance overview / Tirowhānui tutukinga ahumoni

Focusing on cost control while maintaining delivery and quality of services

Delivering operational savings while absorbing significant one-off costs

Our net operating deficit before tax was \$14 million better than budget despite incurring significant unbudgeted one-off costs related to write-downs and restructuring. This strong performance reflects our disciplined focus on managing core operating costs and achieving transformation savings, particularly in repairs and maintenance, resulting in a more financially sustainable organisation.

What we did during 2024/25:

- Achieved repairs and maintenance savings of \$92 million through targeted efficiency measures.
- Successfully completed two major organisational realignment programmes focused on resetting,

resizing and renewing the organisation, reducing total staff from 3,398 FTEs as at 30 June 2024 to 2,609 FTEs by June 2025. These changes position us well for 2025/26, with one-off change-related costs absorbed during 2024/25.

- Increased year-on-year revenue, driven by the delivery of new homes, improved utilisation rates and a reduction in vacant to let turnaround times.
- Incurred significant non-cash write-downs, impairments and losses on sale totalling \$395 million, mainly made up of write-offs related to paused or discontinued projects (\$158 million) and impairments to properties under development (\$147 million).

Our operating performance was better than budget, despite having to absorb large restructuring and write-down costs – a result of delivering significant savings from a combination of strong cost controls and transformation initiatives.

Maximising value from our capital investments

We continued to optimise our capital investment programme to ensure financial viability and alignment with regional housing demand.

What we did during 2024/25:

- Exceeded our target of 3,400 new homes, achieving eight out of our 12 regional targets. These were delivered approximately \$36,000 per property below prior benchmarks – despite an increase in average bedroom size – delivering annual savings of \$101 million.
- Advanced our retrofit programme by completing 874 retrofitted homes, enhancing the quality and sustainability of existing housing stock. The programme was delivered approximately \$64.6 million under budget – equating to around \$77,000 in savings per retrofitted home.

- Completed recategorisation of our vacant land holdings, enabling the Board to approve the divestment of approximately 36 hectares across 141 sites deemed surplus to requirements or lacking viable development options.
- Conducted a comprehensive review of our housing development projects, ensuring the financial robustness and regional relevance of our housing programme.
- Invested total capital during 2024/25 of \$2.7 billion compared to a budget of \$3 billion. This was mainly due to land purchase budget not being utilised, new homes being rescheduled for delivery in 2025/26 to align to the Ministers’ Letter of Expectations in August 2024, LSPs master-planning changes and rephasing, unbudgeted cost recovery for the Shovel-Ready Programme and transformation programme savings.

Table 1: Operating financial performance 2024/25

2023/24		2024/25		
Actual \$m	Description	Actual \$m	Budget \$m	Variance \$m
1,925	Rental revenue	2,216	2,207	9
449	Appropriations and other income	342	431	(89)
2,374	Total revenue	2,558	2,638	(80)
543	Repairs and maintenance	420	512	92
80	Retrofit	55	73	18
721	Other property expenses	660	803	143
553	Total non-property expenses	509	523	14
278	Asset write-offs and (gain)/loss on sale	395	199	(196)
2,175	Total expenses	2,039	2,110	71
199	EBITDA	519	528	(9)
439	Depreciation and amortisation	498	480	(18)
482	Net interest	617	658	41
(722)	Net surplus/deficit before tax	(596)	(610)	14
(154)	Tax	32	(76)	(108)
(568)	Net surplus/(deficit) after tax	(628)	(534)	(94)

Table 2: Capital investment 2024/25

2023/24		2024/25		
Actual \$m	Description	Actual \$m	Budget \$m	Variance \$m
3,595	Home builds	2,148	2,130	(18)
110	Other home additions	15	79	64
51	Land purchases	3	93	90
220	Maintenance programmes	135	179	44
264	Retrofit	163	232	69
276	Urban development	236	320	84
24	Business infrastructure	10	41	31
4,540	Total capital investment	2,710	3,074	364
(10)	General and vacant land sales	(52)	(21)	31
4,530	Net capital investment	2,658	3,053	395

Maintaining a strong balance sheet

Our financial position remains resilient, supported by prudent asset management and strategic divestments.

What we did during 2024/25:

- Recorded a net (non-cash) decrease in overall asset values of \$337 million, driven largely by a reduction in value of our property portfolio. This decrease was made up of \$1.9 billion decrease as a result of our annual revaluation and a \$1.1 billion reduction through disposals and demolitions, offset by new home deliveries of \$2.6 billion. The annual revaluation reflected softening property values seen across the wider housing market and in particular a reduction in value associated with recent additions to our property portfolio.
- Initiated a divestment programme aimed at replacing older homes with modern, fit-for-purpose housing. We divested 119 homes, with plans in place to divest 1,077 homes in 2025/26.
- Maintained debt covenant compliance while delivering on our new home retrofit targets.

Overall, our closing debt position was \$1.0 billion lower than budgeted, reflecting better operating performance leading to lower reliance on debt to finance the capital programme, capital cost savings and some delays in the timing of deliveries.

Looking ahead

With transformation programmes now embedded across the organisation, we are well positioned to deliver on our strategic objectives in 2025/26 and beyond.



 Community Lane, Avondale, Auckland

Delivering on our vision and strategic objectives /
Te whakatutuki i tā mātou matakite me ngā whāinga rautaki

The Kāinga Ora Reset Plan refocuses our efforts on our core mission of delivering quality social housing by being a responsible landlord who looks after our homes and tenants and serves communities well. Our strategy reflects this mission through aligning our direction within our Reset Plan parameters to deliver homes and services in a financially sustainable way.

Our four strategic objectives outline what we will do to realise our core mission and achieve our vision for the future. Our strategic objectives are to:

- refine our service model to adapt to the changing needs of our tenants
- enhance the condition and utilisation of our homes
- actively reconfigure and renew our homes
- build trust by being a reliably high-performing organisation.

To achieve these objectives, we deliver four output classes, which represent the core activities of Kāinga Ora. Progress against each output class is measured in the statement of performance section of this report on page 49.

In this section of the report, we explain the work we have carried out over the past year and show how these activities contribute to fulfilling our strategic objectives. The strategic objectives are mapped to the relevant output classes, with those shown in green on the circle diagram indicating a direct contribution.

Our strategy on a page

Drivers for change

- We must achieve the goals of the Kainga Ora Reset Plan to safeguard the financial sustainability of our housing portfolio and deliver quality homes and services for our tenants into the future.
- Our ageing homes are eroding rental returns, becoming more costly for us to maintain and resulting in poorer health outcomes for our tenants.
- Our land holdings are underutilised and many homes are not well located, with some exposed to weather events and climatic risks.
- Our tenants' housing needs are changing, requiring different housing solutions.
- Our current tenants have variable need for tenancy services, and new tenants face greater life challenges.



Measuring success

Objective 1

- ▲ Percentage of tenants satisfied with our services
- ▲ Percentage of tenants satisfied with their Kāinga Ora home

Objective 2

- ▲ Proportion of housing stock that meets condition standards
- ▲ Percentage of homes available to let

Objective 3

- ▼ Average age of housing stock
- ▶ Maintain our home portfolio size
- ▼ Decrease the number of Kāinga Ora homes exposed to flood hazards
- ▼ Carbon emissions resulting from the Kāinga Ora housing portfolio (tCO₂e per home)

Objective 4

- ▼ Total debt/non-sales adjusted EBITDA
- ▲ Non-sales adjusted EBITDA/interest

Our refreshed SOI and supporting organisational strategy were approved by the Board in June 2025.

Link to output classes



OBJECTIVE 1

Our services Ō tātou ratonga

We will adapt to the changing needs of our tenants by refining our tenancy service model

This means that we will deliver tenancy services in the most efficient way possible to meet the changing needs of our tenants, now and into the future. As a social housing landlord, we take a firm but fair approach to managing disruptive behaviour and rental debt, and we support our tenants when they are in need. This strategic focus contributes to the broader aim of helping tenants and their whānau live well in their homes and communities.

Drivers for change

Our large and evolving tenant base has a diverse range of needs for our homes and services. While some individuals face significant life challenges, others require minimal tenancy support to live well in their homes. We must adapt our services to reflect this diversity. We need to target our funded resources more efficiently and effectively to achieve stable tenancies and the best possible outcomes for our tenants. This includes acting quickly to manage disruptive behaviour and reduce impacts on neighbours and the wider community. We also need to work across the social services sector to address challenges and connect our tenants to the external support services they need to sustain their tenancies.

Summary of our performance in 2024/25

In 2024/25, Kāinga Ora made significant progress in refining its tenancy service model to better support tenants and improve operational efficiency. We launched a new customer services workstream and introduced a Tenancy Management Framework that better balances our responsibilities as a landlord, the responsibilities of tenants and the needs of others in the community.

Our efforts delivered measurable improvements across key areas: enhanced customer service delivery through our support centres, strengthened responses to disruptive behaviour and delivered a substantial reduction in rental arrears. These achievements reflect our commitment to delivering safe, stable and supportive housing environments for our tenants and their communities.

Supporting tenants by providing them with access to the right support

Our Customer Support Centres in Manukau, Porirua and Christchurch provide an important 24/7 service for tenants calling about their tenancy, repairs, maintenance and accounts, resulting in better outcomes. The team also responds to calls from tenants and the public about Kāinga Ora-related matters such as enquiries related to home-ownership products administered by Kāinga Ora.

In 2024/25, the Customer Support Centres received over 569,000 calls and achieved a 90 percent satisfaction rating from our tenants.

Strengthening our management of disruptive behaviour

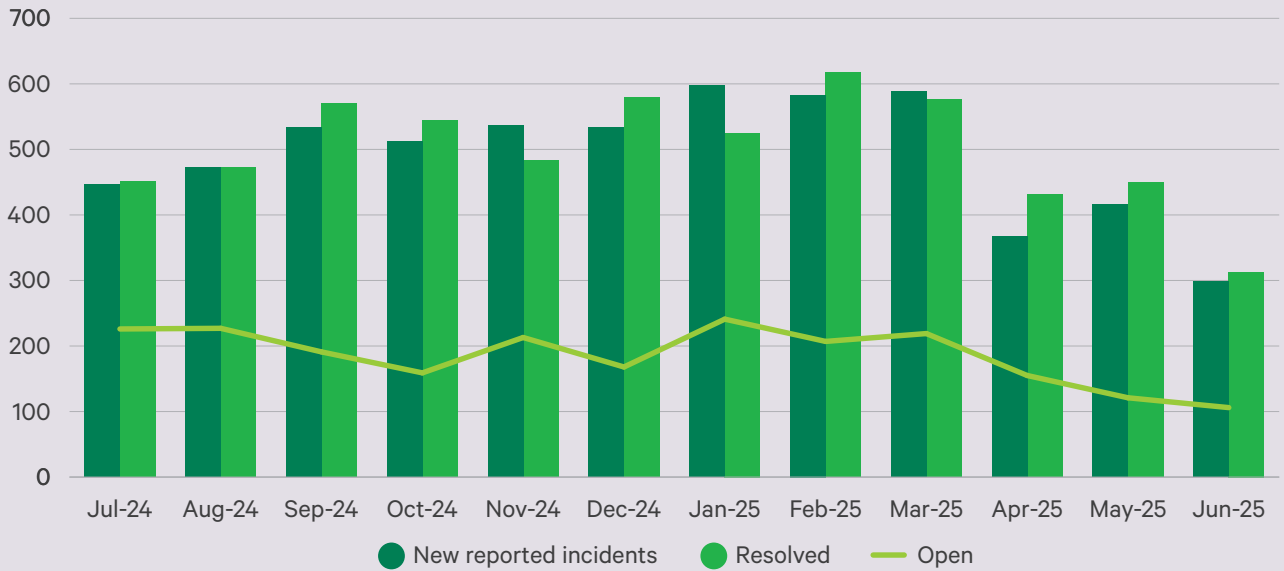
We expect tenants to be good neighbours – and most of them are – but when disruptive behaviour occurs, we act promptly to address it.

Our goal is for our frontline teams to determine the necessary action within 15 business days of receiving a reported incident of disruptive behaviour. Over the past year, we achieved this in 96.3 percent of cases, reflecting our commitment to prompt and effective tenancy management.

We are making greater use of section 55A notices under the Residential Tenancies Act, which formally warn tenants that their behaviour is putting their tenancy at risk. Over the past 12 months, we issued more than 1,777 notices – a ninefold increase compared to the 202 notices issued in the previous financial year.

During the 12 months to 30 June 2025, more than 174 transfers occurred to resolve disruptive behaviour, with most transfers achieved through agreement with the tenant. We typically find that tenants take moving to a new home as an opportunity to make a fresh start without further issues. We are also ending tenancies in response to serious or persistent behaviour issues. In 2024/25, 74 tenancies were terminated by an order from the Tenancy Tribunal for disruptive behaviour compared to 11 the previous year.

Figure 3: Reported incidents of disruptive tenant behaviour



Between July 2024 and June 2025, the volume of reported and resolved incidents varied across the year. The overall number of open incidents has steadily declined, reflecting strengthened incident management and resolution processes.

Actively reducing rental arrears

In 2024/25, Kāinga Ora reviewed and strengthened its approach to managing overdue rental arrears, with a renewed focus on prevention and early intervention. As a result, total rental arrears from current tenants reduced significantly, from \$19.4 million in June 2024 to \$6.9 million in June 2025.

A key part of the reduction was introducing targeted debt forgiveness. This initiative supported tenants who consistently met their rent obligations by reducing their outstanding debt to a more manageable level (down to the equivalent of 12 weeks’ rent). To qualify, tenants had to have more than 12 weeks’ worth of rent debt at the start of February 2025, be consistently paying their rent and be making reasonable payments to reduce what they owed. This approach has encouraged positive payment behaviour and made debt more manageable for tenants to repay, while making it clear that continued non-payment may result in tenancy termination.

The initiative was fully funded from financial provisions already set aside for unpaid rent, at no additional cost to taxpayers.

Approximately 1,500 current tenants with rent arrears received a reduction in their arrears through the debt forgiveness initiative. This resulted in a total one-off reduction in arrears of around \$7.2 million and reset debt to more manageable levels for these tenants.

Table 3: Rental arrears

	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Number of tenants	9,722	9,518	8,633	6,270
Value of rent arrears	\$16.3 million	\$20.3 million	\$19.4 million	\$6.9 million



Link to output classes



OBJECTIVE 2

Our homes
Ō tātou kāinga

We will enhance the condition and utilisation of our homes

This means we manage our assets in a way that is financially sustainable into the future to ensure that our tenants live in warm, dry and healthy homes. We do this by efficiently and cost-effectively managing the maintenance and repair of our properties. This includes maximising the availability of our homes to ensure they are available for tenants in need.

Drivers for change

A significant proportion of our homes are ageing, which increases maintenance costs, reduces rental returns and can lead to poorer health outcomes for tenants. To respond to this, we need to improve the cost-effectiveness of our maintenance activity and strengthen our asset condition data to better inform decision making. This will also help us reduce the time it takes to relet properties when they become vacant, making more homes available for people that need them. Together, these challenges are driving us to shift how we invest in and manage our housing assets.

Summary of our performance in 2024/25

During 2024/25, we delivered significant cost savings while improving outcomes for our tenants and protecting our assets through streamlined processes, innovative technology and faster decision making. Tenant satisfaction with our

maintenance services increased to 80 percent this year, up from 77 percent last year, while operating maintenance costs reduced by \$123 million from \$543 million in the prior year. We also maintained our performance standards across our supported housing portfolio of over 3,900 homes for vulnerable individuals and family.

Streamlining the delivery of maintenance and repair services

Operational efficiency gains

A key focus in 2024/25 was streamlining the way we deliver our maintenance and repair services, with a substantial improvement in service delivery. We have successfully reduced the time between tenancies (SPE 2.9) from 21.2 days to 18.4 days, representing a 13 percent improvement compared to 24 days achieved in 2022/23. This means people waiting for a home can move in sooner, we make better use of the homes we have and we receive more rental income.

Table 4: Number of days from a home becoming vacant to becoming ready to let

	2021/22	2022/23	2023/24	2024/25
From vacant to ready to let	28 days*	24 days	21 days	18 days

* Performance during this period was impacted by COVID-19 lockdowns.

The percentage of homes occupied throughout the year increased to 98.2 percent, up from 97.8 percent the year prior. This reflects how many of our available homes are tenanted at any given time. A high occupancy rate means we are matching homes to people on the Housing Register more quickly, helping more people into housing faster and using our housing portfolio efficiently.

Implementing a condition-led approach

We have shifted from a life-cycle-based maintenance model to basing this on actual property condition. In 2024/25, we pioneered drone technology to enhance maintenance to better target over 5,000 homes due for reroofing or repainting. Drones provide precise detail about roof condition – allowing our teams to identify rusted screws and nails, cracked gutters and missing brackets.

Our condition-led approach is helping us care for homes in a more targeted and efficient way. In previous years, we consistently completed full roof and paint jobs as standard practice. By assessing each property’s specific needs, we can focus repairs where they are most needed. In 2024/25, fewer than half of homes assessed required full painting and only a small number needed complete roof replacement. This approach allows us to maintain the quality of our homes while using public funds responsibly.

Housing more people by reducing the number of homes that are out of service

The number of homes held vacant impacts our ability to house more families and generate rental income. We have focused on faster decision making around redevelopment and disposals to improve asset availability.

As at 30 June 2024, we had a total of 4,358 unoccupied homes. This included:

- 2,165 homes being prepared for reletting
- 2,004 homes classified as ‘removed from service’ due to major repairs, retrofitting, redevelopment or the expiry of leases and sales.

Over the past 12 months, we undertook a comprehensive review of our housing development plans and streamlined decision making about asset use. This enabled us to reduce the number of unoccupied homes to 2,916 by 30 June 2025 – a 33 percent reduction year on year.

Table 5: Out-of-service homes (as at 30 June)

Category	June 2024	June 2025	Change
Being made available to let (vacant)	2,165	1,418	(747)
Homes removed from service (long term)			
Major repair/retrofit process	960	642	(318)
Redevelopment/demolitions	941	230	(711)
Sale/lease expiries	103	607*	504
Total homes removed from service	2,004	1,479	(525)
Other	189	19	(170)
Total unoccupied homes	4,358	2,916	(1,442)

* The increase in this category is due to the launch of the Kāinga Ora national divestment programme, which focuses on recycling older homes that are no longer fit for purpose.

Our role in supported housing

Kāinga Ora plays a vital role in New Zealand’s supported housing system. We lease warm, dry and safe supported housing homes to around 250 supported housing providers, who deliver funded support services to some of the most vulnerable individuals and families in New Zealand, while ensuring these homes are maintained to a high standard.

Our Supported Housing team collaborates with local service providers and national funding agencies to strengthen partnerships, anticipate future demand and enhance service delivery. Currently, we provide more than 3,900 Kāinga Ora supported housing places through these initiatives:

- **Transitional housing** – short-term accommodation for people in urgent need of housing, operated by HUD-contracted service providers who offer wrap-around services.
- **Community Group Housing** – homes for people who would otherwise struggle to live well in the community, providing a coordinated housing solution and specific wrap-around support services delivered within the home, operated by government-funded service providers.
- **Oranga Tamariki** – homes provided to support the needs and wellbeing of tamariki and rangatahi in the care of Oranga Tamariki, operated by service providers contracted by Oranga Tamariki.
- **Ara Poutama Aotearoa | Department of Corrections** – suitable accommodation for people leaving prison to support their reintegration into the community, operated by service providers contracted by Ara Poutama.

Supported housing key achievements

In line with the Kāinga Ora Supported Housing Strategic Plan and Reset Plan, we remain focused on getting the basics right.

What we did during 2024/25:

- Completed annual property inspections across 98 percent of our Community Group Housing portfolio.
- Processed 98.5 percent of annual rent support subsidy reviews.
- Reduced supported housing rent debt by over \$1 million.
- Achieved our target of delivering an additional 29 transitional housing places, taking our total of transitional housing places to 2,606.

Link to output classes



OBJECTIVE 3

Our housing portfolio
Ō tātou kohinga whare

We will respond to tenant needs by actively reconfiguring and renewing our homes

Over half of our homes are nearing the end of their economic life-cycle and are due for renewal over the next 30 years. Renewal means bringing our homes up to modern living standards so that they are warm, dry and healthy for our tenants. Our renewal programme allows us to recalibrate our portfolio and respond to tenant housing needs by providing the right types of renewed homes in the right places across the country.

Drivers for change

Our commitment to renewing and reconfiguring homes is shaped by the challenges of our ageing portfolio and significant shifts in the types of homes that our tenants need. Some homes are located on land that is not fully utilised. At the same time, climate-related risks are affecting the resilience of some properties, and not all homes are located close to the services our tenants rely on. Demand is also shifting, with more households needing different types and sizes of homes than in the past. Together, these factors reinforce the need to adapt the homes we provide across the country to better meet current and future tenant needs.

Summary of our performance in 2024/25

In 2024/25, we delivered 3,456 new homes and 874 retrofits, achieving a net increase of 2,564 homes. Through our Housing Delivery System, we achieved housing delivery in eight out of 12 regions. In parallel, our divestment programme and strategic land review helped ensure resources are directed to properties that best meet the needs of our tenants.

Early engagement with communities, together with progress on our large-scale urban development projects, supported our renewal efforts. We have continued to strengthen our approach to managing climate-related risks, helping ensure our homes remain resilient, fit for purpose and aligned with the diverse needs of New Zealanders.

Renewing our housing portfolio to meet our tenants’ needs

Kāinga Ora is dedicated to providing high-quality homes that reflect the diverse needs of communities across New Zealand. Our portfolio includes over 78,000 homes – more than 73,000 of these are social homes that support over 200,000 tenants and their whānau.

Our older homes are increasingly costly to maintain and often fall short of modern standards. To address this, Kāinga Ora is undertaking a long-term renewal programme aimed at improving the quality, longevity and suitability of our homes.

This programme involves different renewal activities, including:

- selling older or underperforming homes and replacing with newly built or market-acquired properties
- demolishing and redeveloping outdated homes or relocating homes designated for demolition to new more appropriate sites
- retrofitting existing homes to extend their useful life.

Over the next 30 years, we plan to work with Government and HUD to renew approximately 40,000 homes. This aligns with our strategic goals for financially sustainable and resilient operations, homes and communities.

Delivering on regional growth targets and renewal through new homes

In August 2024, Ministers updated the original targets set in our Statement of Performance Expectations 2024/25 (SPE) to ensure Kāinga Ora is actively contributing to its goal of reducing the number of households in emergency housing, particularly in targeted regions. As a result, some of our regional targets were adjusted, and the delivery timeline was extended across two financial years (2024/25 and 2025/26).

During 2024/25, we reorganised all our housing delivery teams to align with our new Housing Delivery System (HDS) – an innovative approach developed in close partnership with the residential construction sector. The HDS focuses on speed, consistency and productivity, enabling a reliable and efficient pipeline of housing development.

In the 2024/25 financial year, we delivered a total of 3,456 new homes (SPE 2.1), surpassing the revised target of 3,400. We also achieved a net increase of 2,564 homes in our housing stock (SPE 2.2), exceeding the revised target of 2,230. This was a significant accomplishment.

Table 6: Summary of social and supported home additions, disposals and net portfolio increase

Actual 2023/24	Kāinga Ora social and supported homes	Target 2024/25	Delivered 2024/25
4,864	Gross new homes built (SPE 2.1)	3,400	3,456
140	Plus tactical purchases of existing homes	0	43
(1,399)	Less disposals	(1,170)	(935)
3,605	Total net number of additional homes (SPE 2.2)	2,230	2,564

As well as meeting our national targets, we achieved our net delivery goals in most of our regions, demonstrating our commitment to regional housing needs.



Hindmarsh Street, Johnsonville, Wellington

Table 7: Social housing regional net delivery 2024/25

HUD region	Net delivery target	Net change	Target met?
Auckland	770	761	🏠
Northland	130	121	🏠
Bay of Plenty	100	133	🏠
Rotorua	220	250	🏠
Central	90	108	🏠
East Coast	250	211	🏠
Taranaki	10	21	🏠
Waikato	330	422	🏠
Wellington	30	176	🏠
Canterbury	160	229	🏠
Southern	50	54	🏠
West Coast Tasman	90	78	🏠
Total net social housing	2,230	2,564	🏠

Although we were slightly below target in four regions, we have an established pipeline of projects in these areas to address the shortfall in 2025/26.

Table 8: Summary of our housing portfolio in the year ended 30 June 2025

	Social housing	Community Group Housing	Transitional housing	CHP lease portfolio	Non-social housing	Total homes
Opening portfolio 1 July 2024	70,643	1,489	2,464	968	76	75,640
Additions – gross new homes (SPE 2.1)	3,360	8	30	58	–	3,456
Additions – purchase of existing homes	42	1	–	–	–	43
Disposals (net of adjustments)*	(898)	(30)	(7)	–	–	(935)
Net change in portfolio (SPE 2.2)	2,504	(21)	23	58	0	2,564
Closing stock	73,147	1,468	2,487	1,026	76	78,204

* Adjustments include stock transfers and property movements not categorised as formal additions or disposals.

Setting the standard in building consent performance

Established over 4 years ago as an independent division of Kāinga Ora, Consentium delivers building compliance services, including consent processing, inspections and issuing Code Compliance Certificates (CCCs). It was the first nationally accredited and registered building consent authority (BCA) that is not a territorial authority. It adds value by reducing consenting timeframes and enhancing operational efficiencies for Kāinga Ora properties, covering buildings of up to five levels and above, as well as properties purchased from approved developers.

During the reporting period:

- 1,272 building consents were issued, enabling the construction of 1,541 homes
- 100 percent of consents met the statutory 20-day timeframe, with an average processing time of 5 days
- 39,604 inspections were completed, all within 3 working days – exceeding the new BCA key performance indicator (KPI) of 80 percent
- 1,775 CCCs were issued, averaging 2 working days – well ahead of the 20-day requirement.

Since MBIE began quarterly performance monitoring in 2024, Consentium has consistently ranked among the top BCAs, maintaining some of the shortest median processing times for both consents and CCCs.



2024/25 development highlights





118 Maich Road,
Manurewa, Auckland



15

Terrace homes beside Adams Reserve

Rooms: 1 seven-bed, 3 four-bed,
7 three-bed, 4 two-bed





22 Felix Street,
Onehunga, Auckland



24

Three-level walk-up apartments

Rooms: 18 one-bed, 6 two-bed

6 Homestar compliant



27–31 Greenslade Crescent,
Northcote, Auckland



52

Senior living 65+ apartments

Rooms: 52 one-bed apartments

6 Homestar compliant





31–39B Matthew Place,
Kawaha Point, Rotorua



19

Homes

Rooms: 10 two-bed, 8 three-bed, 1 four-bed





99 Birkenhead Avenue,
Birkenhead, Auckland



15

Three-level walk-up apartments

Rooms: 15 one-bed apartments





Aquarius Drive and Virgo Place,
Kawaha Point, Rotorua



13

Family homes

Rooms: 4 two-bed, 4 three-bed, 4 four-bed,
1 five-bed



9 Mansfield Road,
Ōwhata, Rotorua



25

Mix of duplex and stand-alone homes in
Stage 1 of larger 3.26 hectare development

Rooms: 2 one-bed, 8 three-bed, 12 four-bed,
2 five-bed, 1 six-bed





32 Sunrise Avenue,
Ōwhata, Rotorua



3

Homes constructed in 69 days using
Housing Delivery System

Rooms: 2 two-bed, 1 three-bed



Renewing our portfolio through our divestment programme

As Kāinga Ora transitions from a growth-focused delivery phase to one centred on renewals, we are taking stock of our existing housing portfolio to ensure it is fit for the future. Consistent with the Reset Plan, we have launched a national divestment programme to identify and sell homes that are nearing the end of their useful lives, are of poor quality or are no longer suitable for our tenants. This includes properties in high land value areas where intensification is either impractical or restricted by planning rules. Proceeds from these sales will be reinvested into building new, higher-quality homes that better meet the needs of our communities.

During 2024/25, we sold 119 homes and raised \$53 million. This was below our target of 183 homes and \$101 million. One of the main factors was the sale of a large 42-unit complex in Auckland that had reached the end of its life. It was sold for land value only, which reduced the overall average. Excluding this transaction, the national average sale price per unit was \$529,000.

Although total sales were lower than expected, we lifted our sales run rate later in the financial year. By 30 June 2025, 407 homes were progressing through the marketing and sales process, and planning for the 2025/26 programme was ahead of schedule.

Delivering warmer, drier and healthier homes through our retrofit programme

The Kāinga Ora retrofit programme is one of our key renewal initiatives focused on upgrading older homes to meet modern standards – creating warmer, drier and healthier living environments for our tenants. By extending the life of each home by up to 50 years, the programme supports environmental wellbeing and enables tenants to remain in their communities.

In 2024/25, the programme delivered 874 retrofits, including 35 complex remediation units – exceeding the annual target of 850 homes. The programme was delivered approximately \$64.6 million under budget – around \$77,000 in savings per retrofitted home.

We continue to streamline processes, and we have identified approximately \$20 million in potential further savings to be delivered by the end of the 2026 financial year. We have established key functions within Kāinga Ora, which has strengthened our knowledge and reduced reliance on external consultants.

Funding for the programme is secured through to the end of 2025/26 and is aligned with the Minister-approved budget, ensuring continued delivery and ongoing improvement.

Strategic land review

During 2024/25, we completed a comprehensive review of all vacant land holdings to make sure they are being used in the best way to support housing needs. As a result, we have identified land we will keep for future social housing developments and land we will sell that no longer meets our needs.

We currently plan to sell about 36 hectares of land across 141 sites that is no longer needed for new social housing projects or urban development work.

In some areas, this new approach means we will prioritise building on vacant land rather than demolishing existing homes, helping us deliver new housing faster and more cost-effectively.

Strengthening community engagement in our development programme

Kāinga Ora takes a portfolio-wide approach to community engagement, with a focus on early, consistent and strategic engagement to ensure communities are well informed and have meaningful opportunities to provide feedback. We share information about proposed developments and collaborate closely with key stakeholders and partners such as councils, mana whenua, schools, service providers and local Members of Parliament.

In areas with large-scale, master-planned projects, our engagement is more extensive and focuses on long-term collaboration.

Throughout 2024/25, we ensured communities had access to timely information about changes in our build programme. We recorded over 6,700 key stakeholder engagements and delivered 2,005 events – about half of these focused on sharing information about our development work. Online engagement was also significant with more than 160,000 interactions.

Importantly, 89 percent of all development projects were categorised as having no community engagement issues, 10 percent showed some

concerns and only 1 percent presented significant concerns from key stakeholders or the wider community. As we continue to renew our housing portfolio, engaging with communities and collaborating with key stakeholders will remain a critical focus.

Delivering on our large-scale urban development projects

Kāinga Ora’s urban development and delivery function utilises funding from the Housing Acceleration Fund to support LSPs in Auckland and Eastern Porirua. In partnership with local councils, these master-planned projects deliver critical infrastructure upgrades and make land available for a mix of social and market housing.

The transformation of underutilised social housing land into integrated communities is a core outcome of this work. There are currently five LSPs in Auckland – Northcote, Roskill, Oranga, Mangere and Tāmaki – and one in Eastern Porirua.

In Tāmaki, Kāinga Ora works alongside the Tāmaki Regeneration Company (TRC) as master developer, delivering infrastructure and land development under TRC’s master plan. In Eastern Porirua, Kāinga Ora partners with Ngāti Toa to deliver the housing outcomes within the LSP.

These brownfield developments represent a long-term investment. Funding is sourced from land sales and transfers, contributions from Auckland Council Group and Crown investment via the Housing Acceleration Fund.

In 2024/25, LSPs enabled 1,232 homes and developed 7.6 hectares of land. Since the LSPs began, 86 hectares of land has been redeveloped by Kāinga Ora and 36.5 additional hectares of land are currently funded to be redeveloped. This period has also seen 6,426 social, affordable or market homes enabled.

We continue to partner with local councils to improve infrastructure resilience, including the delivery of critical stormwater solutions that aim to mitigate the risk and impact of climate change

on communities while also providing multi-purpose green spaces for people to enjoy.

In Budget 2025, the Government announced a \$125 million reduction in Housing Acceleration Fund investment for two Auckland LSPs – Wesley West in Mt Roskill and Ōtaki o Te Wai in Mangere. This decision aligns with the refreshed objectives of the LSP programme under the Reset Plan. The updated programme now prioritises social housing renewal that addresses climate risks and evolving community needs. Supporting objectives include increasing housing supply, reducing rents and house prices, and promoting intensification in well-connected urban areas.

Kāinga Ora also continues to develop greenfield and complex sites such as Hobsonville Point and Lakeside in Te Kauwhata. In 2024/25, 241 homes were enabled and 7.6 hectares of land developed across these sites. Together with our LSP developments, this has resulted in a total of 15.2 hectares of land developed (SPE 3.1) and 1,473 homes enabled (SPE 3.3) for 2024/25. Since commencement, these sites have seen 4,390 homes enabled, 40.8 hectares of land have been developed and a further 6.1 hectares of land is currently being developed.

Specified Development Projects (SDPs)

Kāinga Ora currently has functions under the Urban Development Act, including those relating to SDPs for complex urban developments. In 2024/25, following receipt of project assessment reports by Kāinga Ora, the Minister of Housing and Minister of Finance decided not to establish the Tauranga Western Corridor and North Growth Area as SDPs.

Transition and changes to non-core functions in 2024/25

In line with the Reset Plan, Kāinga Ora is refocusing on its core role of providing and managing state-owned social housing. Consequently, several non-core functions were transferred to other agencies or had changes made to them during 2024/25:

• Infrastructure Acceleration Fund (IAF)

Kāinga Ora previously administered the IAF, which supports councils with funding for essential infrastructure – such as transport, water and flood management – to enable housing development in high-need areas. In 2024/25, 87 percent of infrastructure milestones were achieved by funding recipients against an SPE target of 80 percent. Administration of the IAF was transferred to National Infrastructure Funding and Financing as of 30 June 2025.

• Buying off the Plans (formerly KiwiBuild)

This initiative provided an underwriting facility to private residential developers to accelerate the delivery of new homes and expand home-ownership opportunities for first-home buyers. In 2024/25, no new underwriting contracts were signed and 88 KiwiBuild homes were completed. Responsibility for administering the scheme was transferred to HUD as of 30 June 2025.

• First Home Loan

Following changes introduced in Budget 2025, the First Home Loan scheme remains available but now requires borrowers to pay the full mortgage insurance premium, which meant the borrowers’ contribution increased from 0.5 percent to 1.2 percent of the loan amount from 1 July 2025. This change supports the scheme’s financial sustainability while continuing to offer eligible first-home buyers access to home ownership with a 5 percent deposit.

• Kāinga Ora Land Programme

The Kāinga Ora Land Programme was launched in 2021, allowing Kāinga Ora to borrow up to \$2 billion to acquire and develop land to build-ready status. Its aim was to boost build-ready land and affordable housing. In line with Government direction, the programme is now being phased out, with site-by-site decisions underway, including potential divestment. Sites will be sold on the open market. For larger developments, this may require different sale approaches that could include sale direct to developers and build partners.

Managing and reporting on climate-related risks and opportunities

Flood risk management

Kāinga Ora completed flood risk assessments for approximately 420 properties impacted by the January 2023 Auckland floods. We have been undertaking interventions for properties at higher risk, taking into account Auckland Council’s Making Space for Water programme of infrastructure projects.

To better understand the flood risk across the wider Kāinga Ora portfolio, the National Institute of Water and Atmospheric Research (NIWA, now Earth Sciences New Zealand) was commissioned to model the potential impacts across the country. This modelling has been used to set a baseline in the SOI 2025/26–2028/29 against which to measure the organisation’s progress towards reducing exposure to flood hazards.

Emissions reduction

As part of the Carbon Neutral Government Programme, Kāinga Ora has an obligation to report on and reduce its emissions. In 2024/25, we reduced our Scope 1 and 2 corporate emissions by 31 percent compared to the previous year and 39 percent compared to the 2022/23 base year. This has been achieved mainly through reducing the size of our vehicle fleet, increasing the proportion of electric vehicles, extending the length of time we hold vehicles and reducing business travel.

The SOI 2025/26–2028/29 includes a target of reducing the intensity of emissions associated with the construction, maintenance and operation of our new and existing housing by 7.4 percent. This is expected to be achieved by reducing the embodied carbon associated with construction of new homes and improving the overall energy efficiency of the portfolio through the renewal programme.

Kāinga Ora Climate Statements 2024/25

The Kāinga Ora – Homes and Communities Climate Statements 2024/25 cover two key disclosures:

- Our climate-related disclosure focuses on how we identify, assess, manage and report on climate-related risks and opportunities across our governance, strategy and risk management activities.
- Our Greenhouse Gas Emissions Inventory provides an assessment of our emissions across our areas of activity. It also includes information about our emissions reduction targets and our progress towards meeting them.

You can read the Kāinga Ora Climate Statements here: kaingaora.govt.nz/kaingaoracclimatestatements2025.

Link to output classes



OBJECTIVE 4

Our organisation Tō tātou whakahaere

We will be a reliably high-performing organisation

To build a more financially sustainable future and deliver greater value for our tenants and communities, we are strengthening our organisational performance. Kāinga Ora is focused on delivering significant medium-term cost reductions, investing strategically in our core products and services and aligning our initiatives with market settings and funding sources, where beneficial. Our aim is to be a high-performing, trusted partner that delivers results for the Government, our tenants, communities and future generations.

Drivers for change

Our success relies on fundamentally shifting how Kāinga Ora operates, including driving value through every part of the organisation. We have a clear mandate to become a more focused, capable and financially sustainable organisation. To achieve this, we are strengthening our organisational capabilities and culture, ensuring we can adapt swiftly and effectively to change. We remain focused on delivering value through efficient resource allocation to deliver and maintain our core homes and services. Our long-term financial sustainability will be supported by strategic planning and disciplined cost and debt management.

Summary of our performance in 2024/25

In the past year, we have made significant progress to reset and refocus the organisation. We have laid the groundwork for large-scale transformation by narrowing our activities to focus on our core services, continuing to align our operations with funding settings and improve cost discipline.

As part of our transformation, we have developed a large and diversified pipeline of 134 initiatives across multiple value streams. These have full business cases with robust implementation plans and high delivery confidence.

We rightsized the organisation to improve financial sustainability while launching our Technology Modernisation programme to replace legacy systems. These efforts, supported by our focus on embedding a culture of high performance, position us to deliver better outcomes for tenants and achieve long-term financial sustainability.

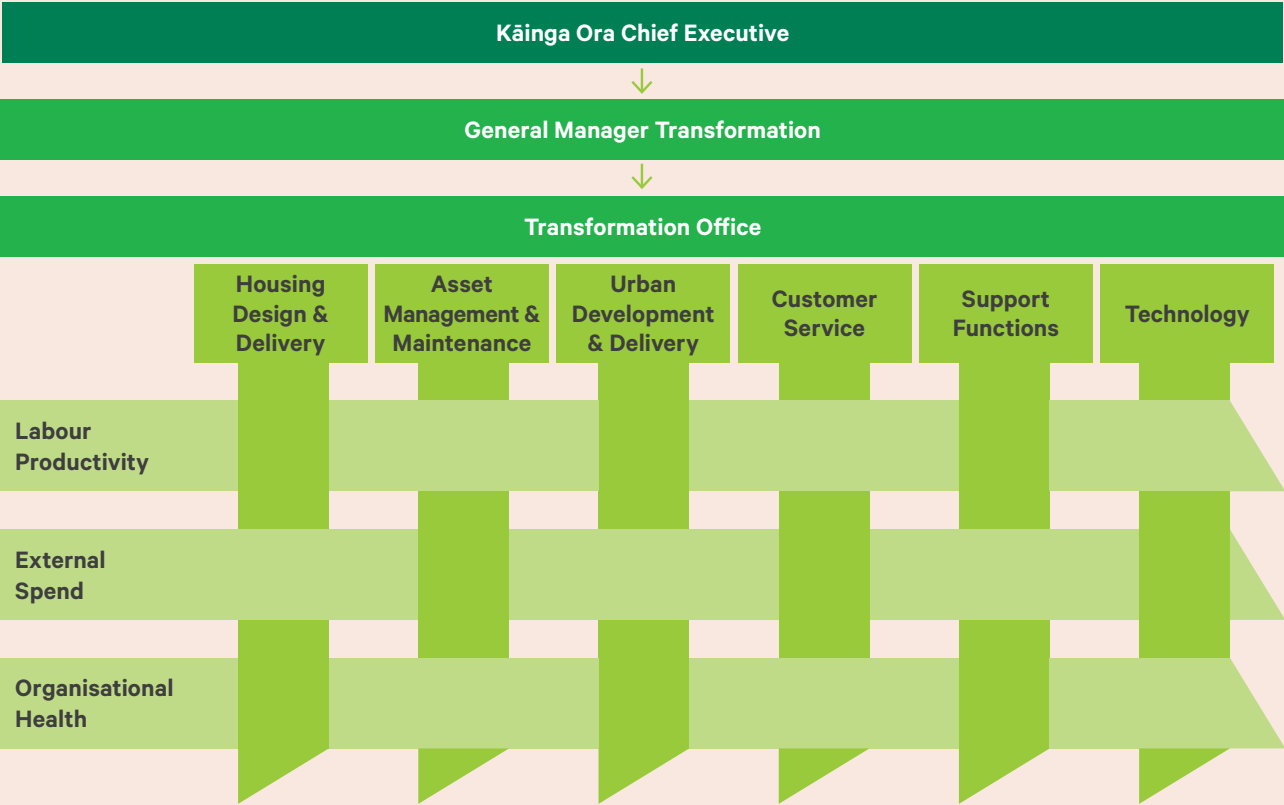
Transforming Kāinga Ora

Transforming Kāinga Ora is our organisation-wide programme to deliver on our Reset Plan commitments. This represents a fundamental shift in how we work by reshaping our systems, processes, financial management, capabilities and culture.

Guided by our values of Manaakitanga, Mahi Tahi and Whanake, the programme is built on visible delivery, clear accountability, regular communication and a strong focus on organisational health following best-practice principles.

Our transformation began in 2021, initially focusing on key parts of our delivery. In December 2024, we established the Transformation Office to facilitate and support the broader and more integrated work outlined in our Reset Plan. The programme is built around nine workstreams, each led by a cross-functional leadership team, and is supported and orchestrated by the Transformation Office to ensure delivery of agreed outcomes.

Figure 4: Transforming Kāinga Ora programme workstreams



We track the financial benefits of the transformation by using 2023/24 as our baseline, excluding the land development and housing renewal programmes. This allows us to see how much value we’re delivering each year against the baseline and ensure benefits are met and sustained.

Through this transformation, we are building the capabilities, systems and culture we need to deliver better for our tenants, our people and future generations.

Rightsizing our organisation to reflect our shift in focus

Kāinga Ora has restructured the organisation to better align with our core mission of delivering and managing social housing efficiently.

The Housing Delivery Group was formed by merging three business units, streamlining operations and reducing roles to match delivery expectations, while continuing to upgrade existing homes and build new ones. Support functions were also resized under the Reset, Resize and Renew programme, resulting in a material reduction in roles to improve financial sustainability. Te Kurutao Group Māori adopted a new operating model to enhance support for Māori housing outcomes and uphold Tiriti o Waitangi obligations, playing a key role in fostering iwi partnerships and leading strategic initiatives.

Embedding a culture of high performance, accountability and leadership effectiveness

An organisational health assessment in late 2024 helped Kāinga Ora define a clear improvement path focused on leadership, culture and capability. Key initiatives include strengthening leadership capability, embedding sustainable people practices and enhancing employee experience. A new performance framework, Perform&Grow, links individual effort to outcomes and organisational values, supported by coaching and feedback. Leadership development and cultural reset efforts are underway, including aligning our ways of working to be an environment where people are empowered to do their best work.

Building a future-ready organisation with modern technology

In early 2025, we launched the Technology Modernisation programme to replace legacy systems. This alignment strengthens our technology, data and information capabilities and adopts innovative ways of working to meet future organisational needs.

Key deliverables

Digital Strategy

Kāinga Ora operates in an increasingly digital environment, relying on robust technology, data and information to deliver outcomes. Our focus is on establishing a secure, scalable foundation that supports emerging technologies, including AI-enabled automation.

Technology Modernisation

The programme emphasises industry best practice and the adoption of cost-effective, sustainable technologies that deliver efficiencies across the organisation.

Kāinga Ora Transformation Office

Technology underpins the nine interconnected workstreams led by the Transformation Office. This comprehensive initiative will overhaul systems and processes, delivering improved performance and significant cost savings.

- Focus and achievements in 2024/25**
- In the past year, digital technology has driven substantial improvements in tenant engagement, property operations and internal workflows:
- A modern, cloud-based contact centre replaced legacy customer channels, boosting service availability and flexibility. Telecom-as-a-Service capabilities now enable cost-efficient communications and richer connections with tenants and suppliers.
 - Tailored software solutions were introduced to support the new housing delivery system, while enhanced tools and mobile applications improved compliance with healthy homes legislation.
 - Enabling development of a smarter, condition-based maintenance model reduces reliance on fixed schedules and unlocks long-term cost savings.
 - Continued expansion of tenant self-service channels is helping to prioritise critical requests. Meanwhile, upgraded data, workflow and relationship management systems are elevating productivity and ensuring regulatory compliance.

These achievements lay the groundwork for ongoing digital transformation and position Kāinga Ora to meet growing demand with agility, security and efficiency.

Our statement of performance

Tā mātou tauākī tutukinga

Our statement of performance / Tā mātou tauākī tutukinga

This section of the report includes information on our non-financial performance delivered through the year that contributed to the achievement of our strategic objectives. It relates to performance information set out in our Statement of Performance Expectations (SPE) 2024/25, including the Vote Housing and Urban Development Estimates of Appropriations. Full details of our SPE 2024/25 are available on our [website](#).

Our measures

Our output performance measures assess our performance against annual targets outlined in the SPE. These measures focus on activities we are funded to deliver. They collectively contribute to and support our medium-term strategic objectives.

Performance reporting standard PBE FRS 48

In selecting the mix of performance measures, we have considered the Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting by the New Zealand Accounting Standards Board, effective from 1 January 2022. We focused on measures that are meaningful to the public and reflect our core business activities. This section covers 1 July 2024 to 30 June 2025.

Performance measure assessment criteria

 Met	Result for the year is either equal to or above the target set	 Sub-target met
 Almost met	Result for the year has not been achieved by a slim margin (less than 2 percent)	 Sub-target almost met
 Not met	Result for the year has not been achieved by more than 2 percent	 Sub-target not met
 Not applicable	Demand driven	

OUTPUT CLASS 1

Supporting our customers to live well with dignity, stability and connectedness

Scope of output class 1

Under this output class, we provide quality social and supported housing through good asset stewardship, ensuring our homes are safe, warm, dry and healthy and designed to support a diverse range of needs and choices.

How we performed

Met 8 out of 8 output performance measure targets.

8 out of 8

Link to strategic objectives



SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
1.1	96%	Percentage of new customers to receive Support to Settle In within the first 12 weeks of commencing their tenancy	≥85%	97%	🏠
1.2	77%	Tenant satisfaction with tenancy and Customer Support Centre interactions ³	≥78%	81%	🏠
1.3	New measure	Percentage of new debtors with a repayment arrangement in place within 21 days of rent overdue	≥75%	90%	🏠
1.4	New measure	Percentage of customers who have decreased their rent arrears compared to the previous month	≥70%	81%	🏠
1.5		Percentage of tenants who are satisfied that their interactions with Kāinga Ora are culturally appropriate:			🏠
	75%	• All tenants	≥75%	81%	🏠
	77%	• Māori tenants	≥75%	80%	✅
	73%	• Pacific peoples tenants	≥75%	81%	✅
1.6	50 seconds	Customer Support Centre average speed to answer telephone calls	≤3 minutes	1 minute 18 seconds	🏠
1.7	New measure	Percentage of reported incidents of disruptive behaviour where a decision on appropriate action occurs within 15 working days	≥90%	96%	🏠
1.8	New measure	Percentage of successful applications to the Tenancy Tribunal for tenancy termination due to disruptive behaviour	≥85%	88%	🏠

3. This measure is based on three components: satisfaction with the Customer Support Centre, overall satisfaction with their housing support manager and that their individual circumstances are being taken into account.



Ranolf Street, Rotorua

Output class 1: Revenue and output expenses

Actual 2023/24 \$m		Budget 2024/25 \$m	Actual 2024/25 \$m
132	Revenue Crown	156	156
75	Revenue other	63	62
222	Expenses	211	225
(15)	Net surplus/(deficit) before tax	8	(7)
5	Capital investment*	9	3

* Includes a share of corporate infrastructure capital spend.

Note: 2023/24 figures have been restated to reflect changes to the financial allocation model introduced in 2024/25, ensuring comparability across financial years.

Comment

Expenses were higher than budget mainly due to one-off organisational change costs that resulted in higher allocation of support services overheads.

Capital investment is lower than budget due to fleet optimisation savings programme.

OUTPUT CLASS 2

Growing, renewing and maintaining our homes

Scope of output class 2

Under this output class, we ensure that social and supported housing customers have access to warm, dry and safe homes. This includes renewing and growing our existing portfolio of homes, delivering growth in the right volume, quality and place matched to the needs of our customers and their whānau.

How we performed

We met **9 out of 11** output performance measure targets.

9 out of 11

Link to strategic objectives



SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
2.1	4,864	Number of newly constructed Kāinga Ora homes (gross increase): ⁴	≥3,400 (Revised target)	3,456 (See note 1)	🏠
	4,746	• Social homes		3,360	
	118	• Supported homes		96	
2.2	3,605	Increase in the overall number of Kāinga Ora homes (net increase):	≥2,230 (Revised target)	2,564	🏠
	3,468	• Social homes		2,504	
	137	• Supported homes		60	
2.3	92%	Percentage of new social and supported homes built to the 6 Homestar standard or higher ⁵	≥90%	100% (See note 2)	🏠
2.4	20%	Percentage of eligible newly constructed Kāinga Ora social homes meeting Full Universal Design standards ⁶	≥15%	14% (See note 3)	🏠

4. A newly constructed home is defined as a home that is newly built and has not previously been occupied.

5. Homestar is a comprehensive independent national rating tool run by the not-for-profit New Zealand Green Building Council that measures the health, warmth and efficiency of New Zealand houses. A 6 Homestar rating or higher provides assurance that a house will be better quality – warmer, drier and healthier – and cost less to run than a typical new house built to comply with the New Zealand Building Code.

6. Universal design means a property is built according to Kāinga Ora universal design standards so that it is or can be fit for purpose for most tenants whether or not they have a disability. Universal design delivers homes that are more liveable for the entire population, including (but not limited to) young and growing families, people of all ages who experience temporary injury or illness, those with mobility, visual or cognitive impairments and the growing ageing population.

SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
2.5		Time taken to design, consent and build a new Kāinga Ora social or supported home ⁷			🏠
	26 months	• Houses	≤24 months	28 months (See note 3)	✗
	51 months	• Apartments	≤49 months	55 months (See note 3)	✗
2.6		Number of new trainees engaged in our Kāinga Ora construction apprenticeship/cadetship programme:			
	262	• Total	≥125	144	🏠
	29%	• Māori	≥25%	35%	✓
	21%	• Pacific peoples	≥25%	8%	✗
2.7	10%	Percentage of social homes in areas identified for future redevelopment that are saved from demolition and relocated to non-Kāinga Ora land for home ownership and training apprenticeship pathways. Targeted groups may include:	≥10%	30% (See note 2)	🏠
		• Māori rūpū or individuals, iwi or Māori community housing providers (CHPs) ⁸			
		• Other CHPs, non-governmental organisations or training providers			
2.8	95.6%	Percentage of social homes in service that are let (daily utilisation) ⁹	≥98%	98.2%	🏠
2.9	21 days	Average number of days from a social home becoming vacant to being ready to let	≤23 days	18 days	🏠
2.10	77%	Percentage of social housing customers satisfied with repairs and maintenance	≥75%	80%	🏠
2.11	92%	Timeliness of maintenance response expressed as a percentage ¹⁰	≥90%	93%	🏠

7. Average duration in months from when a project brief or work order is accepted to when construction activities have been completed to deliver a home in the Kāinga Ora redevelopment programme. Period includes site works, scoping, design, consenting, procurement and physical construction. Homes have been categorised as houses (house, terrace, duplex) or apartments (walk-up or apartment).

8. Māori iwi and CHPs will be given the first priority over these homes. However, where they are unable to take up this offer, other CHPs, non-governmental organisations or the private sector will be offered these homes.

9. We have updated our SPE 2024/25 performance measure on vacant properties to better reflect the status of our unoccupied homes.

10. This measure is based on two components: urgent health and safety response time and maintenance requests completed on time.

Note 1: Updated SPE delivery targets following updated letter of delivery expectations – August 2025 (SPE 2.1 and 2.2)

The original published SPE delivery targets for SPE 2.1 and SPE 2.2 were:

- ≥3,700 gross newly constructed homes (SPE 2.1)
- ≥2,800 net increase in homes (SPE 2.2).

However, in August 2024, the Minister of Housing issued a revised letter of delivery expectations to Kāinga Ora to update these targets. The updated expectations were:

- ≥3,400 gross newly constructed homes (SPE 2.1) in 2024/25
- ≥2,650 net increase in homes (SPE 2.2), phased across:
 - 2024/25 year: 2,230 homes
 - 2025/26 year: 420 homes.

The revised targets above supersede the original targets published in the SPE 2024/25. All references to SPE 2.1 and SPE 2.2 targets align with these updated figures.

Note 2: New homes built to 6 Homestar standards (SPE 2.3) and existing homes relocated to make way for new developments (SPE 2.7)

Performance against both these measures was impacted by broader Government policy changes and subsequent decisions made by the

Kāinga Ora Board in response to those changes. The performance results presented reflect progress up to the dates when these changes formally took effect:

- SPE 2.3: 30 September 2024
- SPE 2.7: 31 October 2024.

Note 3: Newly constructed homes meeting full universal design standards (SPE 2.4) and time taken to design and build a new social or supported home (SPE 2.5)

Performance for both these measures was affected by reviews of our housing development projects undertaken during the year. These reviews paused or reassessed a number of developments to ensure they provided good value for money and met our updated budget requirements.

As a result, we adjusted our delivery plans to prioritise core financial metrics, which delayed some early planning work and reduced the number of homes progressing under full universal design specifications. While these necessary adjustments impacted our short-term delivery targets, they support a more sustainable and cost-effective programme over the longer term.

Output class 2: Revenue and output expenses

Actual 2023/24 \$m		Budget 2024/25 \$m	Actual 2024/25 \$m
1,180	Revenue Crown	1,374	1,382
644	Revenue other	683	680
2,455	Expenses	2,504	2,426
(631)	Net surplus/(deficit) before tax	(447)	(364)
4,245	Capital investment*	2,719	2,418

* Includes a share of corporate infrastructure capital spend.

Note: 2023/24 figures have been restated to reflect changes to the financial allocation model introduced in 2024/25, ensuring comparability across financial years.

Comment

Crown income is slightly higher than budget due to more income-related rent subsidies, with the Crown making up a bigger share of public rent income.

Expenses are lower than budget due to the transformation savings programme for repairs and maintenance, lower redevelopment write-offs and lower interest expenses. However, this is offset by one-off unbudgeted project write-offs, one-off organisational change costs and higher depreciation on property assets.

Capital investment is lower than budget mainly due to homes rescheduled for delivery in 2025/26 instead of 2024/25, to align to the Ministers’ updated Letter of Expectations in August 2024, and cost savings from the transformation programme.

OUTPUT CLASS 3

Delivering and facilitating urban planning and development

Scope of output class 3

Under this output class, we contribute to sustainable, inclusive and thriving communities by providing quality urban development and regeneration through leadership, innovation and collaboration. We enable affordability and accessibility of housing, leveraging our land and scale.

How we performed

Met 4 out of 7 output performance measure targets.

4 out of 7

Link to strategic objectives



Community Lane, Avondale, Auckland

SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
3.1	18.8 hectares	Hectares of land developed by Kāinga Ora ¹¹	≥13.4 hectares	15.2 hectares	🏠
3.2	828	Number of new homes that can be enabled ¹² on land developed by Kāinga Ora	≥965	970	🏠
3.3	651	Number of new homes enabled on land developed and delivered ¹³ by Kāinga Ora	≥1,435	1,473	🏠
3.4	48%	Affordable ¹⁴ homes enabled as a percentage of total market and affordable homes enabled	≥40%	31% (See note 1)	🏠
3.5	100%	Percentage of project milestones met as per Large-Scale Project plans	≥75%	100%	🏠
3.6	89%	Percentage of Kāinga Ora housing developments that meet expectations, as defined in the Kāinga Ora Urban and Landscape Design Quality Outcomes Matrix, based on a representative sample of building activity	≥80%	Not measured (See note 2)	🏠
3.7	Number of potential or established Specified Development Projects (SDPs) that have been facilitated by Kāinga Ora under the Urban Development Act 2020, which may include completing projects in any of the following project stages during the fiscal year:				🔄
	0	• Selection	Demand driven	0	
	2	• Assessment	Demand driven	0 (See note 3)	
	0	• Draft development plan	Demand driven	0	
	0	• Independent hearing panel	Demand driven	0	
3.8	217	Number of newly constructed homes with delivery managed by Kāinga Ora on behalf of Tāmaki Redevelopment Company (TRC) ¹⁵	≥28	15 (See note 4)	🏠

Note 1: Affordable homes enabled as a percentage of total market and affordable homes enabled (SPE 3.4)

This measure was affected by a change in policy during the year. Following the disestablishment of the KiwiBuild programme, Ministerial advice confirmed that there was no longer a requirement to enable delivery of affordable homes. As a result, Kāinga Ora placed more emphasis on selling homes at market value to help increase revenue and support financial sustainability. More homes were sold at full market price, and fewer were delivered as affordable homes. This change reflects a shift in priorities and was made to help balance delivery with financial goals.

Note 2: Housing developments that meet urban and landscape design quality expectations (SPE 3.6)

This SPE measure was not reported in 2024/25 following Board direction to prioritise resources after Budget 2024 significantly reduced Crown funding to Kāinga Ora. As part of the Board's targeted initiatives to enhance financial and non-financial performance, resources were redirected to core service delivery, meaning the work needed to support this measure could not be funded during the year.

Note 3: Number of potential or established Specified Development Projects (SDPs) that have been facilitated by Kāinga Ora under the Urban Development Act 2020 (SPE 3.7)

In 2024/25, following receipt of project assessment reports by Kāinga Ora, the Minister of Housing and Minister of Finance decided not to establish the Tauranga Western Corridor and North Growth Area as SDPs. This means that no development plans could be drafted or independent hearing panels convened.

Note 4: Newly constructed homes on behalf of Tāmaki Redevelopment Company (SPE 3.8)

We did not achieve the target this year. During early planning and investigation work, some issues were identified that required changes to the original designs. This led to delays, and the delivery of these homes has been pushed out to the 2025/26 year.

Output class 3: Revenue and output expenses

Actual 2023/24 \$m		Budget 2024/25 \$m	Actual 2024/25 \$m
44	Revenue Crown	102	97
261	Revenue other	248	179
387	Expenses	518	511
(82)	Net surplus/(deficit) before tax	(168)	(235)
279	Capital investment*	325	237

* Includes a share of corporate infrastructure capital spend.

Note: 2023/24 figures have been restated to reflect changes to the financial allocation model introduced in 2024/25, ensuring comparability across financial years.

Comment

Revenues are lower than budget due to lower land sales and vested council infrastructure revenue. The corresponding expenses largely offset the revenue.

Expenses are higher overall due to more impairments for properties under development and unbudgeted impairments related to the Kāinga Ora Land Programme.

Capital investment was lower than budget due to master-planning changes and rephasing, unbudgeted cost recovery for the Shovel-Ready Programme and transformation programme savings.

11. Performance is assessed per annum.

12. Enabled homes refers to the number of homes that will be built on ready-to-build land as either social housing or as agreed under a signed unconditional contract or licence to occupy.

13. Land delivered refers to ready-to-build land either sold to the market (under a signed unconditional contract or licence to occupy) or ready for social housing construction.

14. For the purpose of this measure, affordable means market and rental homes for lower to median-income households to buy and rent.

15. Kāinga Ora is responsible for neighbourhood planning, infrastructure delivery, superlot creation, contracting of builders/developers to build TRC's social and shared equity homes on its land and management of the construction of these home to completion. These homes are defined as completed once practical completion has been achieved.

OUTPUT CLASS 4

Supporting Crown housing infrastructure and home-ownership initiatives for New Zealanders

Scope of output class 4

Under this output class, we contribute to supporting first-home ownership through the delivery of affordable home-ownership products and provide good-quality affordable housing choices that meet diverse needs to provide homes and more liveable communities for all New Zealanders.

How we performed

We met **3 out of 3** output performance measure targets.

3 out of 3

Link to strategic objectives



SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
4.1	726	Number of new Buying off the Plans ¹⁶ applications assessed for eligibility	Demand driven up to a maximum of 730	72	🚫
4.2	2.5 days	Average number of days taken to assess a completed Buying off the Plans application ¹⁷	≤5 working days	2 days (See note 1)	🏠
4.3	2,730	Number of First Home Loan mortgages underwritten	Demand driven up to a maximum of 3,600	3,085	🚫
	353	Māori		184	
	103	Pacific peoples		51	
4.4	13%	The percentage of completed underwritten homes acquired by the Crown as part of the Buying off the Plans programme since its inception	≤25%	16%	🏠
4.5	New measure	Percentage of infrastructure milestones completed within the year ¹⁸	≥80%	87%	🏠

Note 1: Average number of days taken to assess a completed Buying off the Plans application (SPE 4.2)

Buying off the Plans activity was ceased from October 2024, and this information reports on the period from 1 July 2024 to 31 October 2024. Given the legacy nature of this measure and the transfer of the wider KiwiBuild activity to HUD, we have no access to supporting evidence to substantiate the results reported. However, we believe it to be a true and accurate record of this performance measure.

16. Buying off the Plans was formerly known as KiwiBuild.

17. Average days to assess is the number of days where the responsibility is on Kāinga Ora – days are not counted when Kāinga Ora asks for further information.

18. Kāinga Ora is reliant on third parties to manage and complete the infrastructure projects and does not have direct control of how and when they are delivered.

Output class 4: Revenue and output expenses

Actual 2023/24 \$m		Budget 2024/25 \$m	Actual 2024/25 \$m
85	Revenue Crown	43	19
9	Revenue other	8	11
88	Expenses	55	20
6	Net surplus/(deficit) before tax	(4)	10
1	Capital investment*	1	–

* Includes a share of corporate infrastructure capital spend.

Note: 2023/24 figures have been restated to reflect changes to the financial allocation model introduced in 2024/25, ensuring comparability across financial years.

Comment

The lower revenue Crown and expenses are reflective of the First Home Grant programme activity winding down.



📍 Aquarius Drive and Virgo Place, Kawaha Point, Rotorua

Our governance and leadership / Tō mātou whakaruruhau, hautū hoki

Our Board

Robust governance and accountability within the public sector are fundamental to maintaining strong and healthy democracies, both nationally and locally.

Kāinga Ora is governed by a Board appointed by the Minister of Housing and Minister of Finance.

Our Board oversees and is accountable for the overall performance of our organisation. It has wide-ranging responsibilities, including setting the organisation’s strategic direction, managing risk and ensuring compliance, and maintaining relationships with key stakeholders.

The Board ensures the priorities of Kāinga Ora align with the Ministers’ expectations setting out annual and long-term objectives outlined in the SPE and SOI.

The Board drives and monitors the performance of Kāinga Ora, providing oversight of both financial and non-financial performance and reporting regularly on these to the Minister of Housing, Associate Minister of Housing and Minister of Finance.

Our Board during 2024/25 consisted of the following members:



Simon Moutter (Chair)

Appointed: 4 June 2024 – 31 May 2027

Former Managing Director of Spark New Zealand and CEO of Auckland International Airport. Currently a director at the Commonwealth Bank of Australia and Arvida Group Limited and Chair of Smart Environmental Group, Les Mills International and Designer Wardrobe.



Jenn Bestwick (Deputy Chair)

Appointed: 8 July 2024 – 30 June 2027

Experienced governance leader with board roles at the Tertiary Education Commission, Antarctica New Zealand, Tourism New Zealand and Southern Response Earthquake Services. Background in strategic planning across multiple sectors.



Alan Dent

Appointed: 8 July 2024 – 30 June 2027

Former Deloitte NZ Partner with over 30 years of corporate finance experience. Expert in financial advisory services, including social housing and infrastructure. Recognised as a leading valuation practitioner in New Zealand.



John Bridgman

Appointed: 1 January 2022 – 31 December 2025

Senior infrastructure and engineering executive with leadership experience at AECOM. Governance roles in major transport and infrastructure projects. Chair of City Rail Link Limited and former Director of NZ Transport Agency Waka Kotahi.



Peter Jeffries

Appointed: 8 July 2024 – 30 June 2027

Long-standing leader in community housing. Former CEO of CORT Community Housing, overseeing a portfolio of over 390 homes for more than 540 residents.



Ceinwen McNeil

Appointed: 8 July 2024 – 30 June 2027

Specialist in local and central government relations, and infrastructure delivery. Former Director Government at Aurecon and past President of the Association of Consulting and Engineering NZ.



Fiona Fountaine

Appointed: 8 July 2024 – 30 June 2027

Governance expert with experience at Development Christchurch, Lyttelton Port Company, Treasury’s Capital Investment Panel, KiwiRail and the Reserve Bank of New Zealand. Currently a director at Rural Livestock Limited.



John Duncan

Appointed: 1 October 2019 – 30 November 2024

Deputy Chair of Kāinga Ora from February 2020 to November 2024 and a former Housing New Zealand Board member. An extensive background in global financial markets, banking, infrastructure and housing across both central and local government.



Arihia Bennett (Ngāi Tahu, Ngāti Porou, Ngāpuhi)

Appointed: 8 July 2024 – 31 October 2024

Chief Executive of Te Rūnanga o Ngāi Tahu from 2012 to 2024, following earlier leadership roles as Director and Chair of the Ngāi Tahu Development Corporation (1999–2005). Currently the National Commissioner South at Oranga Tamariki.

Our governance model in 2024/25

The Board is supported by four subcommittees. The subcommittees provide a platform for the Board to deal with specific issues that require specialised areas of expertise. They operate in conjunction with the Board.

Investment and Delivery Committee
The Investment and Delivery Committee assists the Board in its governance responsibilities with respect to significant capital investment decisions made by the Kāinga Ora Group.



John Bridgman
Chair

Simon Moutter
Ex officio

Fiona Fountaine
Member

Alan Dent
Member

Jenn Bestwick
Member

Lale Ieremia
Specialist*

People and Culture Committee
The People and Culture Committee assists the Board to fulfil its governance functions relating to human resources, remuneration and health and safety.



Jenn Bestwick
Chair

Simon Moutter
Ex officio

Public Housing Committee
The Public Housing Committee assists the Board to fulfil its governance functions relating to the development and management of public housing.



Ceinwen McNeil
Chair

Peter Jeffries
Member

Simon Moutter
Ex officio

Finance, Risk and Assurance Committee
The Finance Risk and Assurance Committee assists the Board in discharging its responsibilities relative to financial reporting and regulatory conformity.



Alan Dent
Chair

Simon Moutter
Ex officio

Ceinwen McNeil
Member

Fiona Fountaine
Member

John Bridgman
Member

Board attendance

The table below outlines the number of meetings the Board and its committees held and details the attendance by each member of the relevant Board and committee meetings for the period 1 July 2024 to 30 June 2025.

Member	Board	Investment and Delivery Committee	Public Housing Committee	Finance, Risk and Assurance Committee	Special Subcommittee of Finance, Risk and Assurance Committee ¹⁹	People and Culture Committee
Simon Moutter	12 (Chair)	9	7	3		1
Jenn Bestwick ⁱ	10 (Deputy Chair)	8	2	1		1 (Chair)
John Duncan ⁱⁱ	6	5	5	1	2	
John Bridgman	12	9 (Chair)	3	6		1
Arihia Bennett ⁱⁱⁱ	4		4			
Peter Jeffries	11	9	9	1		1
Ceinwen McNeil ^{iv}	12	4	7 (Chair)	5	3	
Fiona Fountaine	11	7		4		
Alan Dent ^v	11	9	1	6 (Chair)	3	
Meeting total	12	10	9	6	3	1

i. Deputy Chair from 1 December 2024.
ii. Deputy Chair until 30 November 2024 (when his term ended and he left the Board). Public Housing Committee Chair until 30 November 2024.
iii. Resigned 31 October 2024.
iv. Finance, Risk and Assurance Committee Chair until 30 November 2024, Public Housing Committee Chair from 1 December 2024.
v. Finance, Risk and Assurance Committee Chair from 1 December 2024.

19. Special Subcommittee of Finance, Risk and Assurance Committee – subgroup for litigation processes.

* Lale Ieremia specialist appointment 23 March 2020 – 30 June 2026.

Our Senior Leadership

Executive Leadership Team

The purpose of the Executive Leadership Team (ELT) is to ensure that Kāinga Ora is a tightly connected organisation with good oversight of cross-organisational initiatives and issues and that significant decisions are made with direct alignment to Kāinga Ora strategic outcomes.

The ELT meets weekly and provides advice, guidance and decisions to Kāinga Ora, the Board and its committees relating to strategic direction, investment, planning, policies, frameworks and legal requirements. This includes oversight and accountability of the appropriate risk assessments and mitigations.

The ELT is at the head of the internal governance system and is responsible for setting the structure, scope and purpose of the model, including the establishment or disestablishment of its leadership committees to ensure the system is fit for purpose for the organisation.

Current members of the ELT:

- Matt Crockett – Chief Executive
- Te Ariki Pihama – Ringa Raupā, Deputy Chief Executive Māori
- Gareth Stiven – Acting Chief Financial Officer
- Nick Maling – General Manager, National Services
- Nick Howcroft – Acting General Manager, Urban Development and Delivery
- Caroline McDowall – General Manager, Housing Delivery Group
- Matthew Hulett – General Manager, Delivery Transformation
- Tracey Taylor – Chief People and Assurance Officer
- Pieter Bakker – Chief Information Officer
- Caroline Butterworth – Deputy Chief Executive Auckland and Northland

- Daniel Soughtton – Deputy Chief Executive Central
- Paul Commons – Deputy Chief Executive South Island Te Waipounamu

Our structure is supported by decision making and actions being taken where they need to be by those who know their regions best. Place-based groups bring together functions dedicated to service delivery, customer and community engagement and regional planning in defined areas as well as integrating the broader operations of Kāinga Ora in each region of New Zealand.

Executive committees

Two new executive committees were established in early 2025 as forums for ELT and other senior leaders to govern and direct on critical areas of focus in our organisation.

Customers and Operations Executive Committee

This committee ensures customers and communities are central to decision making by shaping strategies that reflect their needs, managing tenancy risks and promoting engagement. It strengthens external partnerships, supports equitable outcomes for Māori aligned with te Tiriti o Waitangi and upholds high housing quality standards.

Assets and Investments Executive Committee

This committee drives sustainable growth by optimising asset and investment strategies. It shapes housing and urban development policies, sets construction standards and monitors portfolio performance. It also identifies and manages risks to safeguard investments and ensure strategic alignment.

The establishment of these committees replaces our previous distributed leadership model, which included ngā pae tātaki and programme governance boards.

Managing risk, privacy and digital security

Achieving our strategic objectives requires a proactive and disciplined approach to risk management. Our people are supported to identify and manage risks to ensure we remain well positioned to deliver on our priorities.

Our risk management approach

Kāinga Ora maintains a strong and mature approach to risk management, which aligns with international best practice using BS ISO 31000:2018 *Risk management – Guidelines* alongside related standards such as BS EN ISO 26000:2020 *Guidance on social responsibility* and BS EN ISO 14001:2015 *Environmental management systems*. The Board-approved Kāinga Ora risk management policy and Risk Management Framework are reviewed regularly to ensure they remain fit for purpose in our dynamic operating environment and continue to support achieving our strategic objectives.

Risk governance at Kāinga Ora operates through a clearly defined framework, with roles and responsibilities embedded at all levels. This enables senior leaders and the Board to maintain a comprehensive view of the organisation’s most material risks and the controls in place to manage them effectively.

Our Board and subcommittees provide oversight to ensure:

- appropriate risk governance structures are in place
- material risks are considered in organisational planning and decision making when setting our strategic objectives
- strategic and operational risks are well understood, monitored and actively managed.

This governance framework supports the integration of risk management across Kāinga Ora by applying the three lines of defence model, enabling senior leadership and the Board to maintain a clear, consolidated view of material risks and the controls in place to manage and mitigate them. Together, these foundations ensure Kāinga Ora remains resilient, proactive and well positioned to deliver on its commitment to building better homes, communities and lives.

Our approach to privacy

We are committed to protecting the personal information of our tenants and stakeholders in accordance with the Privacy Act 2020.

Our privacy framework provides staff with clear policies, procedures, tools and training to support a strong culture of privacy awareness and accountability, and our systems are protected by robust security controls that safeguard data.

We continue to embed the integration of privacy by design into our core operations, technology solutions and decision-making processes.

How we manage cybersecurity

As today’s world has become increasingly digitised and reliant on technology to achieve outcomes, the amount of data and information that is collected, used and stored has also significantly increased.

Similarly, as Kāinga Ora evolves and becomes more dependent on information to deliver on its mandate, securing that information becomes even more vital.

The Cybersecurity team monitors the cyber threat landscape for emerging risks and provides appropriate advice to the business. We take a risk-based approach to cybersecurity by assessing threats according to their likelihood and impact and recommend necessary controls. We also continuously monitor these controls to ensure they remain fit for purpose and address the information security needs of the organisation.

Our guidance is informed by the Protective Security Requirements, Privacy Act 2020 and New Zealand Information Security Manual, which all Crown agencies are expected to comply with.

During 2024/25, we completed a comprehensive cybersecurity maturity assessment using the National Institute of Standards and Technology Cybersecurity Framework and developed a 3-year cybersecurity strategy requiring an annual investment from existing technology budgets to address identified capability gaps. This

strategic investment is enhancing the protection of tenant, contractor and staff data through improved identity and access management controls, data loss prevention capabilities and enhanced threat detection and response systems. Progress against our cybersecurity programme is monitored monthly by the Executive Leadership Team and reported quarterly to the Finance, Risk and Assurance Committee, with cybersecurity maintained as a Tier 1 enterprise risk on our top risk report.

Organisational health and capability / Te hauroa me ngā pīmanawa o te whakahaere

Developing sustainable organisational health and renewal capabilities

Kāinga Ora aspires to be a reliably high-performing organisation. We have a strong and sustained focus on performance, organisational health and capability that underpins our ability to deliver our core social housing products and services.

We are focused on ensuring our people have the expertise to succeed now and into the future and a culture that enables all our people to do their best work and attracts great talent to deliver our strategy.

Our immediate focus on strengthening our performance management and leadership will position us well to build a reliably high-performing organisation. Other areas we will focus on:

- **Workforce management practices:** Implement high-impact workforce management practices that drive performance, nurture talent and promote continuous learning and effective ways of working.
- **Critical capabilities:** Build key organisational capabilities to ensure our people have the right knowledge and skills to deliver on our strategic goals.
- **Talent strategy:** Empower our people to grow their careers, build critical skills and transition seamlessly into new roles, driving both personal and organisational success.
- **Inclusion and engagement:** Embrace and harness the principles and practices of inclusion to grow our diversity and create an equitable and inclusive Kāinga Ora.

Our workforce

As the organisation continues to evolve, narrowing in on core functions and identifying more efficiencies and cost savings, our workforce has changed over 2024/25.

This is necessary to position the organisation for short-term and long-term success, ensuring Kāinga Ora can continue to deliver social housing and tenancy services while meeting Government expectations to reduce costs and improve efficiency.

Figure 5: Summary of Kāinga Ora workforce – 2022/23 to 2024/25



FTE refers to the number of full-time hours being worked, while headcount is the number of employees in an organisation.

Table 9: Overall ethnicity proportions

Ethnicity	2022/23	2023/24	2024/25
European	51%	51%	49%
Māori	14%	15%	15%
Pacific peoples	18%	18%	20%
Asian	16%	17%	17%
Middle Eastern / Latin American / African	2%	2%	2%
Other ethnicity	4%	4%	4%
Unknown	5%	5%	4%

Kāinga Ora collects data on up to three ethnicities per person, which allows a good indication of the diversity of our people. Where a person identifies with more than one ethnic group, they are counted once in each of those groups. This results in the total percentage of ethnicities adding up to more than 100 percent. Our gender diverse whānau and rainbow community may be under-reported in the data. We continue to explore ways to improve our data collection to better reflect these communities.

Table 10: Overall gender proportions

Gender	2022/23	2023/24	2024/25
Male	38%	39%	39%
Female	61%	61%	61%
Another gender	<1%	<1%	<1%
Unknown	<1%	<1%	<1%

Table 11: Leadership tiers 1–3 with direct reports by ethnicity

Ethnicity	2022/23	2023/24	2024/25
European	82%	82%	82%
Māori	13%	15%	11%
Pacific peoples	2%	2%	1%
Asian	3%	3%	6%
Middle Eastern / Latin American / African	1%	1%	3%
Other ethnicity	5%	5%	4%
Unknown	3%	3%	1%

Table 12: Leadership tiers 1–3 with direct reports by gender

Gender	2022/23	2023/24	2024/25
Male	57%	58%	60%
Female	43%	42%	40%

Table 13: Employees by age

Age	2023/24	2024/25
20–29	10%	7%
30–39	30%	30%
40–49	28%	29%
50–59	21%	23%
60+	10%	10%
Unknown	<1%	<1%

Our workforce by region

The tenancy management of our 73,000 social homes is managed by splitting the portfolio into three place-based groups. Each group is led by a Deputy Chief Executive.

The place-based groups have a total of 12 regions across the country, each led by a Regional Director.

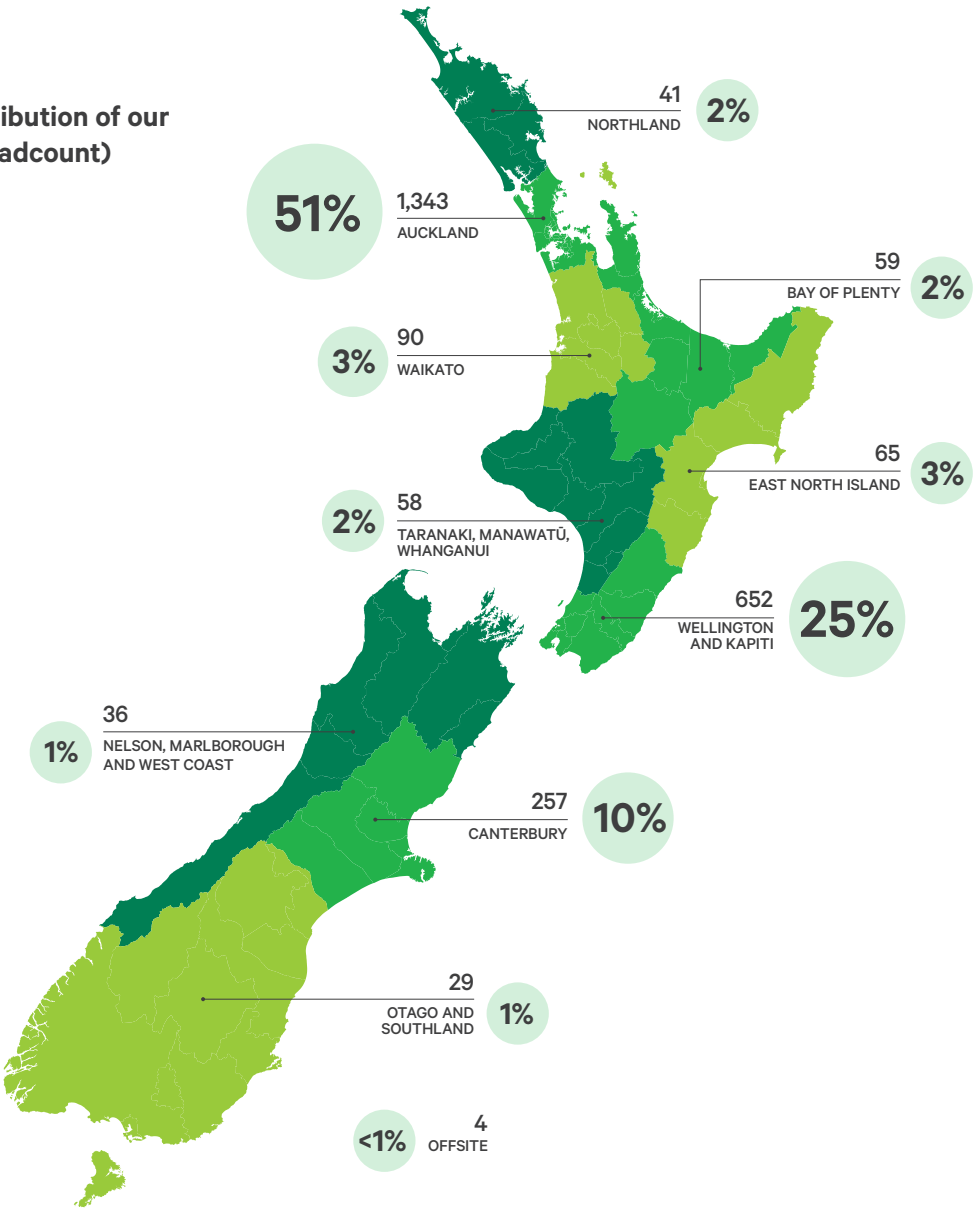
Six of the regions have an Operations Manager – Central and East, Counties Manukau, North and West in Auckland and Northland; Waikato and Greater Wellington in Te Puku Ikaroa – Central; Canterbury in Te Waipounamu – South Island.

Our 12 regions are separated into areas managed by a Manager Housing and Wellbeing Support responsible for 1,250–4,000 properties.

Areas are supported by Team Leaders, Senior/Housing Support Managers, Advisor Wellbeing Support and Administrator Housing Support.

Senior/Housing Support Managers are our frontline on-the-ground employees who manage 150–350 homes and are in face-to-face and telephone contact with our tenants on a regular basis. Over time, they grow to know individuals and families and become trusted members of the community.

Figure 6: Distribution of our workforce (headcount)



Our gender and ethnic pay gaps

We remain committed to reducing our pay gaps and improving representation at all levels of our organisation. More information on what we have done and our focus areas is available in our [2025 Diversity, Equity and Inclusion \(DEI\) Plan](#).

We continue to make progress, with most of our pay gaps decreasing. However, we have seen an increase in the Māori pay gap this year.

Table 14: Our gender and ethnic pay gaps

Average pay	2022/23	2023/24	2024/25
Female pay gap to average male pay	18.3%	16.8%	15.3%
Māori pay gap to average non-Māori pay	10%	9.5%	10.3%
Pacific peoples pay gap to average non-Pacific peoples pay	28.4%	25.8%	24.5%
Asian pay gap to average non-Asian pay	6.1%	5.3%	3.3%

These pay gaps differ from the data published in our 2025 DEI Plan, which shows pay gaps as at the end of the 2024 calendar year.

The main driver of our gaps remains uneven representation across role types and pay levels – for example, women and Pacific peoples are more likely to be customer-facing and in lower-paid positions and less likely to be in senior leadership roles.

Specific factors contributing to the changes in our pay gaps since 30 June 2024 include:

- a larger decrease in average pay for men than women resulted in a decrease in the female pay gap
- a decrease in Māori representation in higher-paid positions resulted in an increase in the Māori pay gap
- Pacific peoples’ representation increasing from 18 percent to 20 percent at organisational level alongside an increase in average pay contributed to a decrease in the Pacific peoples pay gap
- an increase in average pay for our Asian workforce resulted in a decrease in the Asian pay gap.

These changes are largely influenced by organisational restructures, which have led to a reduction in headcount that has impacted average pay.

Health, safety, security and wellbeing

The health and safety of our people, contractors, tenants and others is a priority. Our team of specialists work across the organisation to ensure we have the frameworks, resources and tools to enable an enduring safety culture and continually strive for improved health, safety, security and wellbeing performance. We all have responsibilities to comply with relevant legislation, regulations, codes of practice and safe work instructions. Our leadership team will take all reasonably practicable steps to build and maintain a safe and healthy workplace.

The General Manager, National Services is designated by the Chief Executive as the management representative with a specific role responsible for the coordination of health, safety, security and wellbeing for Kāinga Ora. This role includes oversight of the safety management system, through which Kāinga Ora achieves its health, safety, security and wellbeing objectives.

Kāinga Ora completed and submitted a Protective Security Requirements self-assessment for the 2023/24 period on a proactive basis, despite not being a mandated reporting agency. This assessment remains current, and a new assessment was not required for this year as the New Zealand Security Intelligence Service is piloting a new Protective Security agency reporting model. Kāinga Ora is not participating in this pilot.

Kāinga Ora has initiated a review of components of our lone worker system to ensure it remains effective and fit for purpose. This marks the beginning of a period of solution option analysis and worker consultation aimed at identifying and implementing appropriate technologies and systems to support the safe delivery of our services in the community.

Wellbeing support

As always, the wellbeing of our people remains a central focus. Our people and their whānau have continuous access to wellbeing support 24 hours a day, 365 days a year. In 2024, we refreshed our providers to better meet the diverse needs of our teams. Through TELUS Health and ĀKI Innovations, our people and their whānau can access a wide range of services, including counselling, rongoā Māori and wellness coaching. People in customer-facing roles continue to have access to Wā Manaaki – Professional Supervision to help them develop skills to manage the psychosocial risks they can encounter in their mahi. We have a new partner, 3 Big Things, to deliver this service. This holistic approach ensures culturally responsive and personalised support is always within reach.

Throughout the year, we ensured our people had access to resources and programmes to support them through organisation changes, including change navigation and wellbeing support, financial literacy training and career development. We also equipped people leaders with the tools they needed to support their teams through change and to foster cohesive, high-performing teams in the aftermath of change processes.

Organisational health and capability performance

The following table outlines our annual performance against the organisational health and capability measures specified in our SPE 2024/25.

SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25
Org_1.1	Achieved a ‘performing’ level status	Maintain existing health and safety ‘performing’ maturity level	Maintain ‘performing’ level	Not measured (See note 1)
Org_1.2	97%	Ministerial correspondence, parliamentary questions and Official Information Act requests delivered to meet the agreed deadline ²⁰	≥95%	99%
Org_1.3	100%	Ministerial services delivered meet the quality criteria ²¹	≥95%	100%
Org_1.4	New measure	Percentage of spend with Māori businesses ²²	≥8%	Not measured (See note 2)
Org_1.5	8%	Percentage of Māori businesses and suppliers who are satisfied or very satisfied with their ongoing commercial relationship with Kāinga Ora	≥75%	Not measured (See note 2)
Org_1.6	7,526 tCO ₂ e	Tonnes of carbon dioxide equivalent emissions (tCO ₂ e) resulting from corporate activities – gross	≤6,205 tCO ₂ e	5,199 tCO ₂ e
Org_1.7	2.17 tCO ₂ e per FTE	Tonnes of carbon dioxide equivalent emissions (tCO ₂ e) resulting from corporate activities – per FTE	≤1.80 tCO ₂ e per FTE	1.72 tCO ₂ e per FTE

Note 1: Maintain existing health and safety ‘performing’ maturity level (Org_1.1)

This measure was not assessed in 2024/25 because WorkSafe New Zealand advised Kāinga Ora that the SafePlus tool is now only suitable for organisations with up to 800 staff and therefore no longer appropriate for our organisation.

We have a comprehensive health and safety incident and risk management system. Data from this system is used to inform monthly health and safety reporting to the Board and ELT to ensure their due diligence. This includes significant incidents for our employees and contractors as well as insights on critical health and safety risk management.

Note 2: Percentage of spend with Māori businesses (Org_1.4) and percentage of Māori businesses and suppliers who are satisfied or very satisfied with their ongoing commercial relationship with Kāinga Ora (Org_1.5)

These measures were discontinued in response to updated Government expectations on needs-based service provision, as outlined in [Cabinet Office circular CO \(24\)5](#). The circular set out the Government’s expectation that public services should be prioritised on the basis of need, not ethnicity.

Financial sustainability

SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25
Fin_1.1	\$21,669	Net operating costs of managing our housing portfolio per housing unit (excludes depreciation)	\$20,283	\$18,051
Fin_1.2	20%	Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) as a percentage of total income	28%	36%
Fin_1.3	36.5	Total debt to non-sales adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) ratio	26.2	19.9
Fin_1.4	0.8	Non-sales adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) to interest costs	1.0	1.4
Fin_1.5	0.34	Debt to assets ratio	0.35	0.38

20. Agreed deadlines refer to deadlines set out in relevant legislation and/or agreed with by Minister’s office.

21. Quality criteria is in relation to grammar, style and accuracy, which covers errors in layout or content.

22. The definition of a Māori business is a Māori authority (as classified by the Inland Revenue Department) or a minimum 50 percent Māori ownership. This is consistent with the definition adopted by Te Puni Kōkiri and MBIE.

Summary of SOI 2022–2026 performance measures / Whakarāpopototanga inenga mahi o te Tauākī Whakamaunga Atu 2022-2026

In line with our obligations under the Crown Entities Act 2004, we continue to report against the performance measures set out in the SOI 2022–2026. These measures were introduced to reflect our expanded mandate at the time, with a commitment to establish baselines and/or targets by December 2023.

Following the external review of Kāinga Ora initiated in late 2023 and in consultation with HUD, updates to the SOI 2022–2026 were deferred until after the release of the Independent Review Report and development of the Kāinga Ora Reset Plan. As a result, several measures do not include updated targets.

Some measures are no longer relevant in light of the Kāinga Ora Reset Plan or have been deprioritised because of the direction set out in the Reset Plan. This means that a small number of measures do not have actual results available for this reporting year, or they are indicating that they are off track when in fact they have been deprioritised. For transparency and completeness, we have included the SOI 2022–2026 measures and available results below.

Throughout this section, the terms social housing and public housing are used interchangeably to refer to tenants who receive the income-related rent subsidy.

Performance measure assessment criteria

	On track	Result is heading in the direction of the desired trend outlined in the SOI
	Off track	Result is not heading in the direction of the desired trend outlined in the SOI
	Not applicable	There is no 4-year target set or the measure is demand driven

OUTCOME 1: MĀORI ASPIRATIONS Ngā wawata o ngāi Māori						
Enabling Māori aspirations means investment in housing solutions that build capability and support whānau wellbeing.						
SOI ref:	Actual 2021/22 (baseline)	Performance measure	Actual 2022/23	Actual 2023/24	Actual 2024/25	4-year target 2022–2026
1.1	8%	Percentage of homes purchased by people who identify as Māori with one or more of our home-ownership products	9%	13%	8%	 Demand driven
1.2	New measure	Number of homes enabled through Kāinga Ora and iwi/rōpū Māori partnership activity ²³	New measure	30	Not measured (See note 1)	 No target
1.3	New measure	Kāinga Ora net promoter score for commercial partners who identify as Māori	New measure	Statistically invalid	Not measured (See note 2)	 No target

Note 1: Number of homes enabled through Kāinga Ora and iwi/rōpū Māori partnership activity (SOI 1.2)

Following a change in policy direction, this measure is no longer applicable.

Note 2: Kāinga Ora net promoter score for commercial partners who identify as Māori (SOI 1.3)

A net promoter score survey was initiated in 2023 to determine the levels of advocacy across all the build partners, suppliers and developers involved in the Kāinga Ora build programme at that time. However, due to a narrowing in organisational mandate and change in strategic direction as outlined in the Kāinga Ora Reset Plan, the net promoter score is no longer considered a relevant metric.

While we are not currently using a quantitative score, we remain focused on gathering feedback to better understand partner experiences and to strengthen how we work together.

23. Partnership covers a range of urban development activities, including instances where Kāinga Ora provides land development services to iwi/rōpū Māori.

OUTCOME 2: CUSTOMER WELLBEING Te toiora kiritaki						
Customer wellbeing means people in our homes live well with dignity, stability and the greatest degree of independence possible.						
SOI ref:	Actual 2021/22 (baseline)	Performance measure	Actual 2022/23	Actual 2023/24	Actual 2024/25	4-year target 2022–2026
2.1	82%	Percentage of public housing customers who are satisfied with the services we provide	80%	80%	83% (See note 1)	 85%
2.2	80%	Percentage of public housing customers who are satisfied with their Kāinga Ora home	80%	73%	79% (See note 2)	 85%
2.3	92.5%	Percentage of public lettable properties that meet or exceed the asset condition baseline standard ²⁴	94%	95%	95%	 95%
2.4	95.0%	Percentage of new public housing customers who sustain their tenancy for 12 months or more ²⁵	96%	96%	96%	 95%

Note 1: Customer satisfaction results (SOI 2.1)
Customer satisfaction has shown a steady improvement over the past 3 years. While we have not yet reached our 4-year target of 85 percent, the upward trend reflects progress in strengthening our tenancy services and responsiveness to customer needs. We continue to prioritise improvements to our tenancy services, with a strong focus on listening to customer feedback and addressing the issues that matter most to them.

Note 2: Customers who are satisfied with their Kāinga Ora home (SOI 2.2)
This year’s result marks a significant improvement and is broadly in line with the 2021/22 baseline and 2022/23 result of 80 percent. The improvement this year reflects our ongoing efforts to enhance the quality and condition of our homes, including more targeted investment in maintenance and upgrades. While the result remains below our 85 percent 4-year target, the upward shift suggests that the changes we are making are having a positive impact on customer experience. We will continue to focus on actively reconfiguring and renewing our homes to lift satisfaction further.

24. Kāinga Ora uses the New Zealand Asset Management Support (NAMS) asset condition scale. Each major component of a house is rated 1–5 (where 1 is the highest score and 5 is the lowest). Where the average of the components for a house is rated at less than 3.5, the house is deemed to meet the baseline quality standard.

25. As this measure tracks tenants who stay 12 months or more, the 2024/25 result is based on those who began their tenancy from 1 July 2023 to 30 June 2024.

OUTCOME 3: HOUSING ACCESS Te wātea o te whare						
Housing access means enabling homes that meet diverse needs and are safe, affordable and healthy to live in.						
SOI ref:	Actual 2021/22 (baseline)	Performance measure	Actual 2022/23	Actual 2023/24	Actual 2024/25	4-year target 2022–2026
3.1		Number of newly constructed Kāinga Ora public and supported homes ²⁶				
	1,815	Gross	2,893	4,864	3,456 (See note 1)	 17,200
	1,340	Net	2,526	3,605	2,564	 6,300
3.2	1.5%	Average proportion of our public housing stock renewed per annum over the 4-year period ²⁷	2.3%	3.0%	2.5%	 >2.5% p. a
3.3	5,683	Number of homes purchased by New Zealanders with one or more of our home-ownership products	9,994	10,223	4,054	 Demand driven
3.4		Number of homes enabled through Kāinga Ora large-scale projects ²⁸			(See note 2)	
	571	Public homes	217	216	301	 1,900
	725	Market homes	127	227	807	 2,800
	505	Affordable homes	247	208	365	 2,400
	1,805	Total homes	591	651	1,473	 7,100

Note 1: Number of newly constructed Kāinga Ora public and supported homes – gross (SOI 3.1)
Under the organisation’s Reset Plan, the renewal programme has been adjusted to approximately 1,600 gross new builds per year to support long-term financial sustainability of the organisation. As a result of these changes, Kāinga Ora will not meet the original gross target set in December 2022.

Note 2: Number of homes enabled through Kāinga Ora LSPs (SOI 3.4)
This shortfall was due to challenging market conditions, including difficulties for developers in securing financing, rising interest rates, economic uncertainty and fluctuations in the housing market, all of which slowed land sales in 2022/23, 2023/24 and 2024/25.

26. A newly constructed home is defined as a home that is newly built and has not previously been occupied before its use for public or supported housing purposes.

27. This includes Kāinga Ora retrofit and complex remediation programmes as well as sales and demolitions.

28. Enabled homes refers to the number of homes that will be built on ready-to-build land handed over to a third party or as agreed to under a signed unconditional contract between Kāinga Ora and the third party. This measure counts the number of homes in Lakeside, Mangere, Te Onewa, Oranga, Porirua, Pukewiwi and Tāmaki LSPs – these are subject to business case approvals and numbers may vary. The number of public homes is included in SOI 3.1 – it is not in addition to this measure.

OUTCOME 4: SYSTEM TRANSFORMATION						
Te whakaumu pūnaha						
System transformation means land use, infrastructure and housing supply is integrated, efficient, effective and responsive to demand.						
SOI ref:	Actual 2021/22 (baseline)	Performance measure	Actual 2022/23	Actual 2023/24	Actual 2024/25	4-year target 2022–2026
4.1	New measure	Percentage of Kāinga Ora-managed redevelopment new builds of public and supported homes adopting off-site manufactured (OSM) building solutions ²⁹	9%	13%	7% (See note 1)	No target
4.2	New measure	Kāinga Ora net promoter score for commercial partners	New measure	-39	Not measured (See note 2)	No target
4.3	New measure	Number of days to design and build a new Kāinga Ora public or supported home	New measure		(See note 3)	
		Houses	25.6 months		28 months	
		Apartments	51 months		55 months	

Note 1: Percentage of Kāinga Ora-managed redevelopment new builds of public and supported homes adopting off-site manufactured (OSM) building solutions (SOI 4.1)

We did not meet our target for the number of homes built using off-site manufacturing (OSM) due to a deliberate shift in focus. Rather than using OSM to drive total build numbers, we now apply it selectively where it delivers clear cost and efficiency benefits. This change reflects a stronger emphasis on value for money.

Note 2: Kāinga Ora net promoter score for commercial partners (SOI 4.2)

A net promoter score survey was initiated in 2023 to determine the levels of advocacy across all the build partners, suppliers and developers involved in the Kāinga Ora build programme at that time. However, due to a narrowing in organisational mandate and change in strategic direction as outlined in the Kāinga Ora Reset Plan, the net promoter score is no longer considered a relevant metric.

While we are not currently using a quantitative score, we remain focused on gathering feedback to better understand partner experiences and to strengthen how we work together.

Note 3: Number of days to design and build a new Kāinga Ora public or supported home (SOI 4.3)

This measure was affected by reviews of our housing development projects undertaken during 2024/25. These reviews paused or reassessed a number of developments to ensure they provided good value for money. As a result, we adjusted our delivery plans to focus on core financial metrics, which delayed some early planning work.

OUTCOME 5: ENVIRONMENTAL WELLBEING						
Te toiora taiao						
Environmental wellbeing means sustainable and resilient operations, assets and communities.						
SOI ref:	Actual 2021/22 (baseline)	Performance measure	Actual 2022/23	Actual 2023/24	Actual 2024/25	4-year target 2022–2026
5.1		Percentage of uncontaminated materials produced during Kāinga Ora site-clearance works diverted from landfill:			(See note 1)	
	87%	Auckland	85%	84%	79%	
	60%	Rest of New Zealand	79%	79%	71%	
5.2	New measure	Carbon dioxide equivalent emissions resulting from the construction of new Kāinga Ora homes				Reduce buildings emissions by 14% by 2035 ³⁰
		Total emissions ³¹	82,171 tCO ₂ e	152,556 tCO ₂ e	85,244 tCO ₂ e	
		Emissions per occupant ³¹	12.10 tCO ₂ e	12.71 tCO ₂ e	9.58 tCO ₂ e	
5.3	New measure	Carbon dioxide equivalent emissions resulting from the operation of Kāinga Ora homes				Reduce buildings emissions by 14% by 2035 ³⁰
		Total emissions ³¹	50,333 tCO ₂ e	51,742 tCO ₂ e	71,604 tCO ₂ e	
		Emissions per occupant ³¹	0.25 tCO ₂ e	0.25 tCO ₂ e	0.34 tCO ₂ e	
5.4	New measure	Carbon dioxide equivalent emissions resulting from the transport activities of occupants of new public or supported housing			(See note 2)	Reduce transport emissions by 26% by 2035 ³⁰
		Total emissions	225,131 tCO ₂ e	237,558 tCO ₂ e	Not available	
		Emissions per occupant	1,150 kgCO ₂ e	1,190 kgCO ₂ e	Not available	

Note 1: Percentage of uncontaminated materials produced during Kāinga Ora site-clearance works diverted from landfill (SOI 5.1)

This measure reflects activity up to October 2024 when the programme was discontinued following a reduction in funding.

Note 2: Carbon dioxide equivalent emissions resulting from the transport activities of occupants of new public or supported housing (SOI 5.4)

Kāinga Ora has not reported on tenant transport emissions in this reporting period. Under the Carbon Neutral Government Programme, this emissions source is currently considered optional. Given our limited ability to influence tenants' transport choices and in line with our updated focus on emissions sources more directly linked to our core functions, we have excluded this category from our reporting.

29. This excludes new homes acquired from the market.

30. It is still too early to determine if we are on track to meet the emission targets by 2035.

31. 2022/23 and 2023/24 numbers are restatements due to updates in emissions factors and calculation methodology.

Crown appropriations tables /
Ngā ripanga tohanga Karauna

Output table: Crown appropriations by Kāinga Ora output class 2024/25

The following tables set out the appropriated funding Kāinga Ora received from the Crown in 2024/25. This funding is shown by appropriation and programme and is aligned with Kāinga Ora output classes.

We are expected to manage the appropriation in line with the overall budget but can offset any overspends or underspends within it between individual programmes as changes occur through the year. This is completed with the involvement and agreement of our monitoring agency to ensure alignment with Ministerial priorities. These tables present the initial budget at the start of the year, which represents either the appropriated amount or the anticipated demand/activity for 2024/25.

			Kāinga Ora output classes			
			Output class 1	Output class 2	Output class 3	Output class 4
			Supporting our customers to live well with dignity, stability and connectedness	Growing, renewing and maintaining our homes	Delivering and facilitating urban planning and development	Supporting Crown housing infrastructure and home-ownership initiatives for New Zealanders
Appropriation name and programme	Operating or capital expenditure	Budget \$m				
Kāinga Ora Home Ownership and Administration						
Mortgage Insurance Scheme (First Home Loan)	Operating	18.473				14.537
First Home Grant – Administration	Operating	–				1.651
Community Owned Rural Rental Housing Loans (CORRL)	Operating	0.060				0.047
Legacy Loan Portfolios	Operating	0.100				0.101
Total Kāinga Ora Home Ownership and Administration		18.633	0.000	0.000	0.000	16.336
Kāinga Ora – Homes and Communities						
Te Kurutao	Operating	2.019	1.258	2.908	0.378	0.039
Core Urban Development	Operating	22.850			13.865	
Sustainability Initiatives	Operating	7.082	1.347	3.113	0.405	0.042
Buying off the Plans	Operating	3.509				3.328
First Home Partner	Operating	0.455				1.217
Infrastructure Acceleration Fund – Administration	Operating	2.000				1.996
Total Kāinga Ora – Homes and Communities		37.914	2.605	6.020	14.648	6.622

OUTCOME 6: THRIVING COMMUNITIES He hāpori taurikura						
Thriving communities are inclusive and sustainable with access to employment, education, social and cultural opportunities						
SOI ref:	Actual 2021/22 (baseline)	Performance measure	Actual 2022/23	Actual 2023/24	Actual 2024/25	4-year target 2022–2026
6.1	New measure	Number of newly constructed homes resulting from Infrastructure Acceleration Fund agreements ³²	New measure	30	1,536	No target
6.2	5%	Percentage of Kāinga Ora Land Fund priority locations where land has been purchased ³³	15%	15% ³⁴ (See note 1)	15% (See note 1)	80%
6.3	69%	Percentage of public housing customers who feel safe in their neighbourhood ³⁵	67%	70%	72%	70%

Note 1: Percentage of Kāinga Ora Land Fund priority locations where land has been purchased (SOI 6.2)

- 2023/24 year:** The 2023/24 reported figure has been restated from 20 percent to 15 percent to correctly account for the Plimmerton Farm transaction. While the sale went unconditional in 2023/24, it was structured as a land supply agreement. Under this arrangement, the developer is responsible for completing the development and Kāinga Ora will purchase the build-ready sections from them once available. The first settlement of land under this agreement is expected in 2027, meaning no land was actually acquired in 2023/24.
- 2024/25 year:** In 2024/25, no land acquisitions occurred, following the Minister of Housing’s request that Kāinga Ora pause further investment in the programme.

32. Homes enabled by the Infrastructure Acceleration Fund could include public, market, lower-cost and papakāinga houses.

33. There are currently 20 priority locations defined in the Kāinga Ora Land Programme’s Strategic Land Acquisition Plan.

34. This figure is cumulative from programme inception.

35. By comparison, 59.6 percent of people surveyed in the New Zealand General Social Survey in 2021 reported feeling safe or very safe walking alone in their neighbourhood after dark.

			Kāinga Ora output classes			
			Output class 1	Output class 2	Output class 3	Output class 4
			Supporting our customers to live well with dignity, stability and connectedness	Growing, renewing and maintaining our homes	Delivering and facilitating urban planning and development	Supporting Crown housing infrastructure and home-ownership initiatives for New Zealanders
Appropriation name and programme	Operating or capital expenditure	Budget \$m				
Single Site Supported Housing						
Hapori Kaitiaki Function at Greys Avenue	Operating	2.530	2.348	0.123		
Function at Rolleston St	Operating	1.203	1.134	0.060		
Total Single Site Supported Housing		3.733	3.482	0.183	0.000	0.000
First Home Grants	Operating	35.000				8.627
Kāinga Ora Land Programme (MYA)	Operating	9.840			4.399	
Buying off the Plans Programme (MYA)	Operating	28.430			55.900	
Operating the Buying off the Plans Programme (MYA)	Operating	1.422			1.001	
Infrastructure Investment to Progress Urban Development (MYA)	Operating	33.900			32.761	
Grand total		168.872	6.086	6.203	108.708	31.585

Output table: Multi-category appropriations (MCAs) 2024/25

Appropriation name and programme			Kāinga Ora output classes			
			Output class 1	Output class 2	Output class 3	Output class 4
			Supporting our customers to live well with dignity, stability and connectedness	Growing, renewing and maintaining our homes	Delivering and facilitating urban planning and development	Supporting Crown housing infrastructure and home-ownership initiatives for New Zealanders
Operating or capital expenditure	Budget \$m					
Community Group Housing MCA						
Community Group Housing Market Rent Top-Up	Operating	21.591		21.591		
Community Housing Rent Relief	Operating	4.100		3.075		
Acquisition and Improvement of Community Group Housing Properties	Capital	5.800		5.800		
Market Rent Top-Up is exempt from Crown performance reporting as the information is unlikely to be informative.						
Public Housing MCA						
Purchase of Public Housing Provision (Public Housing (MCA))	Operating	1,492.597	150.144	1,351.294		
This contains both Kāinga Ora income-related rent subsidy and regional incentive appropriations.						
Housing Acceleration Fund MCA						
Housing Acceleration Fund – Large-Scale Programmes Capital Expenditure	Capital	148.009			266.899	
Investment in Infrastructure to Advance Development-Ready Land (Large Scale Project)	Operating	67.371			69.098	
Investment in Infrastructure to Advance Development-Ready Land (IAF)	Operating	171.996				65.674
Total multi-category appropriations		1,911.464	150.144	1,381.760	335.997	65.674

Output table: Capital appropriations 2024/25

Appropriation name and programme	Kāinga Ora output classes				
	Output class 1	Output class 2	Output class 3	Output class 4	
	Budget \$m	Supporting our customers to live well with dignity, stability and connectedness	Growing, renewing and maintaining our homes	Delivering and facilitating urban planning and development	Supporting Crown housing infrastructure and home-ownership initiatives for New Zealanders
Refinancing of Crown Loans to Kāinga Ora – Homes and Communities	199,447		199,447		
Kāinga Ora – Homes and Communities Private Debt Refinancing Facility (MYA)	1,925,000		1,925,000		
Kāinga Ora – Homes and Communities Crown Lending Facility (MYA)	2,350,000		1,450,000		
Progressive Home Ownership Fund (MYA)	16,712				4,075
Total capital appropriations	4,491,159	0.000	3,574,447	0.000	4,075

Vote Housing and Urban Development Estimates of Appropriations measures

Appropriation name	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
Kāinga Ora – Homes and Communities	2,730	Number of First Home Loan mortgages underwritten by Kāinga Ora – Homes and Communities	Up to a maximum of 3,600	3,085	
	2.5 days	Average number of days taken to assess a completed Buy off the Plans eligibility application	Less than 5 working days	2 working days	
		Number of potential or established Specified Development Projects (SDPs) that have been facilitated by Kāinga Ora under the Urban Development Act 2020, which may include completing projects in any of the following project stages during the fiscal year:			 (See note 1)
	0	• Selection	2	0	
	2	• Assessment	0	0	
	0	• Draft development plan	0	0	
	0	• Independent hearing panel	0	0	
	26,419	Number of new applications assessed for eligibility for First Home Grants and Buying off the Plans	Demand driven up to 31,000	225	 (See note 2)
	New measure	Percent of grants paid on settlement day for an approved grant application	100%	100%	
	1,489	The performance will be assessed by Kāinga Ora – Homes and Communities support to community group providers by making available up to 1,500 community group housing properties and related housing services	1,500	1,468	
Community Group Housing Market Rent Top-Up					
Community Housing Rent Relief	1,489	The performance will be assessed by Kāinga Ora – Homes and Communities support to community group providers by making available up to 1,500 community group housing properties and related housing services	1,500	1,468	
Acquisition and Improvement of Community Group Housing Properties	1,489	The performance will be assessed by Kāinga Ora – Homes and Communities support to community group providers by making available up to 1,500 community group housing properties and related housing services	1,500	1,468	

Appropriation name	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
Housing Assistance	Achieved	Housing assistance subsidies will be paid within invoice terms	Achieved	Achieved	🏠
Buying off the Plans Programme	17	Number of Signed KiwiBuild Developers Agreements	5	0	(See note 3)
	14%	The percentage of completed underwritten KiwiBuild homes acquired by the Crown as part of the Buying Off the Plans Programme since the start of the programme	<25%	16%	🏠
Operating the Buying off the Plans Programme	New measure	The percentage of completed underwritten homes on-sold by the Crown as part of the Buying off the Plans Programme, since the start of the programme	80%	61%	🏠 (See note 4)
Kāinga Ora Land Programme	3	Number of priority locations where the Land Programme has made an acquisition since the start of the programme	3	3	🔄 (See note 5)
Housing Acceleration Fund	651	The total number of houses enabled	2,535	2,138	
	0	• Number of dwellings enabled as a result of the Infrastructure Acceleration Fund	1,100	665	
	651	• Number of new homes enabled on land developed and delivered by Kāinga Ora – Homes and Communities	1,435	1,473	

Note 1: Number of potential or established Specified Development Projects (SDPs) that have been facilitated by Kāinga Ora
Target: The target of 2 selections was submitted prior to the announcement of Budget 2024. Following the release of Budget 2024, this target was subsequently revised to ‘Demand driven’ to reflect updated priorities and funding parameters.
Actual: In 2023/24, Kāinga Ora assessed potential projects and provided advice to Ministers. Following receipt of project assessment reports by Kāinga Ora, the Minister of Housing and Minister of Finance decided not to establish the Tauranga Western Corridor and North Growth Area as SDPs. Because of this decision, no development plans were prepared and no independent hearing panels were required.

Note 2: Number of new applications assessed for eligibility for First Home Grants and Buying off the Plans
The First Home Grant programme was discontinued by the Government in May 2024 after this performance measure had already been set. New applications ceased on 22 May 2024, although applications submitted prior to that date continued to be processed, and existing approvals remained valid for up to 6 months. As a result, only a small number of grants were processed during 2024/25.

Note 3: Number of Signed KiwiBuild Developers Agreements
This appropriation provided an underwriting facility to private residential developers to accelerate the delivery of new homes and expand home-ownership opportunities for first-home buyers. In 2024/25, no new underwriting contracts were entered into, as the Reset Plan signalled that responsibility for the KiwiBuild scheme would transfer to HUD by the end of the financial year.

Note 4: The percentage of completed underwritten homes on-sold by the Crown as part of the Buying off the Plans Programme
Responsibility for administering the KiwiBuild scheme was transferred to HUD as of 30 June 2025.

Note 5: Number of priority locations where the Land Programme has made an acquisition since the start of the programme

- **2023/24 year:** The 2023/24 reported figure has been restated from 20 percent to 15 percent to correctly account for the Plimmerton Farm transaction. While the sale went conditional in 2023/24, it was structured as a land supply agreement. Under this arrangement, the developer is responsible for completing the development and Kāinga Ora will purchase the build-ready sections from them once available. The first settlement of land under this agreement is expected in 2027, meaning no land was actually acquired in 2023/24.
- **2024/25 year:** In 2024/25, no land acquisitions occurred, following the Minister of Housing’s request that Kāinga Ora pause further investment in the programme.

Financial statements

Ngā tauākī whakahaere pūtea

Statement of responsibility

Kāinga Ora – Homes and Communities is a Crown entity operating in accordance with the Kāinga Ora–Homes and Communities Act 2019 and the Crown Entities Act 2004. It has two wholly owned subsidiaries, Housing New Zealand Limited and Housing New Zealand Build Limited, which are Crown entity-controlled companies required to comply with the Companies Act 1993.

The Board is responsible for the preparation of the financial statements and statement of performance and the judgements used therein. The Board is responsible for any end-of-year performance information provided by Kāinga Ora – Homes and Communities under section 19A of the Public Finance Act 1989.

The Board is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting. In the opinion of the Board, the financial statements and statement of performance for the year ended 30 June 2025 fairly reflect the financial position and operations of Kāinga Ora – Homes and Communities at that date.

For and on behalf of the Board.



Simon Moutter
Chair

30 September 2025



Jenn Bestwick
Deputy Chair

30 September 2025

Statement of comprehensive revenue and expense

For the year ended 30 June 2025

	Notes	Group Actual 2025 \$M	Group Actual 2024 \$M	Budget Unaudited 2025 \$M
Revenue from non-exchange transactions				
Rental revenue – Crown income-related rent subsidy		1,505	1,281	1,497
Rental revenue – tenant income-related rent		578	515	571
Crown appropriation revenue	6	149	160	177
Grant revenue	6	–	21	–
Revenue from exchange transactions				
Sale of developments		172	230	242
Rental revenue from tenants at market rent		51	57	72
Interest revenue		28	56	39
Other revenue	6	103	110	78
Total operating revenue		2,586	2,430	2,676
Expenses				
Interest expense		644	538	697
Depreciation and amortisation		498	439	480
Repairs and maintenance		475	623	585
People costs	7(a)	371	372	346
Rates		281	247	287
Cost of land sold		158	206	242
Third-party rental leases		56	57	57
Other expenses	7(b)	304	392	393
Total expenses		2,787	2,874	3,087
Other gains/(losses)				
(Loss) on asset write-offs	4(b)	(239)	(233)	(144)
Impairment of property under development		(147)	(45)	(55)
Gain/(loss) on disposal of assets		(9)	–	–
Total other losses		(395)	(278)	(199)
Operating surplus/(deficit) before tax		(596)	(722)	(610)
Current tax (expense)/benefit	8	(39)	36	–
Deferred tax (expense)/benefit	8	7	118	76
Income tax (expense)/benefit		(32)	154	76
Net surplus/(deficit) after tax		(628)	(568)	(534)
Other comprehensive revenue and expense				
Items that could be reclassified to surplus/(deficit)				
Hedging reserve gains/(losses)		(21)	(6)	–
Income tax (expense) on other comprehensive items	8	6	1	–
Items that will not be reclassified to surplus/(deficit)				
Revaluation reserve gains/(losses)		(1,918)	(391)	1,925
Fair value reserve gains/(losses)		–	1	–
Income tax (expense)/benefit on other comprehensive items	8	322	90	(94)
Other comprehensive revenue		(1,611)	(305)	1,831
Total comprehensive revenue and expenses		(2,239)	(873)	1,297

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Statement of changes in equity

For the year ended 30 June 2025

	Notes	Group Actual 2025 \$M	Group Actual 2024 \$M	Budget Unaudited 2025 \$M
Total equity at 1 July		29,895	30,348	31,148
Net surplus/(deficit) for the year		(628)	(568)	(534)
Revaluation of property, plant and equipment				
Revaluation reserve gains/(losses)		(1,918)	(391)	1,925
Deferred tax benefit/(expense) on building revaluations	8	322	90	(94)
Financial assets at fair value through other comprehensive revenue and expense				
Hedging reserve gains/(losses)		(21)	(6)	–
Fair value reserve gains/(losses)		–	1	–
Deferred tax (expense)/benefit on other comprehensive items	8	6	1	–
Total comprehensive revenue and expense for the period		(2,239)	(873)	1,297
Net capital contributions (to)/from the Crown		267	420	712
Total changes in equity		(1,972)	(453)	2,009
Total equity at 30 June		27,923	29,895	33,157
Equity attributable to the Crown				
Equity attributable to the Crown at 1 July		4,201	3,781	3,811
Net capital contributions (to)/from the Crown		267	420	712
Equity attributable to the Crown at 30 June		4,468	4,201	4,523
Retained earnings				
Retained earnings at 1 July		69	405	54
Surplus/(deficit) for the year		(628)	(568)	(534)
Net transfers from asset revaluation reserve		365	232	119
Retained earnings at 30 June		(194)	69	(361)
Revaluation reserve				
Revaluation reserve at 1 July		25,624	26,157	27,279
Asset revaluations on property, plant and equipment		(1,918)	(391)	1,925
Deferred tax benefit/(expense) on property, plant and equipment	8	322	90	(94)
Net transfers to retained earnings		(365)	(232)	(119)
Revaluation reserve at 30 June		23,663	25,624	28,991
Hedging reserve				
Hedging reserve at 1 July		1	6	4
Fair value gains/(losses)		(21)	(6)	–
Deferred tax benefit/(expense) on derivative fair value movement	8	6	1	–
Hedging reserve at 30 June		(14)	1	4
Fair value reserve				
Fair value reserve at 1 July		–	(1)	–
Fair value reserve gains/(losses)		–	1	–
Fair value reserve at 30 June		–	–	–
Total equity at 30 June		27,923	29,895	33,157

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Statement of financial position

For the year ended 30 June 2025

	Notes	Group Actual 2025 \$M	Group Actual 2024 \$M	Budget Unaudited 2025 \$M
Assets				
Cash and cash equivalents	9	320	545	100
Investments	9	61	400	651
Interest rate derivatives	14	–	3	5
Receivables from non-exchange transactions	10(a)	83	110	–
Receivables from exchange transactions	10(b)	487	329	508
Income tax (payable)/receivable	8	32	32	–
Properties held for sale		61	13	19
Properties under development		373	520	555
Other assets		23	29	21
Property, plant and equipment	4(a)	46,328	46,688	52,861
Total assets		47,768	48,669	54,720
Liabilities				
Payables and other liabilities from non-exchange transactions	11(a)	76	22	19
Payables and other liabilities from exchange transactions	11(b)	412	569	538
Mortgage Insurance Scheme	12	71	60	84
Interest rate derivatives		27	23	24
Borrowings – Crown	5	12,247	8,862	13,300
Borrowings – market notes	5	5,734	7,664	5,717
Deferred tax liability	8	1,278	1,574	1,881
Total liabilities		19,845	18,774	21,563
Net assets		27,923	29,895	33,157
Equity				
Equity attributable to the Crown		4,468	4,201	4,523
Retained earnings		(194)	69	(361)
Revaluation reserve		23,663	25,624	28,991
Hedging reserve		(14)	1	4
Total equity		27,923	29,895	33,157

The above statement should be read in conjunction with the accompanying notes to the financial statements.

For and on behalf of the Board, who authorised the issue of the financial statements on 30 September 2025.



Simon Moutter
Chair

30 September 2025



Jenn Bestwick
Deputy Chair

30 September 2025

Statement of cash flows

For the year ended 30 June 2025

	Notes	Group Actual 2025 \$M	Group Actual 2024 \$M	Budget Unaudited 2025 \$M
Cash flows from/(used in) operating activities				
Rent receipts – Crown income-related rent subsidy		1,438	1,291	1,469
Rent receipts – tenant		632	481	639
Crown appropriation revenue		106	233	131
Interest received		28	56	39
Income tax (paid)/received		–	14	46
Other receipts		145	162	106
Payments to suppliers and employees		(1,752)	(1,550)	(1,664)
Net cash flows from/(used in) core operating activities		597	687	766
Sales of developments		84	54	149
Land development costs		(181)	(247)	(320)
Net cash flows from/(used in) operating activities	15	500	494	595
Cash flows from/(used in) investing activities				
Net short-term investments (made)/realised		346	390	15
Sale of rental properties and other property plant and equipment		56	10	21
Mortgage and other lending repayments/(advances)		1	(1)	-
Purchase of rental property assets		(2,296)	(4,493)	(2,713)
Purchase of other property, plant and equipment		(1)	(23)	(41)
Net cash flows from/(used in) investing activities		(1,894)	(4,117)	(2,718)
Cash flows from/(used in) financing activities				
Net capital contributions (to)/from the Crown		267	420	712
Crown debt drawn down/(repaid)		3,457	4,232	4,050
Market notes issued/(repaid)		(1,929)	-	(1,925)
Interest paid		(626)	(523)	(714)
Net cash flows from/(used in) financing activities		1,169	4,129	2,123
Net cash flows		(225)	506	-
Opening cash and cash equivalents		545	39	100
Closing cash and cash equivalents	9	320	545	100

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements

For the year ended 30 June 2025

1. Reporting entity

Kāinga Ora – Homes and Communities is domiciled and operates in New Zealand. The relevant legislation governing the operations of Kāinga Ora and its subsidiaries Housing New Zealand Limited and Housing New Zealand Build Limited (the Kāinga Ora Group) is the Crown Entities Act 2004 and the Kāinga Ora–Homes and Communities Act 2019. The ultimate parent of Kāinga Ora – Homes and Communities is the Sovereign in right of New Zealand.

We are the largest tenancy services provider in New Zealand with a total portfolio of over 78,000 homes. We currently provide housing for over 200,000 tenants.

Our portfolio includes almost 4,000 supported housing homes, and a further 900 homes have been leased since 2020 by Te Āhuru Mōwai, the community housing arm of Ngāti Toa in Porirua.

We are responsible for the delivery of our funded large-scale projects (LSPs) in Auckland and Eastern Porirua. In collaboration with local councils, these projects upgrade vital infrastructure and unlock land for a mix of social and market housing.

The Kāinga Ora–Homes and Communities Act 2019 and Urban Development Act 2020 set out the key functions of Kāinga Ora and the operating principles to follow when carrying out those functions. We acknowledge that several Reset Plan recommendations require Cabinet decisions to implement that may result in changes to our legislation and that this is work led by the Ministry of Housing and Urban Development.

The registered office of Kāinga Ora – Homes and Communities is Level 5, 7 Waterloo Quay, Wellington.

Kāinga Ora – Homes and Communities and its subsidiaries are designated public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice (NZ GAAP). A PBE is defined as “a reporting entity whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders”.

All inter-entity balances and transactions have been eliminated in full.

The financial statements for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2025.

2. Summary of significant accounting policies

(a) Basis of preparation

The unaudited budget numbers for the financial year 2024/25 are taken from the Statement of Performance Expectations 2024/25 approved by the Board of Directors on 27 June 2024.

The financial statements have been prepared on a historical cost basis except where otherwise stated and are presented in New Zealand dollars, which is the functional currency of the Kāinga Ora Group, and all values are rounded to the nearest million dollars (\$M) unless stated otherwise.

The financial statements have been prepared on a going-concern basis, and the accounting policies adopted are consistent with those of the previous financial year except where stated otherwise.

The statement of financial position is presented on a liquidity basis. The Kāinga Ora Group's development business has been largely financed by Crown and market bond issues. Presenting on a liquidity basis provides the users of our financial statements with a faithful representation and more relevant information on the financial statements.

Comparatives

When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so.

(b) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP.

The financial statements have been prepared in accordance with Tier 1 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS).

(c) New accounting standards and interpretations

All mandatory standards, amendments and interpretations have been adopted in the current year. None have had a material impact on these financial statements.

i. Accounting standards and interpretations issued but not effective and not early adopted

- Amendments to PBE IFRS 17 *Insurance Contracts in the Public Sector* – these amendments are mandatorily effective for periods beginning on or after 1 January 2026. The Kāinga Ora Group is assessing the effects of these amendments on its financial statements and will incorporate those changes when the amendments are mandatorily effective.
- PBE IPSAS 1 *Presentation of Financial Reports* – these amendments are mandatorily effective for periods beginning on or after 1 January 2026. The Kāinga Ora Group has yet to assess the effects of these amendments on its financial statements.

- *PBE Conceptual Framework Update* effective for periods on or after 1 January 2028 – the Kāinga Ora Group has yet to assess the effects of this amendment on its financial statements and whether or not changes would be mandatory.

(d) Properties held for sale

The Group regularly assess whether properties held meet demand in terms of location and functionality. Properties that do not meet those requirements are then considered for disposal by sale.

Properties identified as meeting the criteria for recognition as held for sale are reclassified as such. This classification is used where the carrying amount of the property will be recovered through sale or transfer, the property is available for immediate sale in its present condition and a sale or transfer within the next 12 months is highly probable. For a sale or distribution transaction to be highly probable, the assets or group of assets must be available for immediate sale and the Group committed to the impending sale or distribution transaction.

Any impairment losses for write-downs of the asset are recognised in the surplus or deficit.

A non-current asset is not depreciated or amortised while classified as held for sale.

(e) Financial assets

The Group uses a range of financial products to manage its cash flows such as term deposits, registered certificates of deposit and hedging derivatives.

These assets are measured in accordance with PBE IPSAS 41 *Financial Instruments*. This measurement includes initial and subsequent recognition, derecognition and impairment.

The measurement of these assets depends on the business model for managing them and their contractual cash flow characteristics.

Financial assets are reclassified if the business model for managing them has changed, which may result in a different measurement model.

- i. Financial assets at fair value through surplus or deficit (FVSD)*
Financial assets are measured at FVSD if they are held for trading and if the contractual cash flows are not solely payments of principal and interest. Specific financial assets held at FVSD include the following:
 - Derivatives – in fair value hedges or not in effective hedge relationships.
- ii. Financial assets at amortised cost*
Financial assets measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest.

Specific financial assets held at amortised cost include the following:

- Cash and cash equivalents – includes funds held at bank and term deposits with original maturities of less than 3 months.
- Mortgages and housing-related lending – includes Housing Innovation Fund mortgage advances and other loan products.
- Receivables – exchange and contractual non-exchange transactions.
- Term deposits.

iii. Financial assets at fair value through other comprehensive revenue (FVOCRE)

Measurement at FVOCRE is for financial assets that are held for the purpose of both collecting contractual cash flows and selling assets, and those cash flows are solely related to payments of principal and interest. Specific financial assets at FVOCRE include the following:

- Derivatives – effective interest rate swaps in cash flow hedge relationships.
- Registered certificates of deposit and enhanced rate certificates of deposit – held for trading in the short term and to collect contractual cash flows.
- Corporate bonds – fixed-term debt securities issued by the Local Government Funding Agency held for trading in the short and long term and to collect contractual cash flows.

The fair value of the Group's interest rate derivatives and other financial instruments held at fair value is adjusted to fair value on a daily basis using current market interest rates (bank bill benchmark rate (BKBM) or swap pricing curve). Changes in fair value are charged to the statement of comprehensive revenue and expense unless they are in an effective cash flow hedge relationship. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The measurement of expected credit losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(f) Properties under development

Properties under development include land and buildings being prepared for sale as inventory. They are held at the lower of cost or net realisable value with consideration for impairment conducted annually. Properties under development were impaired by \$147 million in 2025 (2024: \$45 million) in the

statement of comprehensive revenue and expense. Factors considered in the impairment include:

- expected sales price or latest valuation
- costs to date
- costs to complete
- costs to sell.

(g) Employee benefits

Employee benefits include wages and salaries (including non-monetary benefits such as medical, trauma, life and income continuance insurance), annual leave, long-service leave and redundancy and restructuring costs. They are measured as the amounts expected to be paid when the liabilities are settled. A present value model is used for calculating long-service leave in accordance with instructions from the Treasury. Employee benefits expected to be settled within 12 months of the balance date are recognised as current liabilities at 30 June. Long-service leave, where entitlements are not vested at balance date, is treated as a non-current liability. Refer to note 7(a) for information on people costs and note 11(b) for information on employee benefits liability.

(h) Leases

The Group enters lease arrangements with respect to rental properties leased from third parties, properties it occupies, motor vehicles and office equipment.

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Group (a finance lease). Judgement on various aspects is required, including but not limited to fair value of the leased asset, the economic life of the leased asset, whether to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset will be recognised in the statement of financial position as property, plant and equipment whereas no such asset is recognised for an operating lease.

The Group as lessee has exercised its judgement on the appropriate classification of all its leases and determined that they are all operating leases.

Expenses yet to be incurred on non-cancellable operating leases are disclosed as commitments (refer to note 17).

(i) Significant judgements, assumptions and estimates in applying accounting policies

In the process of applying accounting policies to the preparation of its financial statements, management has identified the following judgements it has had to make as having the most significant effect on amounts recognised in the financial statements:

Classification of non-financial assets as non-cash-generating assets

For the purposes of assessing impairment indicators and impairment testing, the Group classifies its non-financial assets as non-cash-generating assets, including its portfolio of rental properties. Although cash revenue equivalent to a market rent is generated from rental properties, the revenue comprises income-related rent received from tenants and subsidies received from the Crown, as the primary objective of providing these assets is social housing rather than to generate a commercial return.

As at each balance date, all assets are assessed for impairment by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

An asset is classified as cash-generating when it doesn't meet the definition of non-cash-generating.

3. Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise Crown loans, market bonds, Government and corporate bonds and bills, term deposits, registered certificates of deposit and on-call cash. These financial instruments are used to manage liquidity and finance the Group's operations.

The Group's mortgage portfolio is managed in-house and the processes of mitigating losses to the portfolio are monitored via monthly reports.

Derivative instruments include New Zealand dollar interest rate swaps, which are used to manage the interest rate risk on our borrowings.

The Group's other financial instruments are trade debtors, trade creditors and mortgage advances.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks. They are summarised below.

(a) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. The Group has a treasury policy for the management of interest rate risk that requires compliance with a modified duration (weighted average term to maturity/repricing) range of 3–6 years.

Management monitors interest rate levels on an ongoing basis and, when appropriate, will lock in fixed rates within Board-approved interest rate risk policy parameters or lock in a floating rate on longer-term instruments to manage compliance with modified duration. Forward rate agreements, interest rate swaps and interest rate options are instruments available for use.

(b) Interest rate sensitivity

The following sensitivity analysis is based on the interest rate risk exposures in existence at 30 June 2025.

If interest rates had been 1% higher or lower than the year-end market rate, the following table sets out movements in the statement of comprehensive revenue and expense after tax for the year and the equity balance (after tax adjustments) at 30 June.

	2025 (\$M)	2024 (\$M)
Net surplus higher/(lower)		
Interest rates +1%	(21)	(9)
Interest rates -1%	21	9
Equity higher/(lower)		
Interest rates +1%	23	14
Interest rates -1%	(24)	(15)

(c) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, resulting in a loss being incurred. Due to the timing of its cash inflows and outflows, surplus cash is invested only with Board-approved counterparties with a specified S&P Global credit rating of A or better (or equivalent rating agency). Treasury policy limits the amount of credit exposure to any one institution. Maximum credit exposure for the classes of financial instrument is primarily represented by the carrying amount of cash, investments, derivative financial assets, receivables and mortgage advances. There is no collateral held as security against these financial instruments.

Concentration of credit risk exists in relation to investments, but this risk is mitigated by the fact that the counterparties are Board-approved and have a high credit rating (refer to note 3(e)). Other than this, no exposure to any material concentration of credit risk exists as the Group has only a small number of credit customers and has treasury exposure only with the Crown and Board-approved counterparties with specified S&P Global credit ratings.

All individuals/organisations are assessed for creditworthiness and affordability before a mortgage is approved. In addition, receivable balances are monitored on an ongoing basis.

An impairment analysis is performed at each reporting date to measure expected credit losses. The impairment analysis is based on days past due for groupings of various customer segments with similar loss patterns. Where necessary, the calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 13.

Credit quality of financial assets not impaired or not yet due

The Group does not rate its individual debtors as it has a large number of customers with minimal debtor balances. The incidence of default on financial assets not impaired or not yet due is minimal. The Group has no other significant exposure to credit risk from financial assets not impaired or not yet due nor has there been any renegotiation of terms on any of these assets.

(d) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in accessing Crown financing at short notice to meet its financial commitments as they fall due.

The Group has an unsecured bank overdraft facility of \$10 million (2024: \$10 million) with an interest rate of 6.29% (2024: 8.94%).

The Group has access to a \$12.7 billion Crown lending facility, which provides the financing for the Government’s housing initiatives. The Group utilised \$1.45 billion of this facility in 2025 (2024: \$4.1 billion) and retains unutilised facility of \$5.0 billion. In 2025, the Group was appropriated a separate amount of \$1.9 billion to refinance loans that came due for repayment.

The Group’s policy is that not more than 25% of borrowings should mature in any 12-month period. As at 30 June 2025, 12% of the Group’s debt will mature in less than 1 year (2024: 13%).

As at 30 June 2025, the contractual maturity (undiscounted principal and interest cash flow) of the Group’s financial liabilities is as follows:

	0–1 year (\$M)	1–2 years (\$M)	2–3 years (\$M)	3–5 years (\$M)	5+ years (\$M)	Total (\$M)
At 30 June 2025						
Crown loans floating interest rate	423	458	479	247	3,765	5,372
Crown loans fixed interest rate	360	461	383	947	8,324	10,475
Market bonds	161	1,387	1,013	1,494	2,371	6,426
Accounts payable and other liabilities	488	–	–	–	–	488
Interest rate derivatives – net settled	1	–	1	1	–	3
Total	1,433	2,306	1,876	2,689	14,460	22,764
	0–1 year (\$M)	1–2 years (\$M)	2–3 years (\$M)	3–5 years (\$M)	5+ years (\$M)	Total (\$M)
At 30 June 2024						
Crown loans floating interest rate	291	352	371	298	831	2,143
Crown loans fixed interest rate	319	321	418	340	8,112	9,510
Market bonds	2,150	161	1,387	1,013	3,853	8,564
Accounts payable and other liabilities	591	–	–	–	–	591
Interest rate derivatives – net settled	9	5	4	3	–	21
Total	3,360	839	2,180	1,654	12,796	20,829

(e) Concentration of risk

The Group has substantial deposits with six different banks that total \$126 million (2024: \$776 million).

		2025		2024	
		0–1 year (\$M)	Credit rating S&P Global/ Moody’s	0–1 year (\$M)	Credit rating S&P Global/ Moody’s
WBCW	Westpac Banking Corporation	25	AA-	185	AA-
ANZNB	ANZ National Bank Limited	23	AA-	155	AA-
ASB	ASB Bank	10	AA-	155	AA-
BNZW	Bank of New Zealand Limited	32	AA-	125	AA-
MUFG	MUFG Bank Limited	10	A	95	A
KIWIBANK	Kiwibank Limited	26	A1	61	A1
		126		776	

(f) Ageing of receivables

Ageing analysis and expected credit losses for rental and other receivables as at 30 June

	Neither past due or impaired (\$M)	Past due but not impaired 0–30 days (\$M)	Impaired 30 days plus (\$M)	Total (\$M)
At 30 June 2025				
Rent	2	5	6	13
Damages	–	–	6	6
Other receivables	483	2	9	494
Expected credit loss rate	0%	0%	67%	
Expected credit loss	–	–	(14)	(14)
Total	485	7	7	499
At 30 June 2024				
Rent	1	7	17	25
Damages	–	–	6	6
Other receivables	384	6	5	395
Expected credit loss rate	0%	0%	89%	
Expected credit loss	–	–	(25)	(25)
Total	385	13	3	401

Rental receivables and damages for current tenants that are impaired and past 30 days due are fully provided for as a doubtful debt.

Rental receivables and damages for former tenants that are impaired and past 7 days due are fully provided for as a doubtful debt.

Other receivables are fully provided for when they are past 360 days due or when it is unlikely the debtor will pay the due amount.

(g) Capital management

The Group’s capital is in equity, which comprises accumulated funds contributed by the Crown, retained earnings or losses, revaluation reserves, hedging reserves and fair value reserves. Equity is represented by net assets.

The Group is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities and the use of derivatives.

The Group has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

The Group manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure it effectively achieves its objectives and purpose while remaining a going concern.

There has been no change in the Group’s capital management during the year.

4. Property, plant and equipment

(a) Property, plant and equipment

	Rental properties operating assets		Capital work in progress*	Progressive Home Ownership properties (\$M)	Other (\$M)	Total property plant and equipment (\$M)
	Freehold land (\$M)	Rental properties (\$M)				
Year ended 30 June 2025						
At 1 July 2024, revaluation/cost	27,333	15,358	4,128	154	228	47,201
Additions/adjustment	–	169	2,040	(1)	2	2,210
Capitalisation to property, plant and equipment	684	3,361	(4,045)	–	–	–
Disposals, demolitions and write-offs	(77)	(106)	(158)	–	(16)	(357)
Revaluations	(826)	(1,242)	–	–	–	(2,068)
Transfer from property, plant and equipment to properties under development	–	–	5	–	–	5
Transfer from property, plant and equipment to properties held for sale	(41)	(13)	–	–	–	(54)
At 30 June 2025, revaluation/cost	27,073	17,528	1,970	153	214	46,937
Year ended 30 June 2024						
At 1 July 2023, revaluation cost	26,730	12,993	3,698	48	205	43,674
Additions/adjustment	–	37	4,501	107	24	4,669
Capitalisation to property, plant and equipment	827	3,196	(4,020)	–	–	3
Disposals, demolitions and write-offs	(9)	(144)	–	(2)	(1)	(156)
Revaluations	(149)	(654)	(70)	1	–	(872)
Transfer from property, plant and equipment to properties under development	(70)	(72)	19	–	–	(123)
Transfer from property, plant and equipment to properties held for sale	4	2	–	–	–	6
At 30 June 2024, revaluation cost	27,333	15,358	4,128	154	228	47,201

* Capital work in progress additions/(disposals) are shown net of costs capitalised to freehold land and rental properties during the year.

Accumulated depreciation and impairment

	Rental properties operating assets		Capital work in progress* (\$M)	Progressive Home Ownership properties (\$M)	Other (\$M)	Total property plant and equipment (\$M)
	Freehold land (\$M)	Rental properties (\$M)				
Year ended 30 June 2025						
At 1 July 2024, accumulated depreciation	–	364	–	–	149	513
Disposals	–	(14)	–	–	(14)	(27)
Depreciation charge for the year	–	471	–	–	23	494
Revaluation write-back	–	(370)	–	–	–	(370)
At 30 June 2025, accumulated depreciation	–	451	–	–	158	610
Year ended 30 June 2024						
At 1 July 2023, accumulated depreciation	–	286	–	–	124	410
Disposals	–	(9)	–	–	–	(9)
Depreciation charge for the year	–	414	–	–	25	439
Revaluation write-back	–	(327)	–	–	–	(327)
At 30 June 2024, accumulated depreciation	–	364	–	–	149	513
Net book value 2025	27,073	17,076	1,970	153	56	46,328
Net book value 2024	27,333	14,994	4,128	154	79	46,688

* Capital work in progress additions/(disposals) are shown net of costs capitalised to freehold land and rental properties during the year.

(b) Asset write-offs/impairment

	2025 (\$M)	2024 (\$M)
Redevelopment write-offs	229	142
Buildings and improvements and other non-current asset write-offs	9	92
Progressive Home Ownership property loss/(gain)	1	(1)
Loss on asset write-offs	239	233

Accounting policy

Rental property land and buildings

The Group manages 78,204 residential properties (2024: 75,640), from each of which it receives revenue based on a level of rent equivalent to that which the property could be expected to generate in the open rental market. In most circumstances, a portfolio of rental properties would be classified as investment properties. The Crown, however, subsidises the balance between the level of market rent and that deemed affordable from the tenant based on the tenant’s level of income. Management therefore considers the prime strategic purpose for holding rental properties is for social housing and as such, according to PBE IPSAS 16 *Investment Property*, they are to be accounted for under PBE IPSAS 17 *Property, Plant and Equipment*.

Housing for community groups and state housing held by the Kāinga Ora Group is recognised at cost upon purchase or completion of construction. Such costs include the cost of repairs and renewals that are eligible for capitalisation according to the recognition principles in PBE IPSAS 17 *Property, Plant and Equipment*.

Fair value is determined by reference to market-based evidence and is the amount for which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm’s length transaction as at the valuation date.

Any revaluation surplus is recognised in the asset revaluation reserve in other comprehensive revenue and expense, except to the extent that it offsets a previous revaluation deficit for the same asset class that was recognised in the net comprehensive revenue and expense for the year. In such circumstances, the surplus is recognised in the statement of comprehensive revenue and expense for the year.

Any revaluation deficit is recognised in the statement of comprehensive revenue and expense for the year, except to the extent that it offsets a previous revaluation surplus for the same asset class that was recognised in the asset revaluation reserve in other comprehensive revenue and expense. In such circumstances, the deficit is offset to the extent of the credit balance existing in the revaluation reserve for that asset class.

An item of property is derecognised upon disposal or when no future economic benefit or service potential is expected to arise from the continued use of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Any gain or loss arising on derecognition of an asset is included in the statement of comprehensive revenue and expense for the year in the period the item is derecognised. Gain or loss on derecognition is calculated as the difference between the net disposal proceeds and the carrying amount of the item.

The Group reviews the useful lives and residual values of its property, plant and equipment annually. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Group to consider a number of factors such as the physical condition of the asset, expected period of use and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value would impact on the depreciation expense recognised in the statement of comprehensive revenue and expense for the year and the carrying amount of the asset in the statement of financial position.

Depreciation is calculated on a straight-line basis over the estimated useful life of buildings and their components, including chattels, as follows:

Rental properties 10–60 years

The Group applies the following estimates of economic lives to the components of its rental properties:

Buildings 40–60 years
Improvements 25 years
Chattels 10 years

Work in progress

Construction work in progress is recognised at cost less impairment losses (if any). On completion, it will be accounted for as rental property or properties held for sale.

Service concession properties

Service concession arrangements are recognised as assets within property, plant and equipment until the in-service date, at which time they are recognised as a separate asset class. As such, service concession arrangements are accounted for in accordance with PBE IPSAS 17 *Property, Plant and Equipment*.

The Group entered into a service concession arrangement with Te Āhuru Mōwai to carry out tenancy management and maintenance of 926 (2024: 920) Kāinga Ora properties in Western Porirua from 3 October 2020 for a period of 25 years.

First Home Partner properties

The First Home Partner product offers households a means of attaining home ownership through a shared ownership model with the Group whereby the Group provides an equity stake in the properties. The fair values of these properties are revised quarterly using data provided by Valocity, with the most recent valuation date of 31 May 2025.

These properties are treated as property, plant and equipment per PBE IPSAS 17 *Property, Plant and Equipment*. The net book of these properties was \$153 million at 30 June 2025 (2024: \$154 million).

Disposals represent the purchase of equity shares by First Home Partner participants. First Home Partner participants purchased \$2 million of equity from the Group in 2025 (2024: \$2 million).

The Group is acting as agent carrying out the administration of the scheme on behalf of the Crown. The Group has received funding from the Crown through the Ministry of Housing and Urban Development by way of an interest-free loan (refer to note 5 for further information on the loan).

The loan agreement with the Ministry of Housing and Urban Development allows for the Group to retain revaluation gains to the extent that they offset any previously recognised revaluation losses. Therefore, the Group will only recognise revaluation increases in property, plant and equipment and in the revaluation surplus to the extent that they offset any loss previously recognised. Surplus capital gains or accumulated losses are recognised as a receivable or payable to the Crown. As at 30 June 2025, the Group has recognised a net loss of \$5 million (2024: net loss of \$3 million).

Details regarding the rights and obligations of the scheme can be found at: <https://kaingaora.govt.nz/home-ownership/first-home-partner/>

Valuation

Freehold land and rental properties in the portfolio were revalued as at 30 June 2025 at fair value in accordance with PBE IPSAS 17 *Property, Plant and Equipment*. The valuation was performed by Quotable Value New Zealand (QV), a company employing registered and qualified valuers, with the principal registered valuer for the valuation being Andrew Parkyn (BCom (VPM), PGDipCom, SPINZ, ANZIV).

The total gross amount of the valuation, excluding properties held for sale and excluding selling and other costs, was \$43,258 million (2024: \$41,864 million).

Impairment of non-financial assets

The primary objective of the Group from its non-financial assets is to provide social housing rather than to generate a commercial return and consequently it does not hold any material cash-generating assets.

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Where an asset’s recoverable amount is less than its carrying amount, it is reported at its recoverable amount and an impairment loss is recognised. The total impairment loss is charged against the revaluation reserve to the extent there is revaluation reserve remaining, otherwise it is charged against surplus or deficit. The reversal of an impairment loss is recognised in the revaluation reserve, except to the extent it reverses a previous impairment charged against surplus or deficit that portion is recognised in surplus or deficit.

Right of first refusal for sale of surplus Kāinga Ora – Homes and Communities land

Treaty settlement legislation has granted a right of first refusal (RFR) over some of the Group’s properties. This prohibits the disposal of RFR land without first giving the relevant iwi/hapū (RFR holder) the right to purchase the RFR land before the land can be disposed of to anyone else.

The Kāinga Ora–Homes and Communities Act 2019 (2019 Act) created the Kāinga Ora Group. The RFR obligations owed by Housing New Zealand passed to Kāinga Ora – Homes and Communities. The 2019 Act also created new Māori interest obligations owed to Māori, including engaging with Māori, upholding the Treaty of Waitangi and its principles, understanding Māori perspectives and recognising and providing for the relationship of Māori with their lands and other taonga. As a result, section 20 of the 2019 Act was introduced and prohibits the Group from exercising the social housing exemption.

Under the Urban Development Act 2020, the RFR obligation was expanded, preventing the Group from initiating, facilitating or undertaking an urban development project on RFR land without first offering the RFR holder the opportunity to undertake the development on specified terms and obtaining the agreement of the RFR holder to the development being undertaken by the Group or anyone else. The RFR obligation does not apply to maintaining or upgrading public housing or a project that is only to develop or redevelop public housing on land owned by the Group.

The broader RFR obligation targets commercial (market) and/or affordable housing being developed on RFR land.

If the RFR land is also former Māori land, a new urban development obligation owed to Māori arises. In much the same way as the development of RFR land by the Group requires the RFR holder’s participation and agreement, similarly, former Māori landowners or the hapū associated with the land must be engaged with so that the land is offered for sale back to them or their aspirations incorporated into the development.

The following Acts grant RFR over various Kāinga Ora Group properties:

- Waikato Raupatu Claims Settlement Act 1995
- Port Nicholson Block (Taranaki Whānui ki Te Upoko o Te Ika) Claims Settlement Act 2009
- Ngāti Porou Claims Settlement Act 2012
- Ngāti Toa Rangatira Claims Settlement Act 2014
- Raukawa Claims Settlement Act 2014
- Ngāti Kōata, Ngāti Rārua, Ngāti Tama ki Te Tau Ihu, and Te Ātiawa o Te Waka-a-Māui Claims Settlement Act 2014
- Ngāti Apa ki te Rā Tō, Ngāti Kuia, and Rangitāne o Wairau Claims Settlement Act 2014

- Ngāti Kuri Claims Settlement Act 2015
- NgāiTakoto Claims Settlement Act 2015
- Te Rarawa Claims Settlement Act 2015
- Te Aupouri Claims Settlement Act 2015
- Iwi and Hapū of Te Rohe o Te Wairoa Claims Settlement Act 2018
- Ngāti Rangi Claims Settlement Act 2019
- Ngāti Hinerangi Claims Settlement Act 2021
- Ngāti Maru (Taranaki) Claims Settlement Act 2022
- Maniapoto Claims Settlement Act 2022
- Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua Claims Settlement Act 2022
- Ngāti Rangitihī Claims Settlement Act 2022
- Whakatōhea Claims Settlement Act 2024
- Te Korowai o Wainuiārua Claims Settlement Act 2025.

Provided the Treaty settlement negotiations with the Crown include RFR legislation acceptable to the Kāinga Ora Group Board, RFR over Kāinga Ora Group properties will be granted to the following iwi:

- Ngāti Ranginui (Tauranga)
- Hauraki Collective (Thames, Coromandel)
- Whanganui Land Settlement (Lower Whanganui)
- Ngāti Hāua (Upper Whanganui)
- Waikato-Tainui remaining claims (Waikato, Auckland Region)
- Ngāti Maru (Hauraki)
- Te Whānau-a-Āpanui (Ōpōtiki)
- Mōkai Pātea (Taihape/Huntermville).

In addition, the Crown signed a Deed of Settlement with Ngāti Tūrangitukua in 1998 and agreed that a Deed be signed with the Kāinga Ora Group defining the terms and conditions of an RFR over Kāinga Ora Group properties in Tūrangi. The form of the Deed has yet to be agreed. Properties subject to the RFR are being offered for sale.

Treaty negotiation discussions with other iwi/hapū interested in securing RFR will (with the relevant Board approval) proceed along similar lines.

Other property, plant and equipment

Motor vehicles, office equipment, furniture and fittings, computer hardware and leasehold improvements are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the equipment as follows:

Motor vehicles	5 years
Office equipment	5 years
Furniture and fittings	10 years
Computer hardware	4 years
Leasehold improvements	The shorter of the period of lease or estimated useful life

An item of property, plant or equipment is derecognised upon disposal or when future economic benefits are no longer expected to arise from its use. Any gain or loss is included in the statement of comprehensive revenue and expense for the year in which the item is derecognised. Gain or loss on sale is calculated as the difference between the net disposal proceeds and the carrying amount of the item.

5. Borrowings

	Carrying amount	
	2025 (\$M)	2024 (\$M)
Loans – current		
Market bonds (net of discount/premium)	–	1,947
Crown loans – floating interest rate	285	199
Total loans – current	285	2,146
Loans – non-current		
Market bonds (net of discount/premium)	5,734	5,717
Crown loans – floating interest rate	3,838	1,548
Crown loans – fixed interest rate	7,938	6,938
Crown loans – First Home Partner	186	177
Total loans – non-current	17,696	14,380
Total loans	17,981	16,526

Accounting policy

Interest-bearing borrowings

All borrowings are initially recognised at the fair value of the consideration received minus transaction costs associated with the borrowing.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Inflation-indexed bonds are held at amortised cost in accordance with the above but are also adjusted for the quarterly movement in the consumers price index (CPI). The indexation adjustment is recognised against the carrying value of the bond.

The carrying value of interest-bearing borrowings in effective fair value hedge relationships is adjusted for changes in fair value attributable to the hedged risk. The fair value adjustment is recognised in the statement of comprehensive revenue and expense and offset against the change in fair value of the hedging instrument to the extent that it is effective.

Borrowing costs are recognised as an expense in the period in which they are incurred.

The interest expense on financial liabilities measured at amortised cost is accrued using the effective interest rate method.

Market bonds

Medium-term note facility

The Group previously maintained a medium-term note facility, with an Information Memorandum dated 30 September 2021, for the issue of unsubordinated, unsecured medium-term notes to wholesale investors. The programme was brought to a close in November 2022.

At 30 June 2025, the Group had on issue medium-term notes with a face value of \$5.4 billion (2024: \$7.3 billion). The bonds were issued in five tranches paying a weighted average fixed rate of interest of 2.67% (2024: 2.52%), with the following maturity dates:

- \$1,240 million – October 2026
- \$900 million – October 2027
- \$1,425 million – October 2028
- \$1,150 million – April 2030
- \$650 million – September 2035

Inflation-indexed bond

The Group has on issue an inflation-indexed bond with an issue price of \$303 million (2024: \$303 million), including a premium of \$3 million (2024: \$3 million). It is paying a quarterly fixed coupon rate of 2.4% pa. The amount repayable on its maturity date in September 2040 will be dependent on the CPI. As at 30 June 2025, the indexed carrying value of the bond is \$375 million (2024: \$366 million).

Crown funding

As at 30 June 2025, the Group has borrowed \$12.2 billion from the Crown, with maturity dates ranging from 2025 to 2037 (2024: \$8.862 billion maturing from 2024 to 2038).

Interest rates of borrowings from the Crown

	2025		2024	
	Amount (\$M)	Rate	Amount (\$M)	Rate
Fixed rate	7,938	4.60% (average)	6,938	4.64% (average)
Floating rate	4,123	Linked to 3-month BKBM	1,748	Linked to 3-month BKBM
Interest-free	186	–	176	–
Total	12,247		8,862	

The interest-free loan is to administer the First Home Partner Ownership Scheme. The loan will be repaid at the end of the 15-year maturity with the proceeds from recipients buying out the Group's equity stake in their property.

The loan is recognised at its face value because the Group is acting as agent on behalf of the Crown to administer the scheme, resulting in the pass-through of cash flows. The Crown will cover any risk associated with a market downturn and credit risk associated with recipients not buying out the Group's equity share within the 15 years. The Group will recognise capital gains to the extent that they offset any capital loss and then recognise the net capital gain as a payable to the Crown.

The Group has given a negative pledge that, while any Crown borrowing remains outstanding, it will not, subject to certain exceptions, create or permit any charge or lien over any of its assets.

Bank overdraft facility

As at 30 June 2025, the Group had an unsecured bank overdraft facility of \$10 million (2024: \$10 million) at an interest rate of 6.29% (2024: 8.94%).

6. Revenue

Accounting policy		
Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured.		
Revenue from non-exchange transactions		
Revenue from non-exchange transactions is where the Group receives value from another party for which it provides either no or below-market consideration. Revenue from non-exchange transactions is recognised when initial control over the resources is gained as a result of a past event, receipt of future economic benefits or service potential from those resources is expected and the fair value of the assets can be measured reliably.		
Revenue generated from non-exchange transactions includes:		
- tenant income-related rent and Crown income-related rent subsidies - Crown operating appropriation and grant revenue.		
Revenue from exchange transactions		
Revenue from exchange transactions is generated when an exchange of transactions of approximately equal value has occurred between the Group and a third party.		
Revenue of the Group from exchange transactions includes:		
- revenue from the sale of developments - rental revenue from tenants at market rent - lease income - Mortgage Insurance Scheme premium revenue, including premium subsidies from the Crown - interest revenue on financial assets - management fee revenue.		

Revenue from non-exchange transactions

(a) Crown appropriation revenue

	2025 (\$M)	2024 (\$M)
KiwiBuild appropriations	3	4
Vested infrastructure	69	–
Other housing-related appropriations	68	88
Total Crown appropriation revenue	140	92

Total Crown appropriation income is \$151 million (2024: \$92 million), including First Home Grants of \$9 million (2024: \$68 million) included in grant revenue under note 6(b) and Crown appropriation premium receipts of \$2 million (2024: \$1 million) included in other revenue under note 6(c).

(b) Grant revenue

	2025 (\$M)	2024 (\$M)
First Home Grants from Crown appropriations	9	68
Funding from council-controlled organisations	–	21
Total Crown appropriation revenue	9	89

Revenue from exchange transactions

(c) Other revenue

	2025 (\$M)	2024 (\$M)
Lease income	82	72
Net proceeds from insurance claim	–	20
Management fees from related parties	2	2
Other revenue	19	16
Total other revenue	103	110

7. Expenses

(a) People costs

	2025 (\$M)	2024 (\$M)
Wages and salaries	306	333
Employee benefits	65	39
Total people costs	371	372

Included in employee benefits costs above are redundancy costs of \$33 million (2024: \$6 million) in relation to business groups that have been restructured or have started consultation during the year. Expenditure is only recognised in relation to restructuring when a detailed plan is in place and the details of that plan have been communicated with those impacted, creating a valid expectation that the restructure will be carried out.

The amounts above include remuneration for key management personnel (excluding directors). Refer to note 18(d) for key management personnel remuneration.

(b) Other expenses

	2025 (\$M)	2024 (\$M)
Professional services*	50	73
Demolition costs	27	65
Computer costs and software maintenance fees	42	50
Insurance	39	36
Other property-related costs	31	34
Property acquisition and development costs	11	14
Travel costs	5	9
Other	99	111
Total other expenses	304	392

* Professional services expenditure is a combination of outsourced business activities (including cost associated with the delivery of new properties) and business improvement activities.

Included in other expenses are the following fees paid to external auditors

	2025 (\$M)	2024 (\$M)
(i) Amount paid or payable to Ernst & Young (acting on behalf of the Auditor-General) for:		
– Auditing the financial report of the entity and any other entity in the Kāinga Ora Group	0.81	0.79
(ii) Other assurance services		
– Limited assurance over scope 1, 2 and 3 GHG emissions	0.05	0.05
Total amounts paid or payable to the auditors	0.86	0.84

8. Income tax

The major components of income tax expense for the year were as follows:

Income tax expense/(benefit)

Accounting policy		
As the tax depreciation rate for residential buildings is 0%, the tax base of the Group's buildings is nil. Therefore, the tax and accounting bases differ for buildings. This only applies to the acquisition of buildings (and to some additions on all buildings) post 1 July 2010.		
Deferred income tax is measured on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.		
Deferred income tax liabilities are amounts of income tax payable in future periods in respect of taxable temporary differences when the carrying amount for financial reporting purposes exceeds its tax base.		
Deferred income tax assets are amounts of income tax recoverable in future periods in respect of all deductible temporary differences, carry-forward of unused tax losses or tax credits. The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.		
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.		

	2025 (\$M)	2024 (\$M)
Net surplus/(deficit)		
Current income tax	35	(36)
Prior period adjustments	4	(18)
Deferred income tax relating to temporary differences	(7)	(100)
Income tax expense/(benefit) reported in net surplus/(deficit)	32	(154)
Statement of changes in equity		
<i>Deferred income tax</i>		
Net change in deferred tax due to revaluation of buildings	(322)	(90)
Net change in deferred tax due to hedged financial derivatives from the Treasury	(6)	(1)
Income tax expense/(benefit) reported in other comprehensive revenue and expense	(328)	(91)

The reconciliation between the tax expense recognised in the statement of comprehensive revenue and expense for the year and tax expense calculated on pre-tax accounting profit at the statutory rate is as follows:

	2025 (\$M)	2024 (\$M)
Accounting surplus/(deficit) before tax from continuing operations	(596)	(722)
Taxation at the statutory income tax rate of 28%	(166)	(202)
Plus tax effect of:		
Permanent/temporary differences		
<i>Non-deductible expenses</i>		
Deferred tax adjustments in relation to disposal of rental properties	37	46
Property under development asset impairment	34	–
Other	61	(69)
Non-deductible losses on disposal of rental properties	(20)	–
Prior period adjustments	4	(18)
Income tax expense/(benefit) reported in net surplus/(deficit)	32	(154)

Income tax expense/(benefit) reported in the statement of comprehensive revenue and expense is at an effective rate of (5)% (2024: 22%).

(a) Current income tax liability

	2025 (\$M)	2024 (\$M)
Net current tax liability/(asset) at 1 July	(32)	(48)
Current year tax charge to net surplus/(deficit)	35	(36)
Transfer to deferred tax asset	(97)	37
Tax losses utilised	64	–
Prior period adjustment	(2)	(1)
Income tax paid	–	–
Income tax credits sold through pooling account	–	16
Net current tax liability/(asset) at 30 June	(32)	(32)

(b) Net deferred tax liability

	2025 (\$M)	2024 (\$M)
Deferred tax liabilities		
Rental property building revaluations	1,247	1,574
Other property, plant and equipment	1	6
Other differences relating to other property improvements	110	107
Gross deferred tax liabilities	1,358	1,687
Deferred tax assets		
Tax losses	(48)	(79)
Provisions – employee entitlements	(9)	(11)
Provisions – other	(18)	(23)
Financial derivatives	(5)	–
Gross deferred tax assets	(80)	(113)
Net deferred tax liability	1,278	1,574

The net deferred tax liability movements were as follows:

	2025 (\$M)	2024 (\$M)
Net deferred tax liability/(asset) at 1 July	1,574	1,819
Recognised through other comprehensive revenue and expense:		
Rental property building revaluations	(322)	(90)
Financial derivatives	(6)	(1)
Recognised through net surplus/(deficit):		
Disposal of other properties BAU – reversal of deferred tax on cost	(1)	19
Deferred tax on temporary differences	(6)	(118)
Prior period adjustment	6	(18)
Tax losses	33	(35)
Other	–	(2)
Net deferred tax liability/(asset) at 30 June	1,278	1,574

(c) Imputation credits

	2025 (\$M)	2024 (\$M)
Imputation credits available for use in subsequent reporting periods	1,323	1,323

9. Cash and cash equivalents and Investments

	2025 (\$M)	2024 (\$M)
Cash and cash equivalents		
Cash at bank	255	110
Registered certificate of deposit	65	375
Term deposits	–	50
Corporate bills	–	10
Total cash and cash equivalents	320	545
Short-term investments	61	400
Long-term investments	–	–
Total investments (excluding cash and mortgage advances)	61	400
Total cash and cash equivalents and investments	381	945

Cash and cash equivalents represents cash available for working capital purposes. Other than cash at bank, it includes liquid investments with original maturities of 3 months or less.

Cash at bank earns interest at a floating rate of 3.30% (2024: 5.55%) on the deposits.

The weighted average effective interest rate for term deposits and securities held as at 30 June with original terms of up to 3 months was 2.69% (2024: 4.34%).

10. Receivables and prepayments

(a) Receivables from non-exchange transactions

	2025 (\$M)	2024 (\$M)
Current receivables from non-exchange transactions		
Rental debtors	19	31
Expected credit losses	(13)	(23)
Rent subsidy	68	78
Subtotal	74	86
Receivables with related parties	9	19
Other receivables	–	5
Total receivables from non-exchange transactions	83	110

A provision of \$13 million (2024: \$23 million) relating to the credit risk associated with rental debtors and the recovery of the cost of damages has been recognised at year end. This equates to 0.6% of the \$2.1 billion rental revenue for the year (2024: 1.3% of \$1.8 billion).

(b) Receivables and prepayments from exchange transactions

	2025 (\$M)	2024 (\$M)
Current receivables from exchange transactions		
Land development activity debtors	316	214
Interest receivable	(1)	3
Other receivables	98	76
Expected credit losses	(2)	(2)
Total receivables from exchange transactions	411	291
Current prepayments from exchange transactions		
Prepayments	76	38
Total prepayments from exchange transactions	76	38
Total receivables and prepayments from exchange transactions	487	329

Other receivables relate to loans and advances, and general receivables. An allowance for expected credit losses of \$2 million (2024: \$2 million) has been provided for this balance.

11. Accounts payable and other liabilities

(a) Payables and other liabilities from non-exchange transactions

	2025 (\$M)	2024 (\$M)
Rent charged in advance	76	22
Total accounts payable and other liabilities	76	22

(b) Payables and other liabilities from exchange transactions

	2025 (\$M)	2024 (\$M)
Project and maintenance accruals	89	175
Interest payable	119	112
Accounts payable	60	107
Other payables and accruals	59	78
Employee benefits liability	64	53
Provision for future development costs	21	44
Total accounts payable and other liabilities	412	569

Accounting policy

Due to their short-term nature, accounts payable and other liabilities are not discounted and are unsecured.

All payables and other liabilities are considered current (due to settle within 12 months of balance date) except for the below.

Provision for future development costs

Future development costs are recognised for large-scale developments where some lots have been sold and are no longer held in properties under development, but shared development costs attributable to those lots are yet to be incurred.

Management makes significant judgements when estimating the amount of the provision for future development costs. As a prerequisite for establishing a provision in relation to each development, management needs to determine whether that development site has been sold. All relevant factors are assessed in ascertaining whether the significant risks and rewards of ownership have transferred to the purchaser when determining whether a sale has occurred.

Management estimates future development costs using a model that includes both development-specific costs and a share of site-wide costs. Those costs specific to a particular development are those that provide a direct benefit to that development and typically include construction, landscape design and engineering costs. Site-wide costs are those that are incurred on a total site-wide basis that benefit all developments in the site area and typically include site-wide amenity assets and site-wide remediation. An apportionment of site-wide costs is allocated to each individual development based on the proportion of that development's area to the total site area.

In the year to 30 June 2025, a reduction to the provision of \$23 million was made based on estimates provided by management (2024: reduction of \$1 million).

Employee benefits liability

Employee benefits liability is made up of outstanding employee benefits, including wages and salaries, annual leave and long-service leave. It also includes a provision for redundancy costs of \$20 million (2024: \$6 million) in relation to those business groups that have been restructured during the year.

They are measured as the amounts expected to be paid when the liabilities are settled. Of the total employee benefits liability, \$4 million (2024: \$4 million) is considered non-current, with the remaining considered current.

Refer to note 2(g) for further information on accounting for employee benefits.

12. Mortgage Insurance Scheme

The Group provides mortgage insurance to 11 (2024: 13) commercial lenders for loans issued under the First Home Loan Scheme. The insurance premium is 1.2% of the loan value, of which 0.5% is paid by the borrower and 0.7% by the Government. The total value of amounts originally lent and that remained insured under the scheme at 30 June 2025 was \$5.430 billion (2024: \$4.041 billion).

The Mortgage Insurance Scheme was assessed at 30 June 2025 by Jeremy Holmes (FNZSA) of Melville Jessup Weaver to ensure that the mortgage insurance liability is sufficient to cover any future claims. The outstanding claims liability is determined at that point and is factored in to determining the total insurance liability.

Accounting policy

A provision is recognised for amounts that may be payable under the Mortgage Insurance Scheme. The carrying value of these guarantees approximates the fair value of the likely amount of payments under the Mortgage Insurance Scheme, which is subjected to an actuarial reassessment each year.

Insurance contract liabilities are recognised when entered into and a premium is charged.

Mortgage Insurance Scheme liabilities include the outstanding claims liability and the unearned premium reserve. The outstanding claims liability is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date irrespective of whether a claim has been reported or not, including related claims-handling costs.

At each reporting date, the Group reviews its unexpired risk, and a liability adequacy test is performed as laid out under PBE IFRS 4 *Insurance Contracts* to determine whether there is any overall excess of expected claims over the unearned premium liabilities.

At all times, the Group holds investments equivalent to at least the total value of Mortgage Insurance Scheme liabilities to meet any claims under the scheme.

(a) Reconciliation of Mortgage Insurance Scheme unearned premium reserve

	2025 (\$M)	2024 (\$M)
Mortgage Insurance Scheme unearned premium reserve at 1 July	60	51
Premiums written (to reserve)	20	18
Premiums released (to profit)	(11)	(8)
Actuarially assessed increase/(decrease) in premium reserve	2	(1)
Mortgage Insurance Scheme unearned premium reserve at 30 June	71	60

(b) Estimated timing of net cash outflows

The estimated timing of net cash outflows arising from claims is less than \$1 million per year.

(c) Mortgage insurance risk

The principal risk under insurance contracts is that the actual timing of claims and claims payment differs from expectations. This is influenced by the frequency of claims, severity of claims, actual claims paid and subsequent development of long-term claims.

The Group does not reinsure its risk through third parties.

Although 98% of the original value of settled loans as at 30 June 2025 is with four banks (Kiwibank, Southland Building Society, The Co-operative Bank and Westpac), there is no material concentration of risk at individual mortgage holder level.

(d) Sensitivity analysis

The actuarial assessment of the Mortgage Insurance Scheme includes an assessment of the sensitivity of the valuation to changes in the valuation assumptions.

This is completed separately for the assessment of unearned premiums and the assessment of claims risk, which collectively make up the unearned premium/claims reserve balance. The sensitivities measured produced variations of less than \$1 million (2024: less than \$1 million) for changes of 1% in unemployment rate projections and interest discount rates and changes of 10% in housing inflation.

(e) Liability adequacy test

At each reporting date, an assessment is made of whether the recognised insurance liabilities are adequate. The liability value is adjusted to the extent that it is insufficient to meet future claims and expenses.

The discount rates used were risk-free rates based on spot rates provided by the Treasury with an average of 5.35% (2024: 5.11%).

The actuarial assessment of the liability adequacy test for the Mortgage Insurance Scheme as at 30 June 2025 was \$1.40 million (2024: \$0.72 million).

A risk margin was used in calculating the present value of the expected future payments for claims incurred as at 30 June 2025 of 42.3% (2024: 46.2%) to allow for the inherent uncertainty in the central estimate.

The premium liabilities based on the liability adequacy test for the year ended 30 June 2025 was \$1 million (2024: \$1 million).

(f) Outstanding claims liability

The outstanding claims liability relates to the future cost of claims already incurred. Any loan estimated to have defaulted in the period prior to the valuation date is included as part of the outstanding claims liability.

As at 30 June 2025, the total outstanding claims liability and its components are less than \$1 million (2024: less than \$1 million) and therefore the detail of these has not been provided.

(g) Claims history

Actual claims under the Mortgage Insurance Scheme are lower than those projected by the actuarial assessment at the 75% level (2024: 75% level).

The date on which a bank first advises that a loan is in arrears is treated as the date for determining when a claim has been incurred.

The projected claim liability at 30 June 2025 was \$0.49 million (2024: \$0.25 million). Actual claims for the year ended 30 June 2025 was \$0.07 million (2024: \$0.08 million).

The total of claims paid out under the Mortgage Insurance Scheme from the start of the scheme in July 2003 to 30 June 2025 was \$13.2 million (to 30 June 2024: \$13.1 million).

13. Categories and fair value of financial assets and liabilities

Financial instruments held at fair value are adjusted to fair value on a daily basis using level 1 quoted market prices determined as at the reporting date without any deduction for transaction costs (i.e. BKBM or swap pricing curve). The fair value gain/(loss) is less than \$1 million for each category of financial instrument and is therefore not disclosed separately except for interest rate swaps for which the carrying value represents the fair value gain/(loss).

At 30 June, the carrying amounts of financial assets and liabilities in each of the categories of financial instruments were as follows:

	Carrying value 2025 (\$M)	Carrying value 2024 (\$M)
Financial assets at amortised cost		
Cash and cash equivalents	255	160
Receivables (exchange and non-exchange)	574	439
Term deposits	60	301
Mortgage advances	9	12
Total financial assets at amortised cost	898	912
Financial assets at fair value through other comprehensive revenue and expense		
Cash and cash equivalents	61	385
Registered Certificate of Deposit	–	50
Corporate Bond	–	49
Interest rate swaps – in hedge relationships	–	3
Total financial assets at fair value through other comprehensive revenue and expense	61	487
Financial liabilities		
Financial liabilities at fair value through other comprehensive revenue and expense		
Interest rate swaps – in hedge relationships	–	3
Total financial liabilities at fair value through other comprehensive revenue and expense	–	3
Financial liabilities at fair value through net surplus/(deficit)		
Interest rate swaps – in fair value hedge relationships	7	20
Total financial liabilities at fair value through net surplus/(deficit)	7	20
Financial liabilities measured at amortised cost		
Market bonds (net of discount/premium)	5,734	7,664
Crown loans – fixed interest rate	7,938	6,938
Crown loans – floating interest rate	4,123	1,747
Crown loan – First Home Partner	186	177
Accounts payable and other liabilities	488	591
Total financial liabilities measured at amortised cost	18,469	17,117

The table above includes bonds with a carrying value of \$298 million (2024: \$283 million) that are financial liabilities measured at amortised cost but are in a fair value hedge relationship. While they are measured at amortised cost, the carrying amount of the bond is adjusted for the change in fair value attributable to the hedged risk.

The table above includes accrued interest under receivables/accounts payable and other liabilities.

For all categories of financial assets and liabilities, the carrying value approximates fair value, except for the following:

	Outstanding loan balance 2025 (\$M)	2024 (\$M)	Fair value 2025 (\$M)	2024 (\$M)
Financial assets				
Mortgage advances	10	13	9	12
Total	10	13	9	12

14. Interest rate derivatives

Accounting policy

The Group uses interest rate swaps to hedge the interest rate risk associated with its interest-bearing bonds. All derivatives are entered into with the Crown and have been designated as hedging instruments.

The table below shows the fair value movement of hedging instruments and hedged items at 30 June 2025:

	2025 (#) instruments	2025 (\$M)	2024 (\$M)
Interest rate derivatives in cash flow hedge relationships (in gain)	3	–	3
Interest rate derivatives in cash flow hedge relationships (in loss)	14	(20)	(2)
Bonds (hedged item) in cash flow hedge relationships	17	19	(1)
Net fair value movement of cash flow hedges		(1)	–
Interest rate derivatives in fair value hedge relationships (in loss)	1	(7)	(20)
Bonds (hedged item) in fair value hedge relationships	1	18	36
Net fair value movement of fair value hedges		11	16

All of the Group’s cash flow hedge relationships were fully effective during the financial year.

The net fair value movement on the fair value hedge is included under other expenses in the statement of comprehensive revenue and expense.

The table below shows the maturity analysis of interest rate derivatives at 30 June 2025.

	0–1 year (\$M)	1–2 years (\$M)	2–3 years (\$M)	3–5 years (\$M)	5+ years (\$M)	Total (\$M)
Kāinga Ora – year ended 30 June 2025						
Interest rate derivatives in cash flow hedge relationships	(1)	(5)	(4)	(3)	(1)	(14)
Interest rate derivatives in fair value hedge relationships	(3)	(1)	(1)	(1)	(1)	(7)
Net settled interest rate derivatives	(4)	(6)	(5)	(4)	(2)	(21)

Kāinga Ora – year ended 30 June 2024

Interest rate derivatives in cash flow hedge relationships	9	2	(1)	(2)	(7)	1
Interest rate derivatives in fair value hedge relationships	(9)	(5)	(4)	(3)	–	(21)
Net settled interest rate derivatives	–	(3)	(5)	(5)	(7)	(20)

Notional principal amounts and period of expiry of interest rate swap contracts in effect at 30 June were as follows:

	2025 (\$M)	2024 (\$M)
Cash flow hedge		
0–1 year	36	44
1–2 years	36	36
2–3 years	150	36
3–5 years	200	–
5+ years	500	400
Total notional principal of cash flow hedges	922	516
Fair value hedge		
3–5 years	300	–
5+ years	–	300
Total notional principal of fair value hedges	300	300
Total notional principal	1,222	816

The interest rate swaps in cash flow hedge relationships pay a weighted average fixed rate of interest of 3.90% (2024: 4.26%) and receive a variable rate equal to the 90-day BKBM. The interest rate swap in a fair value hedge relationship pays a floating rate equal to the 90-day BKBM and receives a fixed rate of 3.42%.

Accounting policy
The fair value movement of swaps in cash flow hedge relationships attributable to the hedged risk (other than any ineffective portion) are recognised in other comprehensive revenue and expense under hedging reserve gains/(losses). The fair value movement of swaps in fair value hedge relationships attributable to the hedged risk and the fair value movement of the underlying hedged item are offset and recognised directly in the statement of comprehensive revenue and expense under other expenses.

Movement in interest rate swap contracts and cash flow hedge reserve

	2025 (\$M)	2024 (\$M)
Balance at 1 July	1	6
Fair value movement of interest rate swaps included in other comprehensive revenue and expense	(21)	(6)
Hedging reserve deferred tax	6	1
Balance at 30 June	(14)	1

No amounts relating to the fair value movement of interest rate swaps in cash flow hedge relationships were reclassified to the statement of comprehensive revenue and expense during the year. The amount included in other comprehensive revenue and expense is shown under hedging reserve gains/(losses).

15. Reconciliation of statement of comprehensive revenue and expense after tax with cash flows from operating activities

	2025 (\$M)	2024 (\$M)
Net surplus/(deficit) after tax	(628)	(568)
Adjustments for non-cash items and non-operating activities:		
Depreciation and amortisation	498	439
Asset impairments and write-offs	6	278
Taxation expense/(benefit)	32	(154)
Other non-cash items and non-operating items		
Interest payments	645	523
Other	(36)	68
Total non-cash and non-operating items	1,525	1,154
(Increase)/decrease in receivables	(166)	(44)
Increase/(decrease) in accounts payable and other liabilities	(103)	11
Increase/(decrease) in tax liabilities	30	(64)
(Increase)/decrease in inventory	(158)	5
Total working capital movements	(397)	(92)
Net cash from operating activities	500	494

16. Changes in liabilities arising from financing activities

2025	30 June 2024 \$M	Cash inflows/ (outflows) \$M	Non-cash changes \$M	30 June 2025 \$M
Short-term borrowings	2,146	86	–	2,232
Long-term borrowings	14,380	1,369	–	15,749
Assets held to hedge long-term borrowings	(3)	–	3	–
Liabilities held to hedge long-term borrowings	23	–	4	27
Total liabilities from financing activities	16,546	1,455	7	18,008

2023	30 June 2023 \$M	Cash inflows/ (outflows) \$M	Non-cash changes \$M	30 June 2024 \$M
Short-term borrowings	423	1,723	–	2,146
Long-term borrowings	11,880	2,509	(9)	14,380
Assets held to hedge long-term borrowings	(8)	–	5	(3)
Liabilities held to hedge long-term borrowings	23	–	–	23
Total liabilities from financing activities	12,318	4,232	(4)	16,546

17. Commitments and contingencies

(a) Operating lease commitments – Kāinga Ora Group as lessee

The Group enters into operating leases for premises it occupies and for its motor vehicles and office equipment. These leases have an average term of 3–6 years with renewal options included in the contracts.

There are no restrictions placed upon the lessee by entering into these leases. The amounts disclosed as future commitments are based on current lease payments.

Expenses yet to be incurred on non-cancellable lease agreements that have been entered into as at balance date are disclosed as operating lease commitments.

Future minimum rentals payable under non-cancellable operating leases as at 30 June were as follows:

	2025 (\$M)	2024 (\$M)
Within 1 year	56	63
After 1 year but not more than 5 years	104	113
More than 5 years	117	116
Total	277	292

(b) Operating lease commitments – Kāinga Ora Group as lessor

The Group has entered into property leases for its property portfolio.

There were no new non-cancellable leases executed by the Group during the financial year (2024: nil).

(c) Capital commitments

At 30 June 2025, capital commitments amounted to \$1,338 million (2024: \$2,728 million) for property projects.

(d) Lending commitments

At 30 June 2025, the Group had no lending commitments approved but not yet paid (2024: nil).

(e) Contingencies

Accounting policy

Contingent liabilities and contingent assets are reported at the point at which the contingency is evident or when a present liability is unable to be measured with sufficient reliability to be recorded in the financial statements (unquantifiable liability). Contingent liabilities, including unquantifiable liabilities, are disclosed if the possibility that they will crystallise is more than remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Housing New Zealand Limited (HNZL)

The Crown has provided a warranty in respect of title to the assets transferred to HNZL. HNZL was incorporated into the Kāinga Ora Group as a subsidiary in 2001 as part of the legislated consolidation of government housing functions.

The Crown has indemnified HNZL against any breach of this warranty. In addition, the Crown has indemnified HNZL against third-party claims that are a result of acts or omissions prior to 1 November 1992. It has also indemnified the directors and officers of HNZL against any liability arising from the assets not complying with statutory requirements, provided it is taking steps to rectify any non-compliance.

Commerce Act litigation

Winton Land Limited and its subsidiary Sunfield Developments Limited (Winton) filed a claim in the High Court in October 2022 alleging anti-competitive conduct by the Group. Winton sought damages of at least \$232 million.

Subsequent to year end, Winton and the Group reached an agreement in respect of these proceedings. No party has admitted any fault or wrongdoing, and the proceedings have been discontinued with no issue as to costs.

18. Related-party disclosure

The Group’s financial statements include the financial statements of Kāinga Ora – Homes and Communities and the Crown entity subsidiaries listed in the following table.

(a) Crown entity subsidiaries

Name	Country of incorporation	2025	2024	Investment 2025 (\$M)	Investment 2024 (\$M)
Housing New Zealand Limited	New Zealand	100%	100%	3,646	3,646
Housing New Zealand Build Limited	New Zealand	100%	100%	887	231
				4,533	3,877

In addition to the table above, there are 60 million uncalled \$1 shares in Housing New Zealand Build Limited at 30 June 2025.

(b) Other related parties

The Group administers the Housing Agency Account (HAA) as an agent of the Crown under the Housing Act 1955. As at 30 June 2025, the balance of the total amount owed to the Group by the HAA was \$3.1 million (2024: \$2.7 million).

In its capacity as agent for the HAA, the Group manages the rental income and expenses of the HAA’s rental properties. No fee is charged for this service.

In the year to 30 June 2025, the Group provided management services to the HAA. A management fee of \$2 million (2024: \$2 million) was charged by the Group for these services. No management fee has been charged for other services provided to the HAA as this requires ministerial approval under the Housing Agency Accountability Agreement.

From 1 July 2025 administration of the Buying off the Plans initiative (part of the KiwiBuild programme) transfers to the Ministry of Housing and Urban Development.

(c) Terms and conditions of transactions with related parties

Outstanding balances as at both 30 June 2025 and 30 June 2024 were unsecured, with settlement being in cash. There have been no guarantees provided or received for any related-party receivables. Based on their excellent payment history, no expected credit losses relating to amounts owed by related parties have been necessary at 30 June 2025. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

(d) Key management personnel

Key management personnel are defined as senior management of the Group and all directors. During the year ended 30 June 2025, there were a total of 22 key management personnel (2024: 24 key management personnel).

Key management personnel compensation

The table below shows the number of key management personnel full-time equivalents (FTEs) as at 30 June 2025 and the amount paid to key management personnel for the year ended 30 June 2025.

	2025 FTEs	2024 FTEs	2025 (\$000)	2024 (\$000)
Board members				
Remuneration			348	549
Full-time equivalent members	9	9		
Leadership team				
Remuneration			7,254	6,079
Full-time equivalent members	13	15		
Total key management personnel remuneration			7,602	6,628
Total full-time equivalent personnel	22	24		

The table below includes all remuneration paid or payable to each director during the year.

Remuneration information of Kāinga Ora Group Board members

	2025 (\$)	2024 (\$)
Current Directors		
Simon Moutter	98,000	6,031
John Bridgman	53,844	49,000
Jenn Bestwick	56,341	–
Ceinwen McNeil	52,242	–
Alan Dent	50,319	–
Peter Jeffries	47,492	–
Fiona Fountaine	47,492	30,719
Former Directors (date of resignation)		
John Duncan (November 2024)	28,269	61,250
Arihia Bennett (October 2024)	11,685	–
Vui Mark Gosche (April 2024)	–	75,008
Philippa Howden-Chapman (June 2024)	–	53,844
Robin Hapi (June 2024)	–	53,844
Nicole Anderson (June 2024)	–	50,828
Campbell Roberts (June 2024)	–	49,000
John Hansen (June 2024)	–	49,000
Ngarimu Blair (December 2023)	–	27,515
	445,684	506,039

Remuneration information of Kāinga Ora Group independent committee members

	2025 (\$)	2024 (\$)
Current Committee members		
Lale Ieremia (Investment and Delivery Committee member)	24,500	24,500
Former Committee members		
Penelope Hulse (Urban Development and Planning Committee member to March 2024)	–	18,658
Jacqueline (Jackie) Paul (Urban Development and Planning Committee member to June 2023)	–	283
	24,500	43,441

Current members of the Kāinga Ora – Homes and Communities Board

The Kāinga Ora Group’s Board of Directors as at the date of publishing this Annual Report are:

- Simon Moutter (Chair)
- Jenn Bestwick (Deputy Chair)
- Alan Dent
- John Bridgman
- Peter Jeffries
- Ceinwen McNeil
- Fiona Fountaine

Directors’ and officers’ insurance

The Group acquired directors’ and officers’ liability and professional indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

The total annual premium for this insurance was \$372,080 (2024: \$315,818).

19. Remuneration of employees – \$100,000 and over

	2025	2024
\$100,001–\$110,000	129	141
\$110,001–\$120,000	293	286
\$120,001–\$130,000	97	163
\$130,001–\$140,000	390	376
\$140,001–\$150,000	110	216
\$150,001–\$160,000	258	164
\$160,001–\$170,000	52	137
\$170,001–\$180,000	105	42
\$180,001–\$190,000	109	152
\$190,001–\$200,000	76	47
\$200,001–\$210,000	32	83
\$210,001–\$220,000	63	18
\$220,001–\$230,000	19	13
\$230,001–\$240,000	41	37
\$240,001–\$250,000	15	18
\$250,001–\$260,000	17	15
\$260,001–\$270,000	7	7
\$270,001–\$280,000	19	28
\$280,001–\$290,000	9	8
\$290,001–\$300,000	5	2
\$300,001–\$310,000	4	2
\$310,001–\$320,000	2	1
\$320,001–\$330,000	4	6
\$330,001–\$340,000	2	–
\$340,001–\$350,000	1	1
\$350,001–\$360,000	1	–
\$360,001–\$370,000	1	–
\$370,001–\$380,000	–	2
\$380,001–\$390,000	2	–
\$390,001–\$400,000	–	2
\$410,001–\$420,000	1	–
\$420,001–\$430,000	4	3
\$440,001–\$450,000	2	3
\$450,001–\$460,001	1	–
\$470,001–\$480,000	1	1
\$480,001–\$490,000	1	–
\$540,001–\$550,000	1	–
\$630,001–\$640,000	1	–
\$720,001–\$730,000	–	1
\$810,001–\$820,000	1	–
Total employees with remuneration of \$100,000 and over	1,876	1,975

The table above represents amounts paid to employees during the year.

Where remuneration bands are not shown in the table above, this represents that no employees were paid within those bands during the current or previous financial year.

During the year ended 30 June 2025, 480 employees (2024: 22) received benefits in relation to cessation, totalling \$19,256,572 (2024: \$582,552.49).

20. Events subsequent to balance date

During the year ended 30 June 2025 the Group undertook an organisational review, with the intent of shaping itself to better fit the priorities and policies of Government. A decision document was issued on 21 May 2025, with a number of resultant changes. The changes include some restructuring and an overall reduction in the workforce. Many of those changes were implemented before 30 June 2025, and the remaining changes are scheduled to be implemented after 30 June 2025.

During the year ended 30 June 2025 the Group administered applications to the Infrastructure Acceleration Fund related to housing. From 1 July 2025 this function has transferred to the recently established government agency National Infrastructure Funding and Financing Limited.

Administration of KiwiBuild transferred from Kāinga Ora to the Ministry of Housing and Urban Development on 1 July 2025.

21. Budget comparison analysis

(a) 2025 significant variations from budget

The unaudited budget figures reported in these financial statements are the financial performance targets that were included in the Kāinga Ora Statement of Performance Expectations 2024/25.

The operating financial performance before tax was \$14 million better than budget, while the full-year capital expenditure of \$2.7 billion was less than budget by \$365 million. The majority of this variance is owing to a combination of land purchase budget not being utilised, new homes being rescheduled for delivery in 2025/26 to align to the Ministers’ Letter of Expectations in August 2024, LSP master-planning changes and rephasing, unbudgeted cost recovery for the Shovel-Ready Programme and transformation programme savings.

(b) Statement of comprehensive revenue and expense

Operating revenue (\$90 million lower than budget)

Full-year total operating revenue of almost \$2.6 billion was lower than budget by \$90 million, mainly from lower sales of developments and lower appropriation income largely due to the winding down of the First Home Grant programme. Rental revenue was largely as anticipated.

Operating expenses (\$300 million lower than budget)

Operating expenses were lower than budget as we delivered on the cost-reduction initiatives in line with our transformation programme and direction from government. These included reduced activity to align appropriation funds, the ramp-up of savings in the asset and maintenance delivery transformation programme, further removal of roles through restructures and reduced discretionary expenditure. Lower cost of land sold and lower First Home Grant expense with corresponding reduced revenues also contributed to reduced operating expenses.

Interest expense was lower than budget, reflective of better operating performance and reduced reliance on debt funding.

Asset write-offs and impairments and losses on disposals of assets totalling \$395 million were higher than budget mainly from one-off write-offs relating to projects that were ceased during the year, a result of reviews of our social housing delivery pipeline and land holdings.

(c) Statement of financial position

Overall total assets of \$47.8 billion were \$6.9 billion below budget, driven mainly by year-end revaluations on rental properties. Actual revaluations for year-end 30 June 2025 resulted in a loss of \$1.9 billion, while the budget (based on economic forecasts) projected a revaluation gain of \$1.9 billion. Lower capital expenditure and higher write-offs and impairments as well as lower amounts of cash and investments held at year-end also contributed to the overall lower total assets.

Overall total liabilities of \$19.8 billion were \$1.7 billion below budget primarily due to a lower debt to finance our capital programme as a result of our better operating performance, capital cost savings and timing of home deliveries. The other main contributor was deferred tax liability being lower than budget due to lower asset revaluations.

(d) Statement of changes in equity

The total equity at 30 June 2025 is \$27.9 billion, which is \$5.2 billion lower than budget, driven mainly from movements in the revaluation reserve.

(e) Statement of cash flows

Net cash inflows from operating activities was \$95 million lower than budget due to a combination of higher payments to suppliers and employees, lower rent receipts and lower Crown receipts (in line with reduced appropriation activity), offset by lower net payments for land development activities.

Net cash outflows from investing activities was \$824 million lower than budget due to a combination of short-term investments realised during the year as we optimised cash and investments holdings, lower payments for purchase of rental property assets due to timing of home deliveries and cost saving initiatives, and lower payments for purchase of other property, plant and equipment due to fleet optimisation.

Net cash inflows from financing activities was \$954 million lower than budget due to lower Crown debt drawdown of \$593 million (less reliance on debt funding) and lower capital contributions from the Crown of \$445 million (a capital injection from the Crown in support of LSPs was budgeted for receipt in 2024/25, but this was received in 2023/24).

Overall closing cash and cash equivalents is \$220 million higher than budget primarily driven by lower financing needed resulting from less cash needed for capital programmes.



INDEPENDENT AUDITOR’S REPORT

TO THE READERS OF KĀINGA ORA – HOMES AND COMMUNITIES’ ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Kāinga Ora – Homes and Communities Group (the Group or “Kāinga Ora”). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- the annual financial statements that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity and cash flow statement for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 87 to 120; and
- the statement of performance for the year ended 30 June 2025 on pages 49 to 59.

Opinion

In our opinion:

- The annual financial statements of the Group:
 - fairly present, in all material respects:
 - » its financial position as at 30 June 2025; and
 - » its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The statement of performance fairly presents, in all material respects, the Group’s service performance for the year ended 30 June 2025. In particular, the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Group for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects, for each class of reportable outputs:
 - » the actual performance of the Group;
 - » the actual revenue earned; and
 - » the output expenses incurred,
 - as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Group’s statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 1 October 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

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

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



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements and performance information of the current year. These matters were addressed in the context of our audit of the consolidated financial statements and performance information as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements and performance information section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements and performance information. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements and performance information.

Valuation of Rental Property Operating Assets

Why significant	How our audit addressed the key audit matter
The Group’s rental property operating assets have a recorded fair value of \$44.2 billion, accounting for 92% of total assets. To determine the fair value of these assets at each balance date, the Group engages an external registered valuer. In accordance with PBE IPSAS 17 <i>Property, Plant and Equipment</i>, the properties are valued based on their ‘highest and best use’. The external valuer uses market-based evidence to value a sample of properties that are physically inspected. These valuations help the valuer assess market value changes by geographic area. Due to the similarity of assets within the portfolio, the valuer applies an indexation approach to estimate the market value of properties that were not directly inspected. Given the judgmental and subjective nature of the valuation, combined with its significance to the financial statements, this area is a key focus of the audit. Disclosures related to rental property operating assets are detailed in Note 4.	In obtaining sufficient appropriate audit evidence, we: • Tested the information provided to the external valuer for consistency with the information held in the Group’s fixed asset register for a sample of assets. • Assessed the competence, capabilities and objectivity of the external valuer. • Considered and challenged the highest and best use assumption applied for the assets, in particular in relation to areas where the Group has demolished rental housing stock and has a plan to redevelop land to accommodate higher density housing units. • Held discussions with QV and management and obtained an understanding of the methodology and assumptions adopted for the properties that have significant valuation uncertainty. • Engaged our internal real estate valuation specialists to: – assess the results of a sample of valuations of inspected properties, including the methodology and assumptions used; – assess the methodology and assumptions included in the valuation of the properties impacted by physical damage; – compare a sample of individual property values to available independent databases of market value; and – consider whether the indexation applied to the remaining property portfolio was an appropriate valuation methodology and had been correctly applied to a sample of properties. • Tested a sample of costs capitalised during the year against the criteria in PBE IPSAS 17 <i>Property, Plant and Equipment</i> to assess whether they were capital in nature. • Performed a recalculation of the movement recorded in the revaluation reserve. • Assessed the adequacy of the disclosures relating to property plant and equipment. As a result of the above procedures, we considered the valuation techniques and key assumptions reasonable in forming our opinion on the financial statements as a whole.



Properties under Development

Why significant	How our audit addressed the key audit matter
The Group has continued their involvement in the preparation of land for development. Properties earmarked for future development with a high probability of sale to the private sector are classified as “properties under development” in accordance with PBE IPSAS 12 <i>Inventories</i>. As of 30 June 2025, the total value of properties under development amounted to \$373 million. Inventory must be recorded at the lower of cost or net realisable value. For properties under development, net realisable value is determined by estimating the expected selling price and deducting the anticipated costs to prepare the land for sale as well as the costs associated with the sale itself. Estimating these values involves significant judgment due to uncertainties surrounding future selling prices and development costs. Disclosures related to properties under development are detailed in Note 2.	In obtaining sufficient appropriate audit evidence, we: • Assessed whether, for a sample of land parcels, the criteria for recognition as inventory had been met. • Considered the carrying value of a sample of properties under development to consider whether they were held at the lower of cost and their assessed net realisable value. • Understood the process of estimating future costs to complete the development prior to sale and agreed a sample of future costs to approved business cases. • Assessed the nature of a sample of project costs against the requirements of IPSAS 12 <i>Inventories</i> to determine if the costs met the criteria to be recorded as inventory. • Assessed whether, for a sample of land parcels, the total estimated costs had been apportioned to specific properties on an appropriate basis. • Assessed the adequacy of the disclosures relating to properties under development. As a result of the above procedures, we considered the results satisfactory in forming our opinion on the financial statements as a whole.



Shape the future
with confidence

Property Work in Progress

Why significant	How our audit addressed the key audit matter
The Group recognised \$2 billion of property work in progress as at 30 June 2025. The management of a large number of capital improvement, construction or acquisition projects associated with the Group's rental property portfolio represents a significant activity for the Group and underpins its ability to deliver on managed stock targets and renew the rental property portfolio. The Group capitalises costs related to this development and construction work in accordance with PBE IPSAS 17 <i>Property, Plant and Equipment</i>. Costs incurred primarily relate to renewing properties that are approaching the end of their economic life as well as the costs of constructing new properties and the Group's direct costs in managing these activities. The Group undertakes regular reviews of projects to consider the costs incurred compared to physical progress; to identify projects that may be discontinued or re-designed (and so which may need to be expensed in whole or part); and projects that are completed and have been made available to tenants (and so which should be transferred to rental property operating assets). The number and value of properties acquired and fully or partially completed in the year to 30 June 2025, the significance of processes associated with the capitalisation of external and internal costs and the judgement associated with both the amounts capitalised and considering possible impairment of projects together mean that this is a significant area of focus in our audit. Disclosures related to property work in progress are detailed in Note 4.	In obtaining sufficient appropriate audit evidence, we: • Reconfirmed our understanding of the processes utilised by the Group to manage property development and property work in progress. • Assessed a sample of costs recognised as property work in progress to consider whether they were capital in nature. • Tested a sample of property acquisitions to assess whether they were authorised in line with the required internal delegations. • Assessed and tested the cost allocation processes used to calculate the apportionment of costs to developments and to allocate directly associated payroll costs to projects. • Tested a sample of staff costs to underlying support and considered the appropriateness of the amounts capitalised to projects from construction focused business units of the Group. • Assessed the ageing of property work in progress to identify projects which are at higher risk of either being discontinued or not being capitalised as completed at the expected point in time. • Considered the Group's assessment of projects which have been or are likely to be discontinued, which will require significant amendments, or which have incurred costs above expectations given the progress of the project at 30 June 2025. We also considered whether appropriate adjustments to project work in progress had been recorded appropriately in relation to these projects. As a result of the above procedures, we considered the results satisfactory in forming our opinion on the financial statements as a whole.



Shape the future
with confidence

Performance Reporting against Statement of Performance Expectations

Why significant	How our audit addressed the key audit matter
The Group is mandated by the Crown Entities Act 2004 to assess and report its performance based on the measures and targets outlined in its Statement of Performance Expectations. Central to its responsibilities is the provision of tenant services aimed at prioritising wellbeing and offering high-quality, warm, dry and healthy homes. Reporting on these achievements, aligned with performance expectations set through negotiations between the Kāinga Ora Board and relevant Ministers, forms a crucial part of its accountability framework. Given the importance of reporting non-financial performance against these expectations detailed in the Statement of Performance Expectations, which reports the Group's progress in meeting its obligations, this area represents a key focus of our audit. Information related to performance reporting is included in the statement of performance.	In obtaining sufficient appropriate audit evidence, we: • Identified performance measures that in our view are significant to ensuring the performance reporting provides a sufficiently complete and balanced view of the Group's performance against expectations contained in the Statement of Performance Expectations. • Understood the processes the Group has in place to seek to capture service performance information in relation to significant performance measures in a consistent and accurate manner. • Tested supporting evidence on a sample basis for performance measures that we considered to be significant,. This included inspection of supporting documentation, re-performance of calculations and testing the integrity of underlying data. • Assessed the presentation of all performance measures for appropriateness and completeness against our knowledge of the Group's financial performance, operations and performance framework. • Tested the integrity of the Output Activity costings attributed to each output. • Assessed the performance disclosures in the annual report against the requirements of the Crown Entities Act 2004 and PBE FRS 48 <i>Service Performance Reporting</i>. As a result of the above procedures, we considered the results satisfactory in forming our opinion on the performance information as a whole.

Responsibilities of the Board Members for the annual financial statements and the statement of performance

- The Board Members are responsible on behalf of the group for preparing:
- Annual financial statements that fairly present the Group's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
 - A statement of performance that:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Group for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents, for each class of reportable outputs:
 - » the actual performance of the Group;
 - » the actual revenue earned; and
 - » the output expenses incurred
 - as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Group's statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

The Board members are responsible for such internal control as they determine is necessary to enable them to prepare annual financial statements, and a statement of performance that are free from material misstatement, whether due to fraud or error.



In preparing the annual financial statements, and a statement of performance, the Board Members are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern.

The Board Member's responsibilities arise from the Crown Entities Act 2004 and the Kāinga Ora – Homes and Communities Act 2019.

Responsibilities of the auditor for the audit of the annual financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the annual financial statements, and the statement of performance, as a whole, are 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 annual financial statements, and the statement of performance.

For the budget information reported in the annual financial statements, and the statement of performance, our procedures were limited to checking that the information agreed to the Group's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the annual financial statements, and the statement of performance.

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 annual financial statements, and the statement of performance, 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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- We evaluate whether the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Group. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents the actual performance of the Group for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board Members.
- We evaluate the overall presentation, structure and content of the annual financial statements, and the statement of performance, including the disclosures, and whether the annual financial statements, and the statement of performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members 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 Board Members are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the annual financial statements, and the statement of performance, and our auditor's report thereon.

Our opinion on the annual financial statements, and the statement of performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the annual financial statements, and the statement of performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, and the statement of performance 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 Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a limited assurance engagement over the Greenhouse Gas Emissions inventory, which is compatible with the independence requirements. Other than this engagement and the audit, we have no relationship with, or interests, in the Group.

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

HOUSING AGENCY ACCOUNT
TE PŪRONGO Ā-TAU ANNUAL REPORT 2024/25

Financial statements

Ngā tauākī whakahaere pūtea

HOUSING AGENCY ACCOUNT
Statement of responsibility

The Housing Agency Account is administered by Kāinga Ora – Homes and Communities (Kāinga Ora) on behalf of the Crown. It does not form part of the Kāinga Ora Group.

The Board of Kāinga Ora is pleased to present the financial statements and performance information of the Housing Agency Account for the year ended 30 June 2025.

- a) The Board is responsible for the preparation of the financial statements and performance information and the judgements used therein.
- b) The Board is responsible for establishing and maintaining a system of internal control to provide reasonable assurance as to the integrity and reliability of financial reporting and performance information.
- c) In the opinion of the Board, the financial statements for the year ended 30 June 2025 fairly reflect the financial position, financial performance and service potential of the Housing Agency Account at that date.

For and on behalf of the Board of Kāinga Ora – Homes and Communities



Simon Moutter
Chair

30 September 2025



Jenn Bestwick
Deputy Chair

30 September 2025

HOUSING AGENCY ACCOUNT

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2025

	Notes	2025 \$000	2024 \$000
Revenue			
Revenue from non-exchange transactions			
Fair value gain on properties under development		5,530	–
Reversal of provision for underwrite of KiwiBuild properties	13	2,998	3213
Rental revenue – Crown income-related rent subsidy		661	626
Rental revenue – tenants income-related rent		340	335
Crown appropriation income	2	945	8
Total revenue from non-exchange transactions		10,474	4,182
Revenue from exchange transactions			
Interest income		3,936	6,624
Gain on sale of properties		–	117
Other income		127	75
Total revenue from exchange transactions		4,063	6,816
Total revenue		14,537	10,998
Expenses			
Write-down of inventory	3	3,153	6,915
Management fee	12	2,000	2,000
Operating expenses	4	1,312	595
Property maintenance		735	797
Depreciation		345	341
Loss on sale of properties		10	–
Total expenses		7,555	10,648
Net operating surplus/(deficit)		6,982	350
Other comprehensive revenue and expense			
Gain/(loss) on land and property revaluation	8	(599)	(361)
Total comprehensive revenue and expense		6,383	(11)

The above statement should be read in conjunction with the accompanying notes to the financial statements.

HOUSING AGENCY ACCOUNT

Statement of Changes in Equity

For the year ended 30 June 2025

	Notes	2025 \$000	2024 \$000
Total equity at 1 July			
Total equity at 1 July		172,577	148,255
Net surplus/(deficit) for the year		6,982	350
Asset revaluation gain/(loss)	8	(599)	(361)
Total comprehensive income for the period		6,383	(11)
Contributions from and distributions to the Crown			
Capital contribution from the Crown		55,900	24,333
Total contributions from and distributions to the Crown		55,900	24,333
Total changes in equity		62,283	24,322
Total equity at 30 June		234,860	172,577
Equity attributable to the Crown			
Opening balance		204,390	180,057
Capital contribution from the Crown		55,900	24,333
Closing equity attributable to the Crown		260,290	204,390
Retained earnings			
Opening retained earnings		(44,832)	(45,182)
Net surplus/(deficit) for the year		6,982	350
Closing retained earnings		(37,850)	(44,832)
Revaluation reserve			
Opening revaluation reserve		13,019	13,380
Asset revaluation gains/(loss)	8	(599)	(361)
Closing revaluation reserve		12,420	13,019
Total equity at 30 June		234,860	172,577

The above statement should be read in conjunction with the accompanying notes to the financial statements.

HOUSING AGENCY ACCOUNT

Statement of Financial Position

As at 30 June 2025

	Notes	2025 \$000	2024 \$000
ASSETS			
Current assets			
Cash at bank		78,960	99,731
Inventory	5	133,845	77,412
Receivables	6	5,638	550
GST receivable		11	132
Total current assets		218,454	177,825
Non-current assets			
Work in progress	7	8,560	8,145
Property, plant and equipment	8,9	20,615	21,264
Properties held for sale	10	7,103	6,834
Total non-current assets		36,278	36,243
Total assets		254,732	214,068
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities	11,12	7,658	18,922
Provisions	13	12,214	22,569
Total current liabilities		19,872	41,491
Total liabilities		19,872	41,491
Net assets		234,860	172,577
EQUITY			
Crown funds		260,290	204,390
Retained earnings		(37,850)	(44,832)
Revaluation reserve		12,420	13,019
Total equity		234,860	172,577

For and on behalf of the Board:



Simon Moutter
Chair
Kāinga Ora – Homes and Communities
30 September 2025



Jenn Bestwick
Deputy Chair
Kāinga Ora – Homes and Communities
30 September 2025

The above statement should be read in conjunction with the accompanying notes to the financial statements.

HOUSING AGENCY ACCOUNT

Statement of Cash Flows

For the year ended 30 June 2025

	Notes	2025 \$000	2024 \$000
Cash flows from operating activities			
Interest received		3,936	6,624
Crown operating appropriation receipts		1,033	8
Rent receipt		1,032	955
Receipts from sale of developed assets		288	254
Other income		37	75
Interest paid and bank charges		(152)	(87)
Management fee paid to related party		(2,000)	(2,000)
Other payments to suppliers		(1,981)	(3,072)
Development costs paid		(7,999)	(11,956)
Intercompany receipts/(payments)		(10,529)	8,820
Purchases of inventory		(55,462)	(62,903)
Net cash flows from operating activities		(71,797)	(63,282)
Cash flows from investing activities			
Sale of property, plant and equipment		–	363
Purchases of property, plant and equipment		(295)	–
Net flows from investing activities		(295)	363
Cash flows from financing activities			
Capital contributions from the Crown		51,321	24,333
Net cash flows from financing activities		51,321	24,333
Net cash flows		(20,771)	(38,586)
Opening cash and cash equivalents		99,731	138,317
Closing cash and cash equivalent		78,960	99,731

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2025

1. Statement of accounting policies

Reporting entity

The Housing Agency Account (HAA) is administered by Kāinga Ora – Homes and Communities (Kāinga Ora) acting as an agent of the Crown under the Housing Act 1955 (Housing Act). This Act empowers Kāinga Ora to carry out the Crown’s decisions in relation to the acquisition, setting apart and development of land and the acquisition of assets for state housing purposes. HAA does not form part of the Kāinga Ora Group.

HAA has designated itself as a public benefit entity (PBE) for financial reporting purposes. PBEs are defined as “reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view of supporting that primary objective rather than for a financial return to equity holders”.

The financial statements for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2025.

Accounting standards and interpretations

(i) Accounting standards and interpretations issued but not effective and not early adopted

- Amendments to PBE IFRS 17 *Insurance Contracts in the Public Sector*. These amendments are mandatorily effective for periods beginning on or after 1 January 2026. HAA is assessing the effects of these amendments on its financial statements and will incorporate those changes when the amendments are mandatorily effective.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with Tier 2 PBE Standards Reduced Disclosure Regime (RDR). HAA is eligible and has elected to apply the PBE Standards RDR because its expenses are less than \$30 million and it does not have public accountability as defined by XRB A1 *Application of the Accounting Standards Framework*.

Basis of preparation

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

The financial statements comprise the statement of financial position, statement of comprehensive revenue and expense, statement of changes in equity, statement of cash flows, accounting policies and explanatory notes. They have been prepared on a historical cost basis, except where otherwise stated in the relevant accounting policy, and are presented in New Zealand dollars with all values rounded to the nearest thousand dollars (\$000) unless otherwise stated.

Comparatives

When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures have been reclassified to ensure consistency with the current period unless it is impracticable to do so.

Significant judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and reasonable current assumptions, the results of which form the basis of the carrying values for assets and liabilities that are not readily apparent from other sources.

Rental properties

HAA revalues rental properties on an annual basis. Fair value is determined by market-based evidence from independent valuers Quotable Value New Zealand.

In performing the valuation, the entire portfolio has not been individually inspected. A market indexation approach has been adopted for the remaining uninspected portfolio due to the homogeneous nature of the portfolio. The ‘highest and best use’ scenario was used in the property valuation.

Impairment of plant and equipment, work in progress and land under development

HAA’s primary objective from its non-financial assets is to develop land for housing rather than to generate a commercial return.

Plant and equipment, work in progress and land under development are held at the lower of cost or net realisable value and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable service amount. If an asset’s carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Provision for future development costs

Management makes significant judgements when estimating the amount of the provision for future development costs. As a prerequisite for establishing a provision in relation to each development, management needs to determine whether that development site has been sold. All relevant factors are assessed in ascertaining whether or not the significant risks and rewards of ownership have transferred to the purchaser when determining whether a sale has occurred.

Management estimates future development costs using a model that includes both development-specific costs and a share of site-wide costs. Those costs specific to a particular development are those that provide a direct benefit to that development and typically include construction, landscape design and engineering costs. Site-wide costs are those that are incurred on a total site-wide basis that benefit all developments in the site area and typically include site-wide amenity assets, site-wide remediation and coastal walkway costs.

An apportionment of site-wide costs is allocated to each individual development based on the proportion of that development’s area to the total site area.

At each balance date, the estimate of future development costs is revised by updating the underlying assumptions and taking account of the latest available information in the future development cost model. This includes consideration of development costs incurred to date, internal business planning strategies and external experts’ assessments as to the likely cost of work required to complete both the particular development and the entire site development.

Estimation of useful lives of assets

HAA reviews the useful lives and residual values of its property, plant and equipment annually.

Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires HAA to consider a number of factors such as the physical condition of the asset, expected period of use and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the net surplus/(deficit) for the year and the carrying amount of the asset in the statement of financial position.

Any estimates of future monetary amounts are in nominal dollars and no inflationary increases have been built in.

Buying off the Plans initiative

Kāinga Ora was appointed as agent of the Crown by Ministerial approval to administer the KiwiBuild Buying off the Plans (BOTP) initiative. The Crown’s obligations under the scheme include funding all aspects of BOTP. All purchases/sales of property and the holding/on-selling costs associated with BOTP from that date are recognised within HAA.

Termination of Kāinga Ora – Homes and Communities’ role as agent of the Crown for the Buying off the Plans initiative

In December 2024, as part of its consideration of the Kāinga Ora Turn-around Plan, Cabinet has agreed to transfer the KiwiBuild residual underwrite activity to the Ministry of Housing and Urban Development by 1 July 2025. In accordance with that decision, the appointment of Kāinga Ora as agent for the Crown in relation to the BOTP initiative, including all the agent responsibilities relating thereof, is terminated as of 30 June 2025.

Provision for underwrite of KiwiBuild properties

The KiwiBuild BOTP initiative involves the Crown underwriting homes in new residential developments led by the construction sector on privately owned or HAA land.

KiwiBuild BOTP supports developers to increase the supply of quality affordable houses by underwriting part or all of development. This enables affordable homes to be built that would otherwise not be built or accelerates the construction of affordable homes. KiwiBuild homes must be priced at or below specified price caps and must be offered in the first instance to eligible KiwiBuild buyers. To the extent that developers exercise these options and depending on the value of the properties relative to the agreed underwrite price, HAA is exposed to potential losses.

The value of the provision for which HAA has exposure to KiwiBuild underwrite-related losses largely depends on property values and includes an estimation of the valuation of the property at the time of sale.

The relativity of a BOTP property’s market value to the agreed price that the developer can sell it to HAA at affects:

- the likelihood that a developer will exercise the option to sell the property to HAA
- the potential loss (if any) to HAA if the developer does exercise the option.

At each reporting date, an assessment is made of whether the recognised insurance liabilities are adequate by using a liability adequacy test. The insurance liability value is adjusted to the extent that the unearned premiums are insufficient to meet future claims and expenses.

The key component is the central estimate of potential losses as part of the liability adequacy test, which is a significant estimate.

The KiwiBuild underwrite provision has been independently valued by Advait Kirtikar of Taylor Fry, a member of the New Zealand Society of Actuaries and the Institute and Faculty of Actuaries (UK).

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to HAA and the revenue can be reliably measured.

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions is where HAA receives value from another party for which it provides either no or below-market consideration. Revenue from non-exchange transactions is recognised when initial control over the resources is gained as a result of a past event, receipt of future economic benefits or service potential from those resources is expected, there are no conditions attached to the resources gained and the fair value of the assets can be measured reliably.

Revenue generated from non-exchange transactions is represented below:

HOUSING AGENCY ACCOUNT

	Crown income-related rent subsidy and tenants income-related rent Income-related rent subsidies received from the Crown and income-related rental revenue received from tenants is recognised on a straight-line basis over the term of the lease. Crown operating appropriations HAA receives revenue from the Crown as operating appropriations. Crown appropriation revenue is received to reimburse the expenses incurred by operating programmes associated with Crown land. All Crown appropriation revenue is recognised when the right to receive the asset has been established.
(ii)	Revenue from exchange transactions Revenue from exchange transactions is generated when an exchange of transactions of approximately equal value has occurred between HAA and a third party. The following represents the revenue from exchange transactions: Rental revenue from tenants at market rent Rental revenue received from those tenants who pay market rent is recognised on a straight-line basis over the term of the lease. Interest income Interest revenue on short-term investments is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Sale of inventory and gain on sale of properties Revenue earned from sale of properties under the BOTP government initiative is recognised when risks and rewards pass to a third party. The gain on sale of properties is recognised when the risk and rewards of ownership have passed to the third party. Accounts receivable Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any expected credit losses (ECLs). HAA applies a simplified approach in calculating ECLs. Therefore, HAA does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date using a provision matrix. This is based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

	Bad debts are written off when identified. Financial difficulties of the debtor and/or default payments are considered objective evidence of the receivable being credit impaired. Receivables are recorded as current except for those expected to be received beyond the next 12 months, which have been recorded as non-current. Accounts payable and other liabilities Accounts payable and other liabilities are carried at amortised cost. Due to their short-term nature, they are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. They represent liabilities for goods and services provided to HAA prior to the end of the financial year that are unpaid and arise when HAA becomes obliged to make future payments in respect of the purchase of these goods and services. Accounts payable and other liabilities are recorded as current except for those expected to be settled beyond the next 12 months, which have been recorded as non-current.
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	Provision for future development costs HAA estimates future development costs expected to be incurred by each precinct. A provision for future development costs is recognised in the statement of financial position for those costs estimated as required to complete the development process associated with properties sold at the time a sale is recognised. The net movement in the provision for the year is recognised as net gains or losses on the sale of properties in the statement of comprehensive revenue and expense. Those costs within the provision expected to be incurred within 12 months after the balance date are classified as current liabilities, with the remaining balance of the provision classified as non-current liabilities.
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	Inventories Inventories comprise properties acquired under the KiwiBuild BOTP initiative and held by HAA for subsequent sale and superlots from the Hobsonville development. All inventory items are valued at the lower of cost or net realisable value, determined principally by the expected sale price less the cost of the property acquired from the developer and selling costs. PBE IPSAS 12 <i>Inventories</i> requires the estimates to take into consideration the purpose for which the property is held, which in this case is to sell at market or affordable pricing.
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HOUSING AGENCY ACCOUNT

	Work in progress Land and related developments for eventual sale to market are classified as work in progress. Work in progress is held at cost, which is defined as all costs incurred that are directly related to the development of these assets, and is annually reviewed for any impairment. Rental property Rental properties are initially recorded at cost and subsequently measured to fair value on an annual basis. Where an asset is acquired for nominal or zero consideration, the asset is recognised at fair value as at the date of acquisition, with a corresponding recognition of revenue in net surplus/(deficit). Fair value is determined by reference to market-based evidence and is the amount for which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction as at the valuation date. Independent valuations are performed annually to ensure that the carrying amount does not materially differ from the asset's fair value at the balance date. Unrealised gains and losses arising from changes in the fair value of rental property are recognised at balance date. Where a gain reverses a loss previously charged to net surplus/(deficit) for the same asset class, the gain is credited to net surplus/(deficit). Otherwise, gains are credited to an asset revaluation reserve in other comprehensive income for that asset class. An item of property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of this asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Any gain or loss arising on derecognition of an asset is included in net surplus/(deficit) in the year the item is derecognised. Gain or loss on derecognition is calculated as the difference between the net disposal proceeds and the carrying amount of the item. Depreciation is calculated on a straight-line basis over the estimated useful life of rental properties as follows: <table><tr><td>• Buildings</td><td>60 years</td></tr><tr><td>• Improvements</td><td>25 years</td></tr><tr><td>• Chattels</td><td>10 years</td></tr></table> Property, plant and equipment Office equipment and furniture and fittings are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows: <table><tr><td>• Office equipment</td><td>5 years</td></tr><tr><td>• Furniture and fittings</td><td>10 years</td></tr><tr><td>• Leasehold improvements</td><td>The shorter of the period of lease or estimated useful life</td></tr></table>	• Buildings	60 years	• Improvements	25 years	• Chattels	10 years	• Office equipment	5 years	• Furniture and fittings	10 years	• Leasehold improvements	The shorter of the period of lease or estimated useful life
• Buildings	60 years												
• Improvements	25 years												
• Chattels	10 years												
• Office equipment	5 years												
• Furniture and fittings	10 years												
• Leasehold improvements	The shorter of the period of lease or estimated useful life												

	An item of property, plant or equipment is derecognised upon disposal or when future economic benefits are not expected to arise from its use. Any gain or loss is included in net surplus/(deficit) for the year in which the item is derecognised. Gain or loss on sale is calculated as the difference between the net disposal proceeds and the carrying amount of the item. Properties held for sale Properties held for sale comprises: • superlots from the Hobsonville development • land that is regarded as surplus to the Crown and is no longer required. A property is classified as held for sale when its carrying amount will be recovered principally through sale, it is available for immediate sale in its present condition and the sale is highly probable. Properties held for sale are recorded at the lower of the carrying amount and fair value less costs to sell. Any write-downs to fair value are charged to net surplus/(deficit) for the year. Taxation HAA is not liable for income tax by virtue of section CW 38(2) of the Income Tax Act 2007. However, HAA is subject to goods and services tax (GST). All amounts in the financial statements are stated exclusive of GST except for accounts receivable and accounts payable, which are GST inclusive. Capital management HAA's capital is in equity, which comprises accumulated funds generated from its operating and investment activities, Crown appropriation and other reserves. These funds will be held by HAA in order to meet its state housing objectives and will only be held for the purposes for which they were originally appropriated. Any residual accumulated funds that are not utilised by HAA will be returned to the Crown. Equity is represented by net assets. HAA manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure it effectively achieves its objectives and purpose, while remaining a going concern. Kāinga Ora operates several bank accounts as an agent of the Crown. While funds in these bank accounts may be invested, any of the principal and proceeds of the investment must be credited to the bank account the funds were sourced from originally.
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HOUSING AGENCY ACCOUNT

2. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to HAA and the revenue can be reliably measured.

Crown appropriation revenue

HAA is an agent of the Crown. It undertakes some transactions with statutory corporations, state-owned enterprises and government departments on an arm’s length basis.

In the current financial year, HAA received \$945,000 in operating appropriations (2024: \$8,000) from the Crown.

3. Write-down of inventory

	2025 (\$000)	2024 (\$000)
Redevelopment write-offs	(599)	2,343
Inventory net realisable value write-down	3,752	4,572
Write-down of inventory	3,153	6,915

4. Operating expenses

	2025 (\$000)	2024 (\$000)
Land and water rates	389	157
Premises security	260	31
Consultants	192	35
Interest expense	152	88
Selling and facility expenses	127	14
Community development costs	–	74
Audit fee	62	60
Doubtful debts	36	4
Insurance	21	23
Property surveys	18	49
Rental expenses	4	39
Other operating expenses	51	21
Operating expenses	1,312	595

	2025 (\$000)	2024 (\$000)
(i) Amount paid or payable to Ernst & Young (acting on behalf of the Auditor-General) for:		
– Auditing the financial report of the entity	62	60
(ii) Other assurance services	–	–
Total amounts paid or payable to the auditors	62	60

5. Inventories

	2025 (\$000)	2024 (\$000)
Properties held at 1 July	77,412	14,509
Purchases during the year	56,804	67,475
Write-down of inventory	(371)	(4,572)
Properties held at 30 June	133,845	77,412

HOUSING AGENCY ACCOUNT

6. Receivables

	2025 (\$000)	2024 (\$000)
Current receivables		
Account receivables	6,173	1,049
Allowance for expected credit losses	(535)	(499)
Net realisable value of current accounts receivable	5,638	550

7. Work in progress

	2025 (\$000)	2024 (\$000)
Work in progress	8,560	8,145

This relates to purchases of land at the former Hobsonville Airbase from the New Zealand Defence Force, Ministry of Education and Auckland Council and those costs associated with the development of the Hobsonville site.

Movements in work in progress

	2025 (\$000)	2024 (\$000)
Work in progress at 1 July	8,145	8,063
Costs incurred during the year	415	82
Work in progress at 30 June	8,560	8,145

8. Rental properties

	2025			2024		
	Land (\$000)	Buildings (\$000)	Total (\$000)	Land (\$000)	Buildings (\$000)	Total (\$000)
Rental properties at 1 July	11,671	9,530	21,201	12,019	10,178	22,197
Additions during the year	–	295	295	–	549	549
Revaluation	(45)	(554)	(599)	(348)	(13)	(361)
Depreciation for the year	–	(287)	(287)	–	(272)	(272)
Disposal	–	–	–	–	(912)	(912)
Rental properties at 30 June	11,626	8,984	20,610	11,671	9,530	21,201

Rental properties comprising land and buildings were revalued to fair value as at 30 June 2025.

The valuation was carried out by an independent valuer, Quotable Value New Zealand, a company employing registered and qualified valuers.

HOUSING AGENCY ACCOUNT

HOUSING AGENCY ACCOUNT

9. Plant and equipment

	Equipment (\$000)	Furniture (\$000)	Leasehold improvements (\$000)	Total (\$000)
2025				
Cost				
Balance at 1 July	76	178	458	712
Balance at 30 June	76	178	458	712
Less:				
Accumulated depreciation				
Balance at 1 July	(76)	(158)	(415)	(649)
Depreciation charges for the year	–	(15)	(43)	(58)
Balance at 30 June	(76)	(173)	(458)	(707)
2025 net carrying amount	–	5	–	5
	Equipment (\$000)	Furniture (\$000)	Leasehold improvements (\$000)	Total (\$000)
2024				
Cost				
Balance at 1 July	76	178	458	712
Balance at 30 June	76	178	458	712
Less:				
Accumulated depreciation				
Balance at 1 July	(75)	(140)	(364)	(579)
Depreciation charges for the year	(1)	(18)	(51)	(70)
Balance at 30 June	(76)	(158)	(415)	(649)
2024 net carrying amount	–	20	43	63

10. Properties held for sale

	2025 (\$000)	2024 (\$000)
Properties held for sale at 1 July	6,834	4,900
Net additions	269	1,934
Properties held for sale at 30 June	7,103	6,834

Properties held for sale is measured at the lower of cost or net realisable value.

11. Accounts payable and other liabilities

	2025 (\$000)	2024 (\$000)
Current accounts payable and other liabilities		
Trade creditors	4,251	5,404
Accrued expenses and other liabilities	53	114
Total current accounts payable and other liabilities	4,304	5,518

12. Related parties

	2025 (\$000)	2024 (\$000)
Kāinga Ora	1,045	149
Housing New Zealand Limited	2,900	13,862
Housing New Zealand Build Limited	(796)	(812)
Other	205	205
Total owed to/(receivable from) related parties by HAA	3,354	13,404

In the year to 30 June 2025, Kāinga Ora provided management services to HAA. A management fee of \$2 million (2024: \$2 million) was charged by Kāinga Ora for services relating to the Hobsonville development. No management fee has been charged for other services provided to HAA since this requires Ministerial approval under the Housing Agency Accountability Agreement.

Kāinga Ora administers HAA as an agent of the Crown under the Housing Act 1955. As at 30 June 2025, the balance of the total amount owed by HAA to Kāinga Ora and its subsidiaries was \$3.35 million (2024: \$13.4 million).

In its capacity as agent for HAA, Kāinga Ora manages the rental income and expenses of HAA's rental properties. No fee is charged for this service.

In the year to 30 June 2025, HAA has not made any repayment to the Ministry of Housing and Urban Development (2024: nil).

The Ministry of Housing and Urban Development has provided capital contributions of \$51.3 million (2024: \$24.3 million).

13. Provisions

	2025 (\$000)	2024 (\$000)
Current provisions		
Provision for development costs	11,143	18,500
Provision for underwrite of KiwiBuild properties	1,071	4,069
Total current provisions	12,214	22,569
Total provisions for development costs	12,214	22,569

	Movements			
	2025		2024	
	Future development cost (\$000)	KiwiBuild underwrite properties (\$000)	Future development cost (\$000)	KiwiBuild underwrite properties (\$000)
Movement in carrying amounts				
Carrying amounts at 1 July	18,500	4,069	26,281	7,282
Additional provisions recognised/(reversed)	(599)	(2,998)	2,343	(3,213)
Development expenditure (incurred)/reversed	(6,758)	–	(10,124)	–
Total carrying amount at 30 June	11,143	1,071	18,500	4,069

Provision for future development costs

The additional provisions recognised are those costs estimated as required to complete the development process associated with those properties that have been sold as at 30 June 2025.

Total land area for which future costs have been included in the provision remained as 780,735 square metres as at 30 June 2025.

A portion of the provisions for future development costs and KiwiBuild underwrite properties as at 30 June 2024 have reversed during the year ended 30 June 2025 following revisions of cost estimates and the completion of various projects.

HOUSING AGENCY ACCOUNT

Provision for underwrite of KiwiBuild properties

The provision represents the expected loss as a result of purchasing properties from developers who have exercised their call option (under the KiwiBuild BOTP initiative) for the Crown to purchase these properties.

Liability adequacy test	2025 (\$000)	2024 (\$000)
Central estimate claims (undiscounted)	696	2,884
Discounting	(27)	(250)
Central estimate claims (discounted)	669	2,635
Administration expenses (discounted)	84	148
Risk margin at 75% probability of sufficiency %	42.3%	46.2%
Risk margin at 75% probability of sufficiency \$	318	1,286
Premium liability based on the liability adequacy test	1,071	4,069

	Liability based on the liability adequacy test (\$000)	Change in liability (\$000)
Sensitivity analysis		
Base result	1,071	
House price standard deviation +1%	1,602	531
House price standard deviation -1%	655	(416)
House price mean increase +1%	808	(263)
House price mean increase -1%	1,400	329
Discount rates +0.1%	1,060	(12)
Discount rates -0.1%	1,083	12

14. Right of first refusal for sale of land

Treaty settlement legislation has granted a right of first refusal (RFR) over most Crown-owned land. This prohibits the disposal of RFR land without first giving the relevant iwi/hapū (RFR holder) the right to purchase the RFR land before the land can be disposed of to anyone else.

Under the Urban Development Act 2020, the RFR obligation applies to Kāinga Ora-led urban development projects granting the RFR holder the right to be offered an opportunity to be the developer of Crown-owned RFR land.

The following are examples of legislation that grant RFR over Crown-owned land set aside for a state housing purpose and administered by Kāinga Ora – Homes and Communities under the Housing Act 1955:

- Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014. A Minister of Housing exemption is available for the sale of Crown land for housing. If housing is to be built on the land by a third party (and no exemptions apply), the Limited Partnership (RFR holder) is to be offered an opportunity to submit a proposal to be the developer. The Ministry of Housing and Urban Development administers the RFR development opportunity in accordance with the Redevelopment Protocol.
- Waikato Raupatu Claims Settlement Act 1995. Exemptions available.
- Port Nicholson Block (Taranaki Whānui ki Te Upoko o Te Ika) Claims Settlement Act 2009. Exemptions available.
- Ngāi Tahu Claims Settlement Act 1998. Exemptions available.
- Ngāti Kōata, Ngāti Rārua, Ngāti Tama ki Te Tau Ihu, and Te Ātiawa o Te Waka-a-Māui Claims Settlement Act 2014.

Provided the Treaty settlement negotiations with the Crown include RFR legislation acceptable to the Kāinga Ora Group Board, RFR over Crown properties administered by Kāinga Ora – Homes and Communities under the Housing Act 1955 will be granted to the following iwi:

- Ngāti Ruapani ki Waikaremoana.

HOUSING AGENCY ACCOUNT

15. Commitments

Capital commitments

At 30 June 2025, capital commitments amounted to \$4.39 million (2024: \$14.86 million) for property projects.

16. Contingencies

As at 30 June 2025, HAA had no contingent assets or liabilities (2024: nil).

17. Events subsequent to balance date

Administration of KiwiBuild transferred from Kāinga Ora to the Ministry of Housing and Urban Development on 1 July 2025.

18. Service performance reporting

Hobsonville Point

Hobsonville Point is a 167-hectare master-planned neighbourhood situated on former New Zealand Defence Force land, 20 minutes northwest of Auckland CBD. Established in 2005, Hobsonville Land Company (a wholly owned subsidiary of Housing New Zealand Corporation) was formed to deliver a sustainable housing development that generates returns to the Crown, mitigates Auckland's housing pressures and enables a broad range of people and businesses to thrive.

The development is funded through the HAA with sales proceeds and distributions returned to the Crown.

Activities undertaken on behalf of the Crown using this account must demonstrate financial benefits and ensure future costs do not put undue risk onto the Crown.

In addition to increasing housing supply, Hobsonville Point's purpose was to shift the market through innovation and partnership. It has enabled developers to test new housing typologies, affordability and tenure models, and partnerships with iwi. The project's approach to infrastructure, placemaking and sustainability continues to set a benchmark for high-quality urban development in New Zealand.

In the financial year, 166 homes were completed in the Hobsonville Point development area, bringing the total to 3,483 homes delivered to date, of which 816 are affordable homes.

Other highlights from the financial year include:

- completion of infrastructure works and approvals in Catalina Bay
- completion of carparking upgrade works in Catalina Bay
- completion of a wastewater pumping station to support the full build-out of the master-plan.

Crown acquisitions

Due to the current challenging residential real estate sales market, selling down homes is proving difficult for developers. As a result, developers are increasingly exercising the call option available for the underwrite and Kāinga Ora (on behalf of the Crown) is acquiring the homes at the contracted underwrite prices, which is an expected outcome for the programme.

During the 2025 fiscal year, the call options for 95 properties totalling \$55.9 million have been exercised requiring the Crown to purchase these properties. Prices in the relevant areas have dropped below the underwrite price meaning these homes are considered unattractive for purchase. The KiwiBuild homes are required to be sold to eligible KiwiBuild buyers and come with conditions such as the minimum 3-year ownership period, which is also proving a barrier to sales.

Inventories comprise these properties acquired under the KiwiBuild BOTP initiative. All inventory items are valued at lower of cost or net realisable value, determined principally by the expected sale price less the cost of the property acquired from the developer and selling costs.

SPE ref:	Actual 2023/24	Performance measure	Target 2024/25	Actual 2024/25	
4.4	13%	The percentage of completed underwritten homes acquired by the Crown as part of the Buying off the Plans programme since its inception	≤25%	16%	🏠

The above percentages are accumulated amounts since 2018.



INDEPENDENT AUDITOR’S REPORT

TO THE READERS OF HOUSING AGENCY ACCOUNT’S
ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Housing Agency Account (the Account). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- the annual financial statements that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 130 to 143; and
- the statement of performance for the year ended 30 June 2025 on page 143.

Opinion

In our opinion:

- The annual financial statements of the Account:
 - fairly present, in all material respects:
 - » its financial position as at 30 June 2025; and
 - » its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards with disclosure concessions.
- The statement of performance fairly presents, in all material respects, the Account’s service performance for the year ended 30 June 2025. In particular, the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Account; determined in accordance with generally accepted accounting practice in New Zealand; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards with disclosure concessions.

Our audit was completed on 1 October 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

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

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



Responsibilities of the Board Members for the annual financial statements and the statement of performance

The Board Members are responsible on behalf of the Account for preparing:

- Annual financial statements that fairly present the Accounts’s financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- A statement of performance that:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Account; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents, in all material respects, its standards of delivery performance achieved as compared with the service performance criteria for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

The Board Members are responsible for such internal control as they determine is necessary to enable them to prepare annual financial statements, and a statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, and a statement of performance, the Board Members are responsible on behalf of the Account for assessing the Account’s ability to continue as a going concern.

The Board Member’s responsibilities arise from the Housing Act 1955.

Responsibilities of the auditor for the audit of the annual financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the annual financial statements, and the statement of performance, as a whole, are 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 annual financial statements, and the statement of performance.

We evaluate the appropriateness of the performance information which reports against the Account’s service performance criteria.

We did not evaluate the security and controls over the electronic publication of the annual financial statements, and the statement of performance.

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 annual financial statements, and the statement of performance, 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 Account’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- We evaluate whether the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Account. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents the actual performance of the Account for the financial year.



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- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board Members.
- We evaluate the overall presentation, structure and content of the annual financial statements, and the statement of performance, including the disclosures, and whether the annual financial statements, and the statement of performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members 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 Board Members are responsible for the other information. The other information comprises the information on pages 128 to 129, but does not include the annual financial statements, and the statement of performance, and our auditor’s report thereon.

Our opinion on the annual financial statements, and the statement of performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the annual financial statements, and the statement of performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, and the statement of performance 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 Account in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in black ink, appearing to read 'Stuart Mutch', with a long horizontal stroke extending to the right.

Stuart Mutch
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

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