

11 November 2024

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I write in response to your request dated 18 October 2024, for information under the Official Information Act 1982 (the Act):

Letter or letters of expectations received by Kainga Ora from shareholding Ministers from 1 May 2024 to date, and any replies.

I have considered your request under the Act and identified four documents that fall within the scope of it. I am refusing part of your request under section 18(d) of the Act as one of these documents is publicly available, and can be found here:

www.kaingaora.govt.nz/en/NZ/publications/minister-publications/ministers-letter-of-expectation/

Please find attached the three remaining letters, which were exchanged between Shareholding Ministers and the Chair of the Kāinga Ora Board. These are Letters of Expectations, and any related replies, received or sent between the dates of 1 May 2024 and 18 October 2024.

Please note that Kāinga Ora proactively releases our responses to official information requests where possible. Our response to your request may be published at www.kaingaora.govt.nz/publications/official-information-requests/ with your personal information removed.

Under section 28(3) of the Act, you have the right to seek an investigation and review by the Ombudsman of this response. Contact details can be found at www.ombudsman.parliament.nz.

Nāku iti noa, nā



Greg Groufsky

Deputy Chief Executive – Government and Sector Relationships

26 June 2024

Hon Christopher Bishop, Minister of Housing
Hon Nicola Willis, Minister of Finance
Parliament Buildings
Wellington

Dear Ministers

RE: Updated Letter of Expectations for Kāinga Ora – Homes and Communities

Thank you for your letter of 21 June 2024 setting out your expectations for Kāinga Ora for the year ahead.

I confirm that Kāinga Ora's intentions for 2024/25 align to the expectations and priorities you have outlined. While the Board is still in the process of being refreshed, steps have been taken to commence work on developing a credible plan to improve financial sustainability and the intention is to present this in line with the timeframe set of November 2024, working closely with the Ministry of Housing and Urban Development and Treasury. I will keep you updated on its progress. Given the obvious requirement for the new Board and I to have some time to come up to speed with all the issues, I would appreciate your acknowledgement that we will not have all the solutions and information you are seeking until later in the year.

There are three matters which warrant clarification arising from your Letter of Expectations.

Firstly, to note that, while we will look to deliver Crown-funded programmes and statutory obligations within the available budget, submitting on council Resource Management Act plan changes is not a statutory function or obligation and does not impact our ability to perform our functions and obligations for urban development and SDPs. At the lower funding level confirmed in Budget 2024/25, we will be unable to retain the capacity to perform this broadbrush role and will instead be submitting only on issues that are material to Kāinga Ora. If this is a concern, I would welcome a conversation with Ministers and our monitoring agencies.

Secondly, through discussions with HUD, we have clarified that our debt cap is still set at \$22.910b and that our forecast debt over the 2025/26 – 2027/28 period is \$21.1b.

Thirdly, as Kāinga Ora administers the IAF on behalf of Ministers we will ensure any material variations of funding agreements or housing outcomes are escalated to Ministers for decision, consistent with the Agency Agreement signed by the Crown and Kāinga Ora. We are unsure if Ministers are seeking something more than this.

Finally, I can confirm that Kāinga Ora will continue supporting the Tāmaki Regeneration Programme by having our Board monitor the progression of work to ensure Kāinga Ora and the Tāmaki Regeneration Company are reaching desired delivery outcomes. This is also likely an area for further discussion to ensure that this is the best use of each organisation's expertise into the future.

The Board looks forward to continued engagement with you to discuss progress on your expectations and ensuring a clear understanding of the government's objectives and Kāinga Ora's role in meeting them.

Yours sincerely



Simon Moutter
Chair Kāinga Ora – Homes and Communities

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Hon Chris Bishop

Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
Minister for Sport and Recreation
Leader of the House
Associate Minister of Finance



15 JUL 2024

Simon Moutter
Chair - Kāinga Ora – Homes and Communities
WELLINGTON 6140

Via email: simon.moutter@kaingaora.govt.nz

Dear Simon

RE: Updated Letter of Expectations for Kāinga Ora – Homes and Communities

Thank you for your response, dated 26 June, to the Letter of Expectations I sent you on 21 June.

It's encouraging to hear that you have begun work towards developing a credible plan to improve financial sustainability. I am pleased to see you are working closely with HUD and Treasury. I acknowledge that you are working through the issues at the same time as coming up to speed.

With regard to the matters that you raise in your letter, I acknowledge the scope of your statutory functions regarding submitting on Resource Management Act plan changes. This is in line with my expectation that you focus on the issues that impact your own delivery.

I also acknowledge the debt cap as confirmed by HUD.

With regard to administration of the Infrastructure Acceleration Fund, nothing additional is expected.

I look forward to working with you and the Board as you work towards the expectations that have been set.



Hon Chris Bishop
Minister of Housing

Hon Chris Bishop

Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
Minister for Sport and Recreation
Leader of the House
Associate Minister of Finance



14 AUG 2024

Simon Moutter
Chair - Kāinga Ora – Homes and Communities
WELLINGTON 6140

Via email: simon.moutter@kaingaora.govt.nz

Dear Simon

UPDATED LETTER OF EXPECTATIONS FOR KĀINGA ORA – HOMES AND COMMUNITIES

We are writing to you as the Responsible Ministers for Kāinga Ora – Homes and Communities (Kāinga Ora) to outline detailed delivery expectations around Social Housing for the next two financial years.

As outlined in the Letter of Expectations sent to you on 21 June 2024, Ministers expect to receive a turnaround plan in November but in the interim period we understand the need for clear purchasing intentions for both 2024/25 and 2025/26 to enable you to progress projects to renew the portfolio (Area 1 of the Letter of Expectations refers).

Our understanding is that the Ministry of Housing and Urban Development has been working with Kāinga Ora to establish an approach in line with Government decisions for social housing delivery.

The Government wants to ensure that Kāinga Ora's delivery of social housing places contributes to the Government's goal of reaching the number of households in emergency housing.

As such, we are altering previous targets to align delivery efforts with regions most in need.

We also acknowledge that for 2025/26 in order to progress Large Scale Projects there is a need for demolitions in Auckland which will provide the opportunity to increase Auckland stock from 2026/27 onwards subject to approval of future renewal programmes.

We understand that you have already begun a process to assess the financial viability of pipeline projects and as Ministers we are keen to be kept informed through Officials of your progress in this area.

We expect the following deliverables to be accommodated within the debt forecast to June 2026 previously submitted as part of Budget 2024 and that both the renewal programme and retrofit programme are reporting quarterly to the Treasury under Cabinet Office Circular 23(9).

Delivery to June 2025

We expect Kāinga Ora to deliver the following net social housing places by region for the year to June 2025

REGION	2024/25 NET DELIVERY
Northland	130
Auckland	770
Waikato	330
Bay of Plenty (excluding Rotorua)	100
Rotorua	220
East Coast (Gisborne, Hawke' Bay)	250
Taranaki	10
Central	90
Wellington	30
West Coast/Tasman	90
Canterbury	160
Southern	50
Total	2,230

We acknowledge that there will be slight changes to the delivery profile as projects progress, which we expect the monthly reporting to Ministers to clearly identify risks and issues to ensuring these regional targets are met.

Delivery to June 2026

We expect Kāinga Ora to deliver the following net social housing places by region for the year to June 2026.

REGION	2025/26 NET DELIVERY
Northland	79
Auckland	(199)
Waikato	54
Bay of Plenty	57
Rotorua	90
East Coast (Gisborne, Hawke' Bay)	156
Taranaki	29
Central	36
Wellington	123
West Coast/Tasman	110
Canterbury	(91)
Southern	37
Total	420

We expect as part of the credible plan in November, further information is included on the demolition and sales approach being adopted to meet these targets acknowledging that the levels proposed within the delivery to June 2026 are at similar levels to past years.

Retrofit to June 2026

We expect Kāinga Ora to deliver the following retrofit programme by region covering both 2024/25 and 2025/26.

REGION	2024/25 RETROFIT	2025/26 RETROFIT
Northland	60	40
Auckland	40	25
Waikato	40	35
Bay of Plenty	80	25
East Coast	70	38
Taranaki	50	30
Central	70	40
Wellington	180	90
West Coas/Tasman	70	35
Canterbury	110	82
Southern	80	55
Total	850	495

We trust these expectations will enable you to continue engagement with the relevant communities in these priority locations to keep the momentum.

Yours sincerely



Hon Nicola Willis
Minister of Finance



Hon Chris Bishop
Minister of Housing

cc Andrew McKenzie, Chief Executive Officer, Kāinga Ora