# Quarterly Report

## 1 July – 30 September 2024

The Quarterly Report is the Kāinga Ora Board’s report to the Ministers. The purpose of the report is to communicate our performance against our Statement of Performance Expectations measures, key areas of focus, and outline some of our achievements, challenges and risks, to demonstrate how we are delivering value to New Zealanders.

**The net deficit after tax** year-to-date is **$41 million better than budget**.

Our capital investment forecast is **on target**, with 94 percent of 2024/25 deliveries either contracted, delivered, or under construction.

**Year to date controllable Opex is $49 million better than budget and are broadly on track for our full year savings targets.** Asset maintenance savings are tracking well but will require careful monitoring (see risks below). Actions are well underway to meet our committed lower level of resourcing by the end of 2024/25.

**Open incidents relating to serious incidents of customer behavior are 60 percent lower** than the highest level this year. While incidents have increased there has also been a corresponding increase in resolved incidents**.**

**174 net homes have been delivered**, with 2,055 remaining. Risks remain on delivering the net 2,230 target for the year; we are mitigating these with a net committed pipeline currently exceeding our target.

**Majority of our SPE measures are on track to meet 2024/25 SPE targets.**

Due to project delays and extended sales periods, we are at risk of not meeting four urban development SPEs (3.1, 3.2, 3.3, 3.8). We are working with development partners to mitigate these risks, as well as investigating opportunities for delivering projects earlier than initially planned.

# Our finances

## Revenue and expenses

| ($ million) | Year to date Actual | Year to date Budget | Year to date Variance | Full year Forecast | Full year Budget | Full year Variance |
|---|---|---|---|---|---|---|
| Rent | 534 | 534 | (0) | 2,207 | 2,207 | - |
| Appropriations & other Income | 26 | 39 | (13) | 174 | 188 | (14) |
| Land sales | (30) | 111 | (141) | 179 | 242 | (63) |
| **Total income** | **531** | **685** | **(154)** | **2,560** | **2,638** | **(78)** |
| Repairs & maintenance | 121 | 141 | 20 | 578 | 578 | - |
| Other direct property expenses | 110 | 129 | 19 | 558 | 567 | 9 |
| Land costs | (30) | 111 | 141 | 179 | 242 | 63 |
| Total indirect expense | 129 | 139 | 10 | 528 | 524 | (4) |
| Write offs & net (gain)/loss on sales | 26 | 26 | (0) | 199 | 199 | - |
| **Total expenses** | **356** | **546** | **190** | **2,042** | **2,110** | **68** |
| **EBITDA** | **175** | **139** | **36** | **518** | **528** | **(10)** |
| Net interest expense | 146 | 155 | 8 | 658 | 658 | - |
| Depreciation & amortisation | 122 | 120 | (2) | 480 | 480 | (0) |
| Tax | (19) | (22) | (2) | (77) | (77) | - |
| **Net surplus/(deficit) after tax** | **(74)** | **(115)** | **41** | **(544)** | **(534)** | **(10)** |

The Net deficit after tax year-to-date is $41 million better than budget with the September results maintaining a lower Net deficit after tax than budget.

Operating costs are tracking well under budget - year-to-date total operating costs are $49 million under budget (excluding Land costs), $20 million of this underspend relates to Repairs and Maintenance.

Revenue for the quarter was $154 million below budget, with only $1.8 million of Land sales recorded for the month of September against a budget of $33 million, compounded by a $32.7 million reversal from a previous Land sale that was cancelled after a developer went into liquidation. This is offset by an equal reduction in the cost of sales, resulting in no effect on Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). We will have the opportunity to sell the land from the sales reversal to another purchaser in the future.

The current forecast for Land sales has been reduced to $179 million, with a potential that this may be further reduced as more Land sales may have to be deferred to 2025/26, given market conditions. We are actively tracking Land sales transactions to ensure they are recognised as quickly as possible, while ensuring we achieve appropriate value for the site. Despite a challenging market, Land sales are still occurring, with more than $40 million in sales negotiated or contracted with development partners in the last quarter. It is important that we balance recognising revenue within this financial year with achieving appropriate value for each site. In some instances, it may be preferable to defer the sale to achieve higher revenue and meet business case expectations.

Excluding the effects of Land sales and First Home Grants, Total income is tracking closely to budget.

## Capital investment

| ($ million) | Year to date Actual | Year to date Budget | Year to date Variance | Full year Forecast | Full year Budget | Full year Variance |
|---|---|---|---|---|---|---|
| Home builds | 565 | 913 | 348 | 2,214 | 2,187 | (27) |
| Other home additions | 10 | 0 | (10) | 12 | 22 | 10 |
| Land purchases | (2) | 23 | 25 | 15 | 93 | 78 |
| Retrofit & maintenance programmes | 90 | 97 | 7 | 411 | 411 | 0 |
| Urban development | 49 | 98 | 49 | 360 | 320 | (40) |
| Infrastructure | 5 | 11 | 6 | 41 | 41 | 0 |
| **Total capital investment** | **716** | **1,142** | **426** | **3,054** | **3,074** | **21** |

We have updated the full year forecast for both the construction programme and large-scale projects (Urban development) to align with our commitments from the latest Letter of Expectations (see full-year forecast column above).

We have adjusted the capital spend as there has been many moving parts since the initial draft phasing was completed. Although we have a rephased spend profile, this will still ensure delivery of the ministerial expectations on unit delivery and be within the financial budget. Our focus now shifts to strong project management to ensure timely completion within forecasted spend.

## Savings Initiatives

We are aiming to save $200 million in 2024/25 and a further $200 million in 2025/26. These cost reductions and savings are broadly on track with some unders and overs across different cost categories.

Asset maintenance savings are tracking well, but there is significant work still to be done as we complete piloting of a new maintenance operating system and implement across the business.

We have appointed Deloitte to carry out assurance of the Asset Management and Maintenance savings programme. Future quarterly reports will provide further information.

We have also put into place tight cost controls on both labour and discretionary external spend and we are $49 million below our controllable spend budget year to date. This provides a buffer against rest of year cost risks, including those mentioned in asset maintenance.

# Our customers*

## Strengthening our community engagement regarding development activities

While a very low number of sites are receiving community opposition, in September there were Select Committee hearings involving development objections. These were in response to petitions submitted to Parliament against developments.

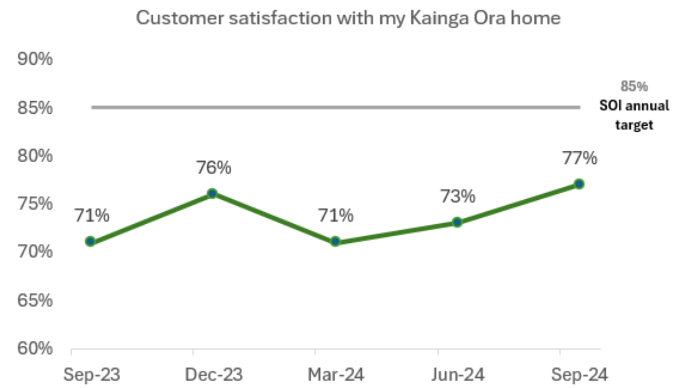
Over the quarter, there has been increased engagement from stakeholders and communities regarding vacant properties and land. The concerns raised are primarily focused on damage such as graffiti, broken windows and other issues believed to cause anti-social behaviour in communities.

It should be noted that these issues are not necessarily caused by Kāinga Ora customers. Our regional engagement and frontline operational teams are responding to these issues and any complaints in good time and are mindful of the impact on our local relationships.

## Improvement in customer satisfaction results

We have seen an improvement in customer satisfaction results in this quarter compared to the previous quarter.

Overall satisfaction with my Kāinga Ora home is 77 percent. This has increased 4 percent from 73 percent in the last quarter, with customers expressing the highest level of satisfaction this quarter compared to the last reporting year. While this is an improvement, it remains under our 2022-2026 SOI target. We continue to monitor these results during the year.




*Source: Customer Satisfaction survey results of 'my Kāinga Ora home' as at 30 September 2024.*

For the Northland/Auckland region, overall satisfaction jumped to 79 percent this quarter from 72 percent in the June quarter. We are currently on track to achieve our three SPE customer satisfaction measures outlined in Appendix 1.

* Detailed reporting on these topics is provided to the Ministers on a monthly basis.

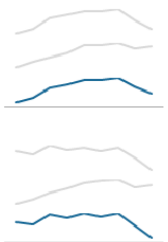
## Proactively managing rental arrears and disruptive customers in line with government expectations

### Rent Debt

Our updated Rent Debt policy was approved by the Board in August and focuses on setting clear expectations, preventing debt occurring, early action when payments are missed and addressing ongoing rental arrears. The policy is due to be implemented in the near future.

The driver for the reduction in value of rental arrears (table below) for current tenants is demonstrated through our strong emphasis (since March 2024) on working with tenants in debt to ensure they are paying rent when they should, and that they have arrangements in place to address any arrears.

| | Q1 2022/23 | Q1 2023/24 | Q1 2024/25 | Quarterly trend |
|---|---|---|---|---|
| **Rental debt ($ million)** | | | | |
| Current tenants | 17.0 | 21.0 | 17.7 | |
| Former tenants | 0.6 | 2.0 | 2.0 | |
| **Total** | **17.5** | **23.0** | **19.7** | |
| **Tenants in rental arrears** | | | | |
| Current tenants | 9,484 | 9,831 | 7,368 | |
| Former tenants | 367 | 877 | 824 | |
| **Total** | **9,851** | **10,708** | **8,192** | |



Our SPE 1.4 result which measures the percentage of customers who have decreased their rent arrears compared to the previous month, is at 81 percent compared to the 70 percent target.

### Disruptive Behaviour

Changes in government expectations from March 2024 saw us develop a new approach that strikes a different balance when managing our customers with disruptive behaviour.

We have focused on proactively managing disruptive customers and increasingly used the tools available to us under the Residential Tenancies Act.

While there was an increase in the number of reported disruptive behaviour incidents towards the end of the quarter (table below), there was a corresponding increase in resolved incidents.

| | Q1 2023/24 | Q1 2024/25 |
|---|---|---|
| **Disruptive behaviour incidents** | | |
| Total reported | 612 | 1,458 |
| Total open at end of quarter | 409 | 200 |
| Total resolved | 809 | 1,492 |
| **Tenancy terminations** | | |
| Agreed relocation | 59 | 75 |
| Termination by s55A notice | 14 | 241 |
| Termination by order from Tenancy Tribunal | 2 | 11 |

As at 30 September 2024, open incidents of disruptive behaviour were 60 percent lower than the highest level this year.

Following the introduction of the new disruptive behaviour policy, there has been increased use of the three notices under s55A of the RTA. This contributed to significantly higher total terminations in the last quarter compared to 2023/24 and previous years.

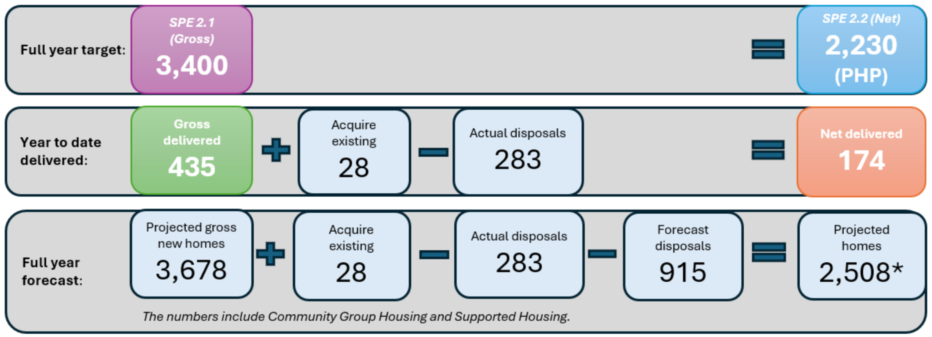
# Our deliverables and processes

## Our Large-Scale Programmes (LSPs)

The Treasury September Quarterly Investment Report incorporates the reduced budget 2024 funding for the LSPs by $435 million (savings were made up of $242 million operating expenditure and $193 million in capital expenditure over 4-year period) to $1.867 billion. We forecast to fall short of target for LSP milestones and further detail on this is in Appendix 1.

## Delivering our build programme

In August, we received further direction from the Minister about our building programme for the next two financial years. As outlined below, we are required to deliver net homes of 2,230 across all the 11 regions in the country and at least 3,400† gross new homes in the 2024/25 financial year.




*Homes funded via PHP have a net full year forecast of 2,460 as this forecast only includes public homes.

Housing delivery began with a slow start during the quarter due to a partial pause to ensure we could identify and prioritise best commercial opportunities. As at 30 September we have delivered 435 new homes (gross) and increased our total housing stock by a net 174 homes.  This compares to 767 home (gross) and 383 net homes delivered at the same time last year.

† Gross volumes include homes funded outside of the Public Housing Plan.

Our delivery teams remain confident we can deliver full year targets, however risks remain, including disruption caused by the major restructure of our housing delivery teams that is in progress and will not be completed until early in 2025. To help mitigate these risks we are forecasting a pipeline that is more than required to meet target, with the surplus enabling us to respond to delivery risk. If the risk decreases through the year, we will reschedule homes to be delivered next year to manage back to target.

Of the committed homes remaining to be delivered, over 2,700 are contracted or in construction, with an additional 400 plus homes assessed as meeting value for money metrics and planned to be contracted in the coming months.

Forecast sales are fewer than the annual budget of 300. We are currently developing the plan for asset recycling to ensure we deliver on the net homes SPE target.

## Tenanting vacant properties as quickly as possible

Vacant homes reached a peak of 2,165 at the end of the financial year due to the large delivery of housing in June. As expected, this number reduced significantly to 1,344 by the end of the quarter as we focused on placing our customers into these homes as quickly as possible.

*Table 1: Utilisation of vacant homes*

| Vacant homes | | % of Social homes | Monthly change | Quarterly change |
|---|---|---|---|---|
| **Being made available to let** | | | | |
| Ready to let | 593 | | *-92* | *-287* |
| Under repair | 414 | | *3* | *-56* |
| Coming into service | 209 | | *22* | *-482* |
| Pending decision | 128 | | *31* | *4* |
| **Total** | **1,344** | **1.9%** | ***-36*** | ***-821*** |
| **Homes in service** | **69,027** | | | |
| *Average monthly utilisation of homes in service* | *97.9%* | | | |

More than 1,500 homes were delivered in June 2024, and of these, 1,365 (87 percent) of them are now either tenanted or available for tenanting. We are working hard to ensure that the remaining five projects (201 of the 209 homes coming into service) are compliant and ready for tenanting as quickly as possible. Some larger projects have proven more challenging to complete than we had anticipated due to compliance complexities. However, final requirements are now close to complete. We expect the remainder of these homes to be ready to let during November, reducing our total vacant homes to approximately 1,100.

The average number of days from a social home becoming vacant to being ready to let started the year strongly, at 19.1 days (SPE target 23 days). This compares to 21 days for the previous financial year. The time it takes to let homes is also reviewed at a regional level, with actions often driven by the unique circumstances in each area.

# Our people‡

We continue to work through several change proposals as we align to lower appropriated funding, our delivery operating model, and planned organisational efficiencies.

## Welcoming our new chief executive

The new Chief Executive, Matt Crockett began his role on 2 September 2024. The new members of the Kāinga Ora Board started at the beginning of the new financial year.

**2024 New Zealand Energy Excellence Awards win**

Our Renewable Energy Programme has won the **Energy project of the year** for their contributions to creating more affordable energy for our customers and the New Zealand electricity market.

Hundreds of solar panels have been installed on our customers' homes across the motu as part of an innovative solar trading trial.

‡ Our internal delivery measures will be recorded in later reports as some are annual and others require forecast figures which will be completed for quarter 2.

Further information about these changes is available on our website.

## Optimising our operating model

With housing delivery targets now confirmed, we have a change process underway regarding our housing delivery groups. A new structure and delivery operating model are proposed that would ensure we can carry out the change in delivery volumes in the most cost-effective and efficient way possible.

## The Reset Plan

Work on the Reset plan is progressing with the scope of the plan broad and reaching right across our operations, including our customers, revenue, costs, and portfolio management The Board will submit the plan to the Ministers towards the end of November.

# Our top organisational risks

Our organisational top risks are reviewed regularly to reflect the operating environment and to ensure they support achievement of our activities. The top risks with a high-risk rating that the organisation is managing to meet the expectations of the Government are:

- Workforce resilience
- Operational resilience
- Health and safety
- Impact of Climate change on our assets and operations
- Legal and compliance
- Continued delivery during a period of policy and system change

Top risks, including description, risk rating and mitigations are actively discussed and managed by the Board and Finance, Risk and Assurance Committee on a regular basis.

# Appendices

## Appendix 1: Statement of Performance Expectations Results

**Key based on YE forecast results**
- On track
- Off-track - mitigations in place to achieve year-end target
- Off-track – mitigations in place but achieving year-end target will be challenging

**1 OUTPUT CLASS**

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

**Scope of output class 1**
Under this output class, Kāinga Ora establishes and manages public housing tenancies of individuals and households while supporting customers to be well connected to their communities.

**How we performed**

All measures in this output class are on track to meet the annual SPE 2024/25 targets.

> **SPE 1.3 and SPE 1.7*
>
> *The underlying systems for calculating these measures are still being developed. We expect these to be available for October reporting.*

| | Performance measure | 2024/25 target | Year to date result | Year end forecast |
|---|---|---|---|---|
| 1.1 | New customers receiving *Support to Settle In* within first 12 weeks | *85%* | **96%** | On track |
| 1.2 | Tenant satisfaction with tenancy and Customer Support Centre interactions | *78%* | **81%** | On track |
| 1.3 | Percentage of new debtors with a repayment arrangement in place within 21 days | *75%* | * | |
| 1.4 | Percentage of debtors who have decreased rental arrears from last month | *80%* | **81%** | On track |
| 1.5 | Customers satisfied that interactions with are culturally appropriate | *75%* | **82%** | On track |
| | ...and who identify as Māori | *75%* | **79%** | ✔ |
| | ...and who identify as Pacific peoples | *75%* | **85%** | ✔ |
| 1.6 | Customer Support Centre average speed to answer telephone calls (seconds) | *≤3 minutes* | **0 minutes 21s** | On track |
| 1.7 | Disruptive behaviour incidents with a decision made in 15 days | *90%* | * | |
| 1.8 | Successful Tenancy Tribunal applications for termination due to disruptive behaviour | *85%* | **92%** | On track |

## 2 OUTPUT CLASS

## Growing, renewing and maintaining our homes

**Key based on YE forecast results**

On track

Off-track - mitigations in place to achieve year-end target

Off-track – mitigations in place but achieving year-end target will be challenging

**Scope of output class 2**

Under this output class, we redevelop our current homes, build new homes, lease homes and purchase properties and land for building homes to meet the changing needs of our public housing and supported housing customer base.

**How we performed**

**Home relocations (SPE 2.7) at risk of not meeting annual target**

Despite the year-to-date result being ahead of target, we are at risk of not meeting full year target, due to a pause on redevelopments and site clearance. To mitigate the risk, we are actively working to identify relocatable homes in the redevelopment pipeline that are suitable for relocation with the aim of achieving the target by year end.

**Time taken to design and build a new public or supported home (SPE 2.5)**

We are confident the target will be met and are closely monitoring this.

***SPE 2.3 The Board has directed that we no longer seek Homestar 6 certification from the NZ Green Building Council, however, most homes delivered in 2024/25 will be built to the Homestar 6 Standard.*

****SPE 2.8 The underlying system for this measure is still being developed. In the meantime, this represents the result as at 30 September 2024.*

| | Performance measure | 2024/25 target | Year to date result | Year end forecast |
|---|---|---|---|---|
| 2.1 | Newly constructed homes[4]: | *3,400* | **435** | |
| | ...that are Public homes | | **429** | |
| | ...that are Supported homes | | **6** | |
| 2.2 | Increase in the overall number of homes (net increase): | *2,230* | **174** | |
| | ...that are Public homes | | **169** | |
| | ...that are Supported homes | | **5** | |
| 2.3 | New homes built to 6 Homestar standards** | *90%* | **100%** | |
| 2.4 | Newly constructed homes meeting full universal design standards | *15%* | **6%** | |
| 2.5 | Time taken to design and build a new public or supported home | | | |
| | ... that are houses | *≤24 months* | **27** | |
| | ... that are apartments | *≤49 months* | **42** | |
| 2.6 | New trainees in our construction apprenticeship or cadetship programme | *125* | **21** | |
| | ...who identify as Māori | *25%* | **29%** | ✔ |
| | ...who identify as Pacific peoples | *25%* | **0%** | ✕ |
| 2.7 | Existing homes relocated to make way for new redevelopments | *10%* | **31%** | |
| 2.8 | Percentage of social homes in service that are let | *98.0%* | **97.9%***** | |
| 2.9 | Days from a public home becoming vacant to being ready to let | *≤23* | **19** | |
| 2.10 | Public housing customers satisfied with repairs and maintenance | *75%* | **82%** | |
| 2.11 | Timeliness of maintenance responses | *90%* | **93%** | |

[4] The original targets for SPE 2.1 (target 3,700) and SPE 2.2 (target 2,800) have been restated to reflect the 14 August 2024 regional purchasing intentions letter from the Minister.

3

OUTPUT CLASS

## Delivering and facilitating urban planning and development

**Key based on YE forecast results**

- On track (green house)
- Off-track - mitigations in place to achieve year-end target (yellow house)
- Off-track – mitigations in place but achieving year-end target will be challenging (red house)

| | Performance measure | 2024/25 target | Year to date result | Year end forecast |
|---|---|---|---|---|
| 3.1 | Hectares of land developed by Kāinga Ora | *13* | **1.8** | Yellow |
| 3.2 | New homes that can be enabled on land developed by Kāinga Ora | *965* | **213** | Yellow |
| 3.3 | New homes enabled on land developed and delivered by Kāinga Ora | *1,435* | **190** | Yellow |
| 3.4 | Affordable homes enabled as a percentage of total market and affordable homes enabled | *40%* | **75%** | Green |
| 3.5 | Project milestones met as per Large-Scale Project plans | *75%* | **25%** | Red |
| 3.6 | Housing developments that meet Urban and Landscape Design Quality expectations | *80%* | ***Annual measure*** | |
| 3.7 | Projects assessed as potential Specified Development Projects | *Demand driven* | **0** | |
| 3.8 | Newly constructed homes on behalf of TRC | *28* | **0** | Yellow |

**Scope of output class 3**

Under this output class, we facilitate and deliver urban development projects. We enable affordability and accessibility of housing, leveraging our land and scale

**How we performed**

**Several urban development SPE measures at risk of not meeting the annual SPE 2024/25 target**

Due to project delays and extended sales periods, as a result of current market conditions, we are at risk of not meeting four SPEs (3.1, 3.2, 3.3, 3.8). We are working with our partners to mitigate these risks and will be looking to make sales at appropriate values. In the longer term financially, the best outcome may be to not sell land, miss these targets and sell land at better value later.

We also forecast to not meet the target for Large Scale Projects milestones (SPE 3.5) on two out of five neighbourhoods, but we're taking steps to mitigate risk. We are initiating a standard change control process to adjust the baseline for two projects (Mount Roskill - Wesley West Stage 1 and Mount Roskill - Waikowhai Stage 3), which will increase the likelihood of achieving this target.

4

OUTPUT CLASS

## Supporting Crown housing infrastructure and home-ownership initiatives

**Scope of output class 4**
Under this output class, we administer and monitor the Infrastructure Acceleration Fund (IAF) as agents for the Crown and support New Zealanders to purchase their first home by providing financial home-ownership products.

**How we performed**

All measures in this output class are on track.

**Key based on YE forecast results**
- On track
- Off-track - mitigations in place to achieve year-end target
- Off-track – mitigations in place but achieving year-end target will be challenging

| | Performance measure | 2024/25 target | Year to date result | Year end forecast |
|---|---|---|---|---|
| 4.1 | Buying off the Plans applications assessed | *Demand driven up to 730* | **68** | - |
| 4.2 | Days to assess completed Buying off the Plans applications | *≤5* | **2** | On track |
| 4.3 | First Home Loan mortgages underwritten | *Demand driven up to 3,600* | **808** | - |
| | ...for applicants that are Māori | | **87** | - |
| | ...for applicants that are Pacific Peoples | | **21** | - |
| 4.4 | Completed underwritten Buying off the Plans programme homes acquired by the Crown | *≤25%* | **11%** | On track |
| 4.5 | Infrastructure milestones completed in the year | *80%* | **12%** | On track |

## Appendix 2: Financial Statements

| Year to date 2023/24 Actual | Statement of financial performance ($ million) | Year to date 2024/25 Actual | Budget | Variance | Full year Forecast | Budget | Variance |
|---|---|---|---|---|---|---|---|
| 454 | Rent | 534 | 534 | (0) | 2,207 | 2,207 | 0 |
| 35 | Land sales | (30) | 111 | (141) | 179 | 242 | (63) |
| 40 | Appropriations & other Income | 26 | 39 | (13) | 174 | 188 | (14) |
| **529** | **Total income** | **531** | **685** | **(154)** | **2,560** | **2,638** | **(78)** |
| 167 | Repairs & maintenance | 121 | 141 | 20 | 578 | 578 | 0 |
| 23 | Development & acquisitions | 9 | 10 | 1 | 54 | 54 | 0 |
| 32 | Land costs | (30) | 111 | 141 | 179 | 242 | 63 |
| 47 | All other property expenses | 36 | 48 | 13 | 217 | 226 | 9 |
| 59 | Council rates | 65 | 71 | 6 | 287 | 287 | 0 |
| **328** | **Total direct property expenses** | **201** | **382** | **181** | **1,314** | **1,387** | **72** |
| 89 | People expenses | 91 | 91 | 0 | 346 | 346 | 1 |
| 27 | Other indirect expenses | 28 | 33 | 5 | 123 | 121 | (2) |
| 16 | Consultants & contractors | 10 | 15 | 6 | 60 | 57 | (3) |
| **131** | **Total indirect expense** | **129** | **139** | **10** | **528** | **524** | **(4)** |
| 32 | Write offs & net (gain)/loss on sales | 26 | 26 | (0) | 199 | 199 | 0 |
| **492** | **Total expenses** | **356** | **546** | **190** | **2,042** | **2,110** | **68** |
| **37** | **EBITDA** | **175** | **139** | **36** | **518** | **528** | **(10)** |
| 102 | Net interest expense | 146 | 155 | 8 | 658 | 658 | 0 |
| 101 | Depreciation & amortisation | 122 | 120 | (2) | 480 | 480 | (0) |
| (34) | Tax | (19) | (22) | (2) | (77) | (77) | 0 |
| **(131)** | **Net surplus/(deficit) after tax** | **(74)** | **(115)** | **41** | **(544)** | **(534)** | **(10)** |

| Statement of financial position ($million) | As at 30 September 2024 Actual | Budget | Variance | 30 June 2025 Budget |
|---|---|---|---|---|
| Cash & cash equivalents | 485 | 100 | 385 | 100 |
| Investments | 62 | 242 | (180) | 651 |
| Prepayments & receivables | 314 | 413 | (100) | 508 |
| Properties held for sale | 13 | 19 | (5) | 19 |
| Properties under development | 566 | 547 | 19 | 555 |
| Mortgage advances | 20 | 21 | (2) | 21 |
| Interest rate derivatives | 1 | 5 | (4) | 5 |
| Income tax receivable | 22 | 2 | 20 | 0 |
| Intangible assets | 22 | 0 | 22 | 0 |
| Property, plant & equipment | 47,381 | 49,693 | (2,311) | 52,861 |
| **Total assets** | **48,885** | **51,041** | **(2,156)** | **54,720** |
| | | | | |
| Accounts payable & other liabilities | 467 | 489 | 22 | 490 |
| Income tax payable | 0 | 0 | 0 | 2 |
| Provisions | 49 | 64 | 15 | 64 |
| Mortgage insurance scheme | 64 | 68 | 5 | 84 |
| Interest rate derivatives | 29 | 24 | (6) | 24 |
| Crown borrowings | 9,162 | 9,781 | 619 | 13,301 |
| Market borrowings | 7,668 | 7,654 | (15) | 5,717 |
| Deferred tax liability | 1,540 | 1,840 | 300 | 1,881 |
| **Total liabilities** | **18,979** | **19,919** | **940** | **21,562** |
| | | | | |
| Equity attributable to the Crown | 4,201 | 3,895 | 306 | 4,524 |
| Retained earnings | 168 | (44) | 212 | (360) |
| Revaluation reserve | 25,550 | 27,267 | (1,717) | 28,990 |
| Hedging reserve | (13) | 4 | (17) | 4 |
| **Total equity** | **29,906** | **31,122** | **(1,216)** | **33,157** |

| Statement of cash flows ($million) | Year to Date Actual | Budget | Variance | Full year Budget |
|---|---|---|---|---|
| **Cash flows from/(used in) operating activities** | | | | |
| Rent receipts – Crown income-related rent subsidy | 476 | 355 | 120 | 1,469 |
| Rent receipts – tenant | 154 | 154 | (0) | 638 |
| Crown appropriation revenue | 30 | 43 | (13) | 139 |
| Interest received | 11 | 53 | (43) | 39 |
| Income tax (paid)/received | - | 44 | (44) | 46 |
| Other receipts | 21 | 25 | (4) | 99 |
| Payments to suppliers and employees | (504) | (409) | (95) | (1,664) |
| Interest paid | (154) | (212) | 58 | (714) |
| **Net cash flows from/(used in) core operating activities** | **34** | **53** | **(19)** | **52** |
| Sales of developments | - | 45 | (45) | 149 |
| Land development costs | - | (98) | 98 | (320) |
| **Net cash flows from/(used in) operating activities** | **34** | **(0)** | **34** | **(119)** |
| **Cash flows from/(used in) investing activities** | | | | |
| Net short-term investments (made)/realised | 289 | 425 | (136) | 15 |
| Sale of rental properties and other property plant and equipment | 13 | 4 | 9 | 21 |
| Mortgage and other lending repayments/(advances) | 49 | - | 49 | - |
| Purchase of rental property assets | (817) | (1,033) | 217 | (2,713) |
| Purchase of other property, plant and equipment | - | - | - | - |
| Purchase of intangible assets | (5) | (11) | 6 | (41) |
| **Net cash flows from/(used in) investing activities** | **(471)** | **(615)** | **144** | **(2,719)** |
| **Cash flows from/(used in) financing activities** | | | | |
| Net capital contributions (to)/from the Crown | - | 84 | (84) | 712 |
| Crown debt drawndown/(repaid) | 377 | 531 | (154) | 4,050 |
| Market notes issued/(repaid) | - | - | - | (1,925) |
| **Net cash flows from/(used in) financing activities** | **377** | **615** | **(238)** | **2,838** |
| **Net cash flows** | **(60)** | **-** | **(60)** | **-** |
| Opening cash and cash equivalents | 545 | 100 | 445 | 100 |
| **Closing cash and cash equivalents** | **485** | **100** | **385** | **100** |