

Claire Kirman – Opening Remarks

Ngā mihi nui ki a koe for the opportunity to join this hearing remotely. Mr Liggett will shortly take over in leading this case but first I have had the opportunity to watch the opening for the Council and can respond to the questions asked by the Chair.

The first related to the NPS-UD. As noted yesterday the Plan Change is required to give effect to this national direction. Part 4 of the NPS-UD gives the timing for Council's to achieve this, namely notification of a plan change 2 years after the introduction of this secondary legislation. There is no penalty for Council if this is not met.

As a Tier 2 Council, Policy 5 is key. That Policy requires district plans applying to tier 2 urban environments to enable heights and density of urban form commensurate with the greater of:

- The levels of accessibility by existing or planned active or public transport to a range of commercial activities and community services, or
- Relative demand for housing and business use in that location.

Policy 5's parent objective is Objective 3. That states that district plans enable more people to live in areas of an urban environment in which one or more of the following apply:

- The area is in or near a centre zone or other area with many employment opportunities;
- The area is well serviced by existing or planned public transport; or
- There is a high demand for housing or for business land in the area, relative to other areas in the urban environment.

This appears to be the crux of the disagreement between Council and Kāinga Ora. Council says its response is limited to areas where all four of its criteria are met (i.e.: located close to amenities and services and accessible to public transport). Kāinga Ora says, consistent with the NPS that one of those criteria suffice and that there is another matter namely, demand for that housing typology relative to other areas in the urban environment. Mr Liggett and Mr Lindenberg will speak further to this matter shortly.

It is in this context that the erroneously narrow view of scope put forward by Council becomes problematic. Under Council's reasoning submissions cannot effectively challenge the spatial extent or the objectives and policies upon which they rely, because that is the scope of the Plan Change. However, as a matter of law, it cannot be the case that where Council has misunderstood the legal directives of the NPS's objectives and policies that the scope of the Panel's imprimatur is limited to those erroneous interpretations. Section 32(1)(a) requires that there is an examination of the extent to which the objectives of the Plan Change are the most appropriate way to achieve the purpose of the Act. Further, under Council's understanding of scope – because submissions are purportedly limited by what has been notified by Council- the Panel, if it does not agree with the appropriateness of the provisions, the Panel is left only with the option of declining the Plan Change. Kāinga Ora disagrees and says that Council's understanding of scope is misguided and that this Panel

has options available other than just accepting Council's notified objectives, policies and spatial extent or declining the Plan Change.

This leads onto the second question relating to section 32. When determining the efficiency and effectiveness of the provisions in achieving the objectives (which in this Plan Change are also the subject of determination), one of three matters to consider is the risk of not acting if there is insufficient information. So any insufficiency of information relating to economic or stormwater modelling, for example, is a factor in this assessment, but is not determinative of it.

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Kāinga Ora Homes and Communities Act 2019

3 Outline of Act

This Act establishes Kāinga Ora—Homes and Communities and provides for a government policy statement on housing and urban development.

The vision

The GPS-HUD's vision is that everyone in New Zealand lives in a home and a community that meets their needs and aspirations.

The four main things it sets out to achieve are:

An adaptive and responsive system

A housing and urban development system that is integrated, self-adjusting and delivers in response to emerging challenges and opportunities.

Land, infrastructure, development and construction markets that are responsive to demand, well-planned and well-regulated.

Place-based investment, with central and local government working with partners in places to identify and deliver the best mix of public and private initiatives and services.

Decision-making supported by excellent evidence and data.

Stable, affordable, healthy homes

Housing that is affordable and has stability of tenure, whether it's rented or owned.

People able to choose where they live and what type of home they live in.

People with enough money left over after housing costs for other things they need.

The quality, accessibility, size and features of homes support people and families to be healthy and productive.

People in greatest housing need get the support they need, and homelessness is rare, brief and non-recurring.

Māori housing through partnership

Māori and the Crown working together in partnership to ensure all whānau have stable, affordable, healthy homes.

Māori housing solutions led by Māori and delivered locally, with Māori able to utilise their own assets and whenua.

Active Māori participation in the system through partnership with the Crown to invest in and support housing solutions.

Thriving and resilient communities

Development aimed at creating towns and cities that have abundant housing and well-functioning physical and community infrastructure.

Transport that gets people where they need to go quickly and efficiently.

Towns and cities that are resilient to natural hazards, help reduce emissions and adapt to the impacts of a changing climate.

Communities that drive economic growth and support businesses to grow.

How we're going to achieve it

The Government has five key priorities intended to set us on the road to achieving the outcomes:

- Going for Housing Growth – getting the fundamentals right, to target the underlying causes of the housing shortage and putting the right conditions in place to increase the supply of appropriate land for housing.

- Reforming the resource management system – removing red tape and green-lighting infrastructure and housing development.
- Resetting investment to help those most in need – taking a deliberate, evidence-based approach to housing investment that will make the biggest difference for people in need.
- Improving efficiency and competition in building and construction – making it cheaper and easier to build.
- Improving rental markets – incentivising investors to increase the supply of rental housing.

12 Objective of Kāinga Ora–Homes and Communities

(1) The objective of Kāinga Ora–Homes and Communities is to contribute to sustainable, inclusive, and thriving communities that—

(a) provide people with good quality, affordable housing choices that meet diverse needs; and

(b) support good access to jobs, amenities, and services; and

(c) otherwise sustain or enhance the overall economic, social, environmental, and cultural well-being of current and future generations.

(2) When performing its functions or exercising powers under any other legislation, Kāinga Ora–Homes and Communities must act in a way that furthers any relevant objectives or purposes stated in that legislation.

Urban Development Act 2020

3 Purpose of this Act

(1) The purpose of this Act is to facilitate urban development that contributes to sustainable, inclusive, and thriving communities.

(2) To that end, this Act—

(a) provides a mechanism to streamline and consolidate processes for selected urban development projects initiated, facilitated, or undertaken by Kāinga Ora–Homes and Communities (referred to in this Act as **Kāinga Ora**); and

(b) provides powers for the acquisition, development, and disposal of land used for the purpose of Kāinga Ora performing its urban development functions; and

(c) provides additional powers, rights, and duties for the purpose of Kāinga Ora performing its urban development functions.

6 Overview of this Act

(1) This Act is related to the [Kāinga Ora–Homes and Communities Act 2019](#), which, among other things,—

(a) establishes Kāinga Ora; and

(b) gives it functions that include initiating, facilitating, and undertaking urban development.

(2) This Act sets out functions, powers, rights, and duties that relate to that urban development function. The functions, powers, rights, and duties fall into 2 categories, as follows:

(a) those that apply only to projects that are established as specified development projects (see [Parts 2 to 4](#)); and

(b) those that apply both to specified development projects and to other urban development that is initiated, facilitated, or undertaken by Kāinga Ora (see [Parts 5 and 6](#)).

(3) This subpart, and any other provision of this Act referred to as an overview, is intended as a guide to the overall scheme and effect of the provisions referred to in it.

10 Meaning of urban development, urban development project, and specified development project

Urban development

(1) In this Act, **urban development** includes—

(a) development of housing, including public housing and community housing, affordable housing, homes for first-home buyers, and market housing:

(b) development and renewal of urban environments, whether or not this includes housing development:

(c) development of related commercial, industrial, community, or other amenities, infrastructure, facilities, services, or works.

(2) See also [section 13\(1\)\(f\)](#) of the Kāinga Ora—Homes and Communities Act 2019.

Urban development project

(3) In this Act, **urban development project** means a project for urban development, but does not include a project that is only to develop or redevelop public housing on land owned by Kāinga Ora.

Specified development project

(4) In this Act, **specified development project** means an urban development project that is established as a specified development project by an establishment order (see [section 47](#)).

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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

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



21 JUN 2024

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

Via email: s 9(2)(a)

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 how your board can support the delivery of the Coalition Government's priorities and set our expectations for Kāinga Ora during FY2024/25.

The incoming Government had significant concerns about the financial performance and governance of Kāinga Ora. These concerns have been borne out by the independent review recently completed.

It is imperative that Kāinga Ora operates efficiently, transparently and with a clear focus on delivering tangible outcomes for the people it serves.

Obligations and responsibilities of the Board

The Board should be aware of its collective and individual statutory obligations. These include but are not limited to:

- giving effect to government policy when directed by the responsible Ministers
- complying with a whole of government direction from the Minister for the Public Service and the Minister of Finance
- ensuring that KO operates in a financially responsible manner.

The Board has the primary responsibility for Kainga Ora performance. It is accountable to us as the responsible Ministers for the delivery of Ministerial and Government priorities, the setting and achievement of meaningful performance indicators, the monitoring of Kāinga Ora performance, high quality performance reporting and for raising significant risks with us early.

We expect the Board to notify us promptly of any significant risks that arise in the development of the turnaround plan or in the day-to-day operations of the business.

Wider context and Government priorities

We expect your board to be conscious of the Government's priorities. In an ongoing challenging fiscal environment, the Government's priorities include:

- Lifting New Zealand's productivity and economic growth to increase opportunities and prosperity for all New Zealanders; and
- Improving the efficiency and effectiveness of the public service and of government-funded services.

Overarching Priorities

The three overarching priorities we expect the Board to focus on are:

- Financial sustainability;
- Ensuring the Kāinga Ora turnaround plan is consistent with wider government objectives and system direction including any approach agreed by Cabinet to the wider review recommendations; and
- Continued delivery with an enhanced focus on doing so in a fiscally responsible way.

Priority 1: Focus on Financial Sustainability

Cabinet has agreed to accept the independent review recommendation that Kāinga Ora must present a credible plan to eliminate losses to Ministers by November 2024. We expect the newly constituted Board to develop this plan directly, in consultation with Kāinga Ora Management, HUD and the Treasury. The plan is expected to materially reduce operating losses and manage within the approved debt appropriations.

The plan should incorporate the following key information:

- Investment scenarios that provide Ministers with choices, consequences and trade-offs around the delivery approach, speed and scale of the asset renewal process (including retrofits), and credible divestment approaches with (at this point in time) no net new growth in Kāinga Ora social housing places from June 2025 aligned with the Budget 2024 decision.

Our expectation is that these scenarios show options around

- a minimum renewal programme to replace houses that are no longer suitable for tenancing and the resulting impact on debt
- renewal programmes that utilise the appropriated debt (up to \$22.1 billion total debt) over various timeframes (2025/26, 2026/27 and 2027/28).
- Greater visibility and transparency of the total capitalised costs that are incurred in the social housing programme.
- The approach to treasury and liquidity management practices so that Kāinga Ora has an effective and efficient treasury management function, aligned to the current debt financing approach. In developing this part of the plan, we expect your review of current practices should include improving engagement and visibility with the Treasury and HUD. You should consider ceasing the

placement of 'substantial deposit' with banks, given the access to Crown lending and the opportunity cost of holding cash. We also expect this review to consider whether the use of financial instruments is efficient, given the cost of maintaining such capacity, and consider governance processes.

- The approach to delivering Crown-funded programmes and statutory obligations within the \$56 million set aside in Budget 2024.

Although the review indicates consideration of the remit of Kāinga Ora, in the intervening period we expect you to retain the capability required to deliver statutory functions and obligations such as activities around urban planning and policy including advancing the two Specified Development Projects and submitting on council Resource Management Act plan changes to support increased density and urban outcomes and administration of housing products for the Crown.

- Detailed implementation plans with tangible actions and measures of the savings proposals incorporated into Budget 2024 over three years to June 2027:
 - personnel savings of \$130 million
 - operating maintenance of \$464 million
 - travel of \$12 million
 - capitalised maintenance of \$126 million
 - retrofit of \$96 million

We expect you to keep us regularly updated on the development of the turnaround plan to ensure it meets our requirements. We also expect you will actively engage with HUD and the Treasury throughout the turnaround plan's development, including providing opportunities to comment on the draft plan at key milestones.

It is our expectation that across all the components of the credible plan, the Board and HUD will continue two-way engagement on any proposed changes to the scope and extent of the remit of Kāinga Ora. This may include any approaches the Board believes could ensure that Kāinga Ora can focus on the organisation's core functions and changes to the delivery model for these services to improve delivery performance and reduce the costs.

Priority 2: Wider Government Objectives

The second priority is to continue to deliver on the Government's investment programmes and contributing to wider Government objectives, including contributing to where necessary advice led by HUD on policy changes following the Independent Review.

Priority 3: Continued Delivery with an enhanced focus on doing so in a fiscally responsible way

We expect Kāinga Ora to continue to deliver on commitments outlined below but with an enhanced focus on value for money and cost to the taxpayer.

Area 1: Delivery of social housing

We expect you to meet your social housing targets for new places for 2023/24 and 2024/25 as agreed in previous Budgets.

Any deviation from the regional delivery targets should be proactively agreed with Ministers, and we expect monthly reporting that will enable Ministers to be assured that progress is being made.

Ministers have previously expressed an expectation that Kāinga Ora undertakes genuine engagement with communities about delivery plans, and we expect regular updates on how this is progressing.

Area 2: Approach to Large Scale Projects

As part of Budget 2024, decisions were made to reduce the Government funding (operating and capital) of the Large Scale Projects programme to a total of \$1.868 billion.

Ministers are expecting a report back in July 2024 to provide choices and options for this programme, including changes to objectives and revenue assumptions.

Our expectation is that the report back is a joint Kāinga Ora, HUD and Treasury product with the refreshed Board using the reset expectations within the LSP paper to set up robust oversight and monitoring of this programme.

Area 3: Approach to Kāinga Ora Land Programme

Given the current fiscal position, Ministers have previously expressed an expectation that we are informed (prior to any decisions being made within your existing delegations) of any new planned investments within the Land Programme.

For your awareness, Ministers have recently informed Kāinga Ora that the Treasury and HUD have been asked for further advice on options around the future of Ferncliffe Farms by the end of June 2024.

We expect the refreshed Board to use this completed report back as supporting information to build into the credible plan and future direction of the Land Programme.

In this regard, it is our expectation that the Board provides an update by 30 September 2024 on the remaining land holdings within the programme, including future choices for progressing these projects, for consultation with Ministers, as this

programme is covered by the consolidation of funding recommendation of the review.

Area 4: Focus on core functions

We expect Kāinga Ora to focus on core tenancy management functions, in particular:

- strengthening management of disruptive tenants
- actively managing rental arrears
- reducing the volume of vacant properties.

Progress in these areas should form part of the monthly reporting to Ministers and monitoring agencies.

General Matters

There are some general matters that we expect the Board to monitor during the year.

Approach to Administering the Infrastructure Acceleration Fund

As Kāinga Ora administers the IAF on behalf of Ministers we expect to be appropriately informed of progress across the programme in a timely manner. Any variation of funding agreements including the housing outcomes remains a Ministerial decision.

Supporting the Tāmaki Regeneration Programme

Kāinga Ora is supporting the Tāmaki Regeneration Programme through being the Master developer for Tāmaki Regeneration Limited, as well as delivering enabling infrastructure through the Large Scale Project in the area.

Our expectation is that both organisations are working collectively to ensure that the work programmes are aligned and value for money is being achieved through the various Government funding and financing streams.

Consultation on significant investments

Kāinga Ora must comply with the Cabinet Office circular CO(23) 9. The Board is responsible for the performance of Kāinga Ora investments and assets.

Due to the concerns raised in the review, Cabinet has agreed to reduce the delegation to the Board for significant investments to \$35 million whole of life costs, in line with the standard delegation under CO(23) 9 that other Crown entities operate within.

We expect that as significant investments that meet the thresholds outlined in CO (23) 9 are being considered at the Board, that early engagement with Ministers and monitoring agencies is undertaken, including on realistic choices and options within the strategic business case.

Reporting to Monitoring Agencies

We expect that HUD as the monitoring department, will receive monthly investment and financial reporting from Kāinga Ora and will be notified promptly of any

significant issues that arise outside of these reports. HUD will also be the primary communication point for any subsequent policy decisions taken by Cabinet.

We expect that the Treasury, as the Government's chief fiscal and economic advisor, will receive the detailed information necessary under the Public Finance Act to undertake its forecasting and Controller functions including expected and actual performance of investments to inform all-of-government processes such as the Government's fiscal strategy, reviews of the affordability of current policies and the value of service delivery options.

We would also expect that Kāinga Ora will provide the Treasury with quarterly investment reporting as outlined in Cabinet Office Circular CO (23) 9, and any other information requested that is necessary for the Treasury to provide advice to Ministers.

New Agreements

We have directed HUD to assess the current contract for the delivery of social housing with Kāinga Ora to provide consistency with the Community Housing sector.

In addition, we have directed the Treasury to negotiate a new lending facility agreement between the Treasury and Kāinga Ora to support better transparency and accountability for the use of Crown debt.

We expect that Kāinga Ora will work with HUD and the Treasury to finalise these agreements to deliver the optimal outcomes for the Crown.

We trust these expectations will help you to focus the Board's governance work over the next year. We look forward to discussing your progress.

Yours sincerely



Hon Nicola Willis
Minister of Finance



Hon Chris Bishop
Minister of Housing

cc Andrew McKenzie, Chief Executive Officer, Kāinga Ora

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



18 MAR 2024

John Duncan
Deputy Chair, Kāinga Ora – Homes and Communities
PO Box 2628
WELLINGTON 6140

Dear John

INTERIM 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 set out our expectations for 2024/25. This is an interim letter and we expect to issue an updated letter in response to the Review recommendations.

This letter should inform your 2024/25 Statement of Performance Expectations (SPE), along with any updated LOE.

Our key expectations for Kāinga Ora are:

1. Co-operation with the Review of Kāinga Ora

We expect Kāinga Ora to co-operate with the Review we announced in December. It is important that the Review is successfully completed by the end of March 2024 and your timely input will support meeting that deadline. The other expectations set out in our 18 December 2023 letter still apply.

2. Focus on core functions

We expect Kāinga Ora to focus on core functions, in particular:

Addressing Rental Arrears:

- continuing to work with your tenants who are in rental arrears to address this using the tools available to you as a landlord, and providing us with a timeframe for your expected reduction of outstanding rental arrears
- strengthening your approach to tenancy terminations for continued failure to meet agreed repayments, as well as for non-payment of rent when tenants refuse to engage and make no efforts to reduce and repay their rental arrears. This should be a strong incentive for tenants to make their rent payments.

Please advise us about other actions, or options you are considering, to address current rental arrears, and to prevent future arrears escalating.

Replacing the Sustaining Tenancies Framework:

We expect the Board to implement tenancy management policies that strike a different balance between the benefits to a disruptive tenant of sustaining the tenancy and the impacts of that approach on neighbours. These should include:

- strengthening management of disruptive tenants
- driving timely usage of existing RTA tools that prompt behaviour change, including formal warning notices under section 55A and relocations under section 53B; and
- accelerating the process of tenancy termination for severe and persistent cases.

Strengthening community engagement about development activities:

Kāinga Ora has advised us that a new approach to community engagement was adopted in October 2023 and that this goes beyond the existing central and local government legal requirements. We are concerned about the loss of social licence for social housing and we expect Kāinga Ora to implement policies that genuinely engage communities about Kāinga Ora's plans and activities.

Vacant properties:

Vacant properties should be tenanted as quickly as possible, with reporting showing how your numbers of empty properties are reducing.

Delivery of social housing:

We expect you to meet your social housing targets for new places for 2023/24 and 2024/25, including regional delivery targets for 2024/25 as set out in the Updated Public Housing Plan. Your reports on this must include:

- delivery and pipeline information for each year's target (net)
- a breakdown of development versus acquisitions for both delivery and pipeline
- a breakdown of regional delivery.

We expect monthly reporting on the above issues. Your SPE should confirm how Kāinga Ora will meet these expectations, and how the Board will monitor progress and the expected improvements.

3. Effective governance and driving fiscal sustainability

The Coalition Government is committed to getting the government's books back in order and ensuring taxpayer funds deliver positive outcomes for New Zealanders. To help us achieve this we have established a Fiscal Sustainability Programme to embed a culture of responsible spending across Government, including in Crown entities.

Crown entities account for a significant proportion of government expenditure and service delivery. You and your boards have an important role in achieving results and outcomes from this expenditure. Boards must ensure their entities make the best use of Crown funding to deliver high quality services and you should expect enhanced scrutiny of Crown funding.

I expect you to participate fully in the Ministry for Housing and Urban Development' savings programme and have a firm grasp of your operations and cost drivers and that you continually drive action to reduce delivery costs down. We acknowledge the Kāinga Ora review currently underway, but expect savings to be identified in advance of the findings of this review.

Ensuring value for money from your spending is essential, and this includes a focus on value for money in Kāinga Ora's tenancy work and in Asset Management processes. We expect to be informed before you make any new planned investments, including changes to existing investments in the Kāinga Ora Land Programme, even where these can be made within your existing delegations, and we expect you to have given consideration to value for money in respect of these investments.

We expect you to continually review programmes to assess whether they represent value-for-money. Programmes and activities that are not delivering results should be stopped and funding should be reprioritised or returned to the Crown.

Board performance will be discussed in our regular meetings, and we should be informed of new capabilities that are needed and any significant periods of Board member absences.

4. Communications with Ministers and officials

Kāinga Ora's performance reports must be succinct, relevant, and timely. These must include the Board's assessment of organisational and financial performance, how risks are being managed, and information about the Board's efforts to improve value for money. We are not interested in performance reports that apply a 'good news only' lens. Please work with HUD on suitable formats for reporting that include quality financial information.

Kāinga Ora must respond promptly and fully to information requests from the monitoring departments. We also expect you to maintain a 'no-surprises' relationship with our officials and our Offices, and to be informed well in advance of material matters related to Kāinga Ora, positive or negative.

We trust these expectations will help you to focus the Board's governance work and the next SPE. Following the Review we will communicate our further expectations to you, including in the area of achieving savings. We look forward to discussing your progress.

Yours sincerely



Hon Nicola Willis
Minister of Finance



Hon Chris Bishop
Minister of Housing

cc Andrew McKenzie, Chief Executive Officer, Kāinga Ora