Tāmaki Regeneration Company

Statement of Performance Expectations 2023-2024

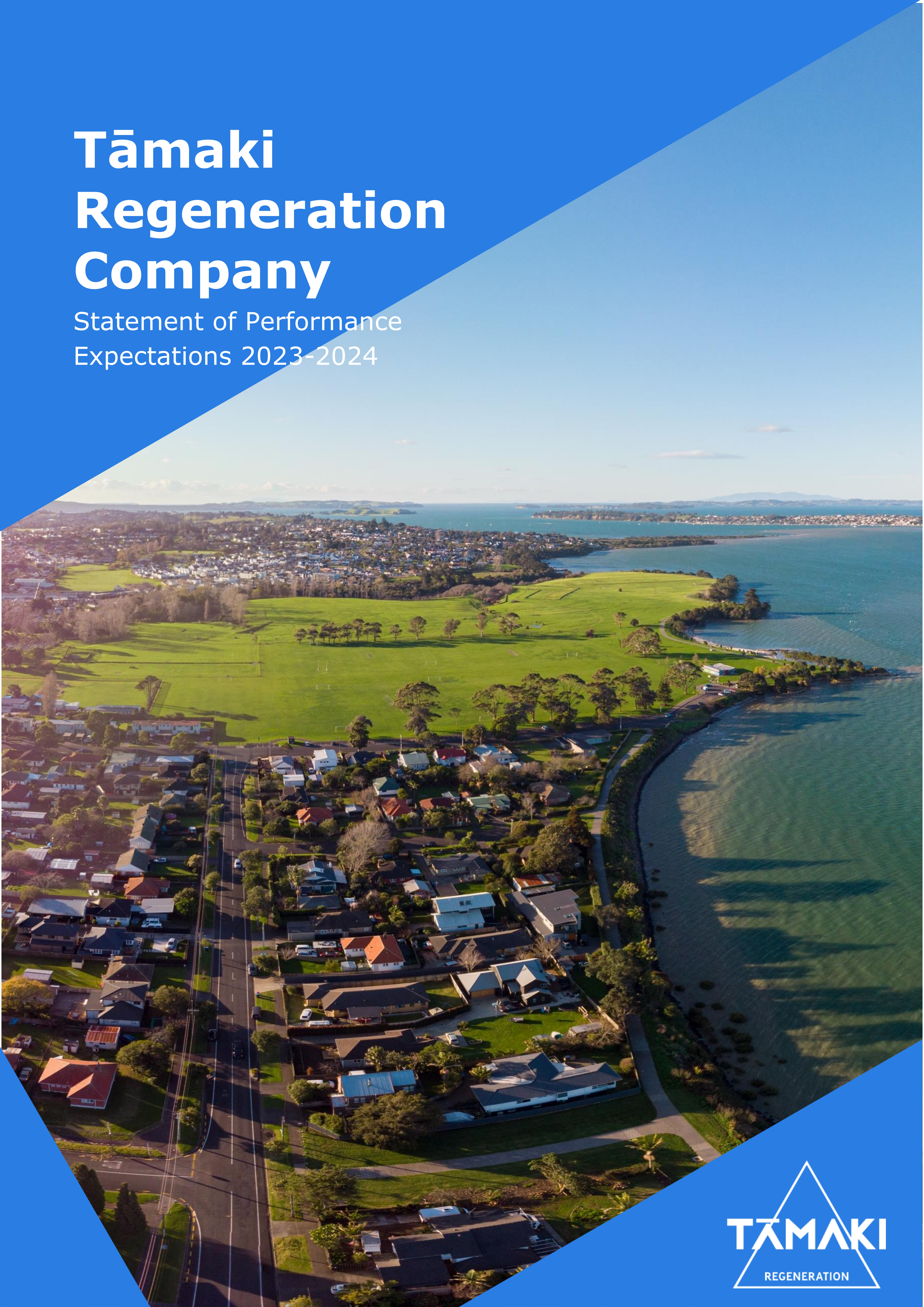


TABLE OF CONTENTS

STATEMENT OF RESPONSIBILITY

In accordance with the Public Finance Act 1989 and the Crown Entities Act 2004, this Statement of Performance Expectations (“SPE”) publicly states the activities and intentions of Tāmaki Redevelopment Company Limited (referred to as either “the Company” or “TRC” interchangeably) and its subsidiaries for the 2023-2024 financial year (“FY23”), and the objectives and outcomes that those activities will contribute to.

This SPE has had shareholder input, allowing our responsible Ministers and Auckland Council to participate in setting the direction for the company for the 2023-2024 financial year, and includes performance measures and targets as the basis of organisational accountability.

The Board of TRC is responsible for the statements contained in this SPE and for the appropriateness of the assumptions as well as the relevant disclosures made in them.

The Board has the responsibility 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.

Evan Davies Board Chair	Kerry Hitchcock Board Director
30 June 2023 Date	30 June 2023 Date

PURPOSE OF STATEMENT OF PERFORMANCE EXPECTATIONS

This document is TRC's Statement of Performance Expectations 2023-2024 and should be read in conjunction with our Statement of Intent 2021-2025, which describes our organisation and medium-term strategic intentions in more detail, outlining how our operating environment is changing and how we are planning to respond to those changes.

The SPE is our 12-month performance expectations document, setting out our expected financial performance during the 2023-2024 financial year, along with appropriate enabling projects, output measures, and associated targets within each of our functional areas. These measures are designed to drive organisational performance and are linked to our strategic objectives and the long-term outcomes that we contribute to.

In setting out these measures, our SPE provides a base against which our actual performance can be measured at year-end by our Shareholders and by Parliament. We will also provide quarterly reports[1] to our Shareholders, which will provide an overview of our performance over the previous three months against SPE measures.

[1] Note that the Annual Report 2024 will serve as the Q4 Report for FY24.

ABOUT TĀMAKI REDEVELOPMENT COMPANY LIMITED

Tāmaki Regeneration Company (TRC)[2] is a place-based organisation that works alongside Mana Whenua, the community, and our partners, to help shape the future of Tāmaki through an urban regeneration programme that is unique to Aotearoa. Together, we are reimagining the three eastern Auckland suburbs of Glen Innes, Panmure, and Point England.

The existing communities of Tāmaki are made up of approximately 20,000 diverse residents, with around 35% of residents aged under 25 and approximately 60% of the population identifying as Māori and/or Pasifika. Through the regeneration programme and redevelopment of homes in the area, the 900ha of Tāmaki will become home to a population of approximately 56,000 by 2043.

TRC has broad social and economic goals for Tāmaki. It embraces the diverse communities of Tāmaki and the vision to create a thriving, connected, community which has the resources and capacity to take charge of its own destiny.

TRC's work is guided by four strategic priorities: housing resources; social transformation; economic development; and placemaking. Underpinning our four strategic priorities is a vital focus on making changes or improvements to the system to remove barriers and put in place better ways of supporting people, especially Māori and Pasifika peoples, to succeed. Our aim is for Tāmaki to be a living exemplar of Te Tiriti o Waitangi, where we work alongside Mana Whenua to enable whānau to achieve their aspirations.

We play an important role in the Government's commitment to address Auckland's housing challenges. The regeneration programme plans to deliver 10,500[3] new, warm, and dry public, affordable and market homes for Tāmaki whānau. In the coming years, we will be delivering increasing numbers of affordable housing products to enable Māori and Pasifika whānau in Tāmaki to move along the housing continuum and into home ownership.

We have delivered close to 1,250 houses through the programme since FY14. We are increasing the pace and scale of the housing programme, as well as looking to provide more suitably sized homes for larger Tāmaki whānau. We are also driving improvements to local infrastructure and amenities.

We have a collaborative working partnership with Kāinga Ora, working closely with them to drive the delivery of quality new homes and redeveloped neighbourhoods for Tāmaki residents that will enable the broader regeneration aspirations of Tāmaki whānau and the Crown.

Supporting the community

Our vision for Tāmaki is strongly aligned to the Government's policy agenda to improve living standards and wellbeing for all New Zealanders, with a focus on driving improved equity outcomes for Māori and Pasifika whānau. The Government is committed to major investments in housing, health, education, and infrastructure, all of which are critical to, and supported by, the regeneration programme in Tāmaki.

We continue to work closely with our partners across the public sector and in the community to ensure Mana Whenua are recognised and supported in their role as Iwi Whakamaru of Tāmaki. By sharing our mahi and kaupapa with our partners, we can help reshape the social service system, regionally and nationally, based on our deep understanding of the barriers, enablers, and drivers of change for whānau.

As a place-based organisation, we work closely with the community to deliver on local social, economic, placemaking, and housing aspirations and needs. This includes working with and alongside the community when

[2] Tāmaki Regeneration Company is the brand or trading name of Tāmaki Redevelopment Company Limited ("TRC").

[3] Note that the ability to deliver the full housing redevelopment programme within current programme timeframes is contingent on a range of interrelated factors, which includes the delivery of the land enablement programme (infrastructure financing and delivery) by Kāinga Ora to current programme timeframes and in line with the housing delivery programme.

unforeseen circumstances arise (i.e., in emergency situations). The nature of our role will depend on the nature of the situation on-the-ground.

For example, through Covid-19, we supported whānau with their needs, providing information, food, and running vaccination programmes in partnership with community organisations. During FY23, we stood behind community organisations who mobilised in response to the Auckland floods and Cyclone Gabrielle. We will continue to engage with the community to understand their needs, support them to be prepared, and support their response to disaster and emergency situations arise, within our mandated areas of responsibility within this rohe.

Future vision

To ensure the vision for the future will be enduring, and its impact will span generations, we are further shaping the way we do things. As a place-based organisation we have a clear view of the community's needs and aspirations and can position ourselves to support these. Our ongoing areas of focus include:

- Honouring our commitment to the Te Tiriti o Waitangi.
- Growing our existing partnerships with Mana Whenua and the Tāmaki community.
- Concentrating our investment in programme areas that will support the wellbeing of Tangata Whenua and Tangata Tiriti and improve equity outcomes for Māori and Pasifika whānau in Tāmaki. This includes working with our partners to improve systems and conditions, to ensure that these are designed and delivered with an equity lens.
- Enhancing the mana of Mana Whenua and the community through enabling self-determination and control over their own destiny.

With these principles guiding us, combined with the knowledge of our past work, we will continue to develop the regeneration programme in partnership with the people of Tāmaki to move towards a thriving future by:

- Accelerating housing delivery to deliver greater wellbeing and equity outcomes for Māori and Pasifika whānau. We will develop exemplar regeneration neighbourhoods that deliver better housing, infrastructure, and social amenities, demonstrate the best in urban design thinking, and meet the needs of the diverse communities in Tāmaki.
- Providing a world-class tenancy management service to public housing tenants in Tāmaki, through our tenancy management services arm, the Tāmaki Housing Association Limited Partnership[4] (referred to throughout this document as "Tāmaki Housing" or "THA" interchangeably), which places the wellbeing of public housing whānau at the centre of all that we do, supports public housing whānau through the rehousing process, and maintains a compassionate and flexible approach throughout this process.
- Working with Kāinga Ora, the master developer for Tāmaki, and TRC's build partners to develop, design, and deliver innovative housing products across the housing continuum, including new public homes, shared home ownership homes, and affordable rental homes.
- Continuing to support Māori and Pasifika whānau into education and employment opportunities through the Tāmaki Jobs and Skills Hub, including the enablement of a construction-ready local workforce and a sharpened focus on upskilling and training for Tāmaki rangatahi.
- Continuing to support economic growth in Tāmaki, including planning the redevelopment of 260 Apirana Avenue in the Glen Innes town centre (note that redevelopment of this site is subject to ministerial approval of a business case for this project).

[4] The Tāmaki Housing Association Limited Partnership is a registered community housing provider (Class I Social Landlord with the Community Housing Regulatory Authority) that is a wholly owned subsidiary of Tāmaki Redevelopment Company Limited.

- Continuing to assist the Crown with community regeneration across Aotearoa by regularly sharing our learnings and kaupapa. Specifically, we continue to support MHUD and Kāinga Ora to implement the Government's housing and urban development programme, sharing with them our regeneration expertise and enabling the Crown to deliver better wellbeing outcomes for other communities.

OUR OPERATING ENVIRONMENT

Overview: Focussing on What Matters Most

The Tamaki community has faced numerous challenges in the aftermath of the Covid-19 pandemic. Like previous global crises, the pandemic has had a disproportionate effect on social and economic outcomes for Māori and Pasifika whānau. This effect has been exacerbated by tightening global economic conditions over the past year, with cost-of-living pressures forcing many whānau in Tāmaki to make impossible trade-offs between putting food on the table and paying medical bills.

In this context, and with inflation forecast to remain at elevated levels for longer than we've seen in the past, the Government has refocussed its priorities to put the cost-of-living front and centre of its new policy platform. This has seen a sharp focus on policies and programmes that will make the biggest difference to New Zealand households, with resources and investment prioritised into these areas. This means supporting New Zealand households to meet their basic cost of living, including housing costs, food costs, and other essential household costs.

TRC shares the Government's commitment to focusing on what matters most to New Zealand families. In Tāmaki, this means prioritising investment into our housing delivery programme and social and economic support activities that we know make the biggest difference for whānau. With housing being the largest cost that most households face, delivering high-quality, affordable housing at pace and at scale is essential to addressing the inequities that Māori and whānau face in Tāmaki and across the motu.

As a place-based entity with deep insights about Tāmaki and longstanding relationships with community organisations and leaders, TRC is also uniquely placed to support the community to respond to events such as the 2022 floods and cyclones. We have reviewed our policies and procedures to ensure that we are prepared to respond to these types of events and are supporting the community in their planning for future event responses.

Our Role in the Housing and Urban Development Landscape

The Government is focussed on accelerating public housing supply, delivering affordable housing for first-home buyers, supporting the delivery of affordable rental housing, and reforming the Resource Management Act to reduce the cost and complexity of building houses. Accordingly, TRC's delivery of public and affordable housing across the housing continuum directly delivers on the Government's housing supply objectives.

We continue to work collaboratively with Government entities in our work to ensure we deliver on the Government's housing and urban development objectives and deliver the best outcomes we can in Tāmaki. We work most closely with our monitoring agency, Ministry for Housing and Urban Development (MHUD) and Kāinga Ora in the planning, funding, and delivery of the housing redevelopment programme in Tāmaki.

We work with central and local government partners to deliver exemplar regeneration neighbourhoods, through the provision of social infrastructure and efficient transport connections, which will support the growing population in Tāmaki. In doing so, and in the execution of our housing programme, we are helping to deliver on the Government's vision that everyone in Aotearoa lives in a home and a community that meets their needs and aspirations.

The Government is committed to improving housing outcomes for Māori by working in genuine partnership with Māori. MAIHI Ka Ora – the National Māori Housing Strategy has a clear focus on Government using its levers to enable Māori-led local housing solutions, so Māori housing aspirations are achieved. We give life to MAIHI Ka Ora in the way that we deliver the housing programme in Tāmaki, taking a true partnership approach with Mana Whenua. Furthermore, we are aligned to the Government's priority for improving home ownership outcomes by adhering and implementing the Progressive Home Ownership (PHO) programme through our affordable housing programme and with our development partners.

Our Long-Term Contribution to the Government's Priorities

Our future state and long-term vision for Tāmaki is strongly aligned to the Government's policy agenda to improve living standards and wellbeing for all New Zealanders.

The Tāmaki regeneration programme is transforming approximately 150 hectares of whenua to deliver new, warm, dry public houses, alongside affordable housing for Tāmaki whānau. We are accelerating the delivery of public housing to address the growing need for housing in Tāmaki, contributing to the Government's broader **Public Housing Plan** and the **Homelessness Action Plan.**

Our regeneration aims to develop a thriving and vibrant community connected to opportunities in Tāmaki and beyond. Our developments demonstrate best practice in urban design and efficiency, creating cohesive communities supported by connected infrastructure, as set out by the **National Policy Statement on Housing and Urban Development.** We recognise the wellbeing outcomes that can be achieved by providing whānau with safe, secure, and affordable housing which meets their needs. Finding alignment between our regeneration and the shared vision and outcomes of the **Government Policy Statement on Housing and Urban Development (GPS-HUD)**.

We are focussed on improving equity outcomes for Māori and Pasifika whānau through housing, in line with the **MAIHI Ka Ora (The National Māori Housing Strategy)** and the PHO programme. We are focussed on delivering affordable and secure housing for our Māori and Pasifika whānau and supporting whānau to move along the housing continuum and into home ownership. We work in partnership with local Mana Whenua to support their aspirations for Māori and recognise their role as Iwi Whakamaru in Tāmaki.

Our holistic approach contributes to broader government priorities of:

- Providing stable employment and opportunities for people to upskill. We do so, by creating thousands of jobs for Tāmaki locals and rangatahi over the next 20 years and supporting locals into employment through our employment initiatives.
- Stimulating the local economy. We do this by enabling local businesses to capture the economic opportunities created through regeneration and supporting entrepreneurs to grow and thrive through our economic development initiatives.
- Reducing carbon emissions, protecting waterways, and restoring biodiversity. We play our part through the implementation our overarching masterplan for Tāmaki and through our sustainability and environmental initiatives.
- Reducing child poverty. We do this through our supply of safe, healthy, secure public and affordable homes and services to support the immediate and broader needs of whānau.

Our work is laying the foundations for a better future and will have an intergenerational impact in Tāmaki. We are creating a thriving and equitable Tāmaki for the community now, and for the tamariki and rangatahi of Tāmaki into the future. This is consistent with the Government's focus on delivering long-term impact through an integrated delivery programme across the public sector.

In delivering the work programme outlined above, we work in collaboratively with Kāinga Ora and other central and local government agencies to drive better housing, health, education, employment, environmental, and wellbeing outcomes for Tāmaki and Tāmaki whānau. This partnership approach supports the Government's strategic intent to enable a more adaptive, agile, and collaborative public service, through the **Public Service Act 2020**.

Our Contribution to the Auckland Plan 2050

Our work to regenerate Tāmaki and make it an awesome place to live aligns with the Auckland Plan 2050, Auckland's long term spatial plan to grow and flourish the city's social, economic, environmental, and cultural well-being. TRC contributes to the delivery of six key outcomes within these areas outlined by the plan, as set out below.

- **Belonging and participation:** We worked with the Tāmaki community to develop a "neighbourhood approach" to regeneration. The approach is underpinned by ongoing community involvement and participation at an early stage of and throughout the design process. This ensures TRC can deliver on its commitment to delivering outcomes based on the needs and aspirations of the Tāmaki community.
- **Māori identity and wellbeing:** We continue to deepen our relationships with Mana Whenua and have established strategic partnerships with local iwi in recent years. This includes:
    - engaging with Mana Whenua on the regeneration programme.
    - pursuing opportunities for partnerships with Māori entities and businesses.
    - supporting Mana Whenua with governance and development capacity building.
    - partnering with Mana Whenua to support their aspiration for Tāmaki.
    - continuing to work closely with Ruapotaka Marae.
- **Homes and places:** We deliver, at scale, homes that meet the needs of the Tāmaki community. The housing redevelopment programme will see the majority of the existing 2,550 public houses in Tāmaki redeveloped into approximately 10,500 new, warm dry houses, over the next 20 years – comprising a mix of public housing, affordable housing, and market.
- **Transport and access:** We advocate for high-quality public transport infrastructure and services in Tāmaki, as the success of the transport linkages within Tāmaki, as well as between Tāmaki and other parts of the region, contributes directly to the success of the regeneration programme. Our designs and development in Tāmaki connect Tāmaki whānau with Auckland and support them to choose safe, sustainable transport.
- **Environment and cultural heritage:** In FY22, we partnered with Mana Whenua to develop an Environment Strategy to restore and revitalise the taiao of Tāmaki. The Strategy supports TRC to respond to climate change and restore the whenua (land), hau (air), wai (water) and koiroa (biodiversity) of Tāmaki. We are now implementing key moves identified in the Strategy.
- **Opportunity and prosperity:** Through our Jobs and Skills Hub, we are enabling Tāmaki people to enter the workforce, access education and training opportunities, and supporting them into sustainable employment. Additionally, the Tāmaki Innovation Hub provides a platform to support, enable, and promote Māori and Pasifika innovators and entrepreneurs in Tāmaki.

We continue to work collaboratively with the Maungakiekie-Tāmaki Local Board and Auckland Council family on a range of regeneration projects, including infrastructure planning and delivery and urban activations and events throughout the Tāmaki area.

OUR OVERARCHING STRATEGIC COMMITMENTS

In addition to our four mandated strategic priorities, we have made the decision to call out two overarching strategic commitment that are integral in enabling us to move towards our identified future state.

These two overarching strategic commitments are:

Te Tiriti o Waitangi

Our vision is for Tāmaki to be a living exemplar of Te Tiriti o Waitangi. We will honour the principles of Te Tiriti o Waitangi in all our actions and ways of thinking. Mana Whenua are partners with the Crown in all decisions regarding Tāmaki and its future. A te Ao Māori approach underpins our connections and relationships. We will have deep relationships with Mana Whenua and Māori organisations and businesses that bring benefits for all.

Through a te Ao Māori approach, all other cultural identities and groups will be respected and considered, and their aspirations enabled.

We will honour Te Tiriti o Waitangi and other historical Māori events. Community programmes will be offered frequently to enhance knowledge of tikanga Māori and te Ao Māori.

Tāmaki Commitment

A cornerstone of the regeneration programme has been a commitment that we have made to the existing residents of Tāmaki, which we have termed the Tāmaki Commitment: those who wish to stay in Tāmaki will have the opportunity to do so. We always adhere to this commitment throughout the rehousing process.

TĀMAKI SHARED OUTCOMES FRAMEWORK

The Tāmaki Shared Outcomes Framework ("TSOF") outlines the desired impact that the overall regeneration programme aims to have on the Tāmaki community. The TSOF is an update of and supersedes the Tāmaki Outcomes Framework, the previous outcomes framework that TRC agreed with Crown, Auckland Council, and community in 2016. The TSOF seeks to account for that impact and attempts to link that impact to activities or inputs. The TSOF also recognises that the regeneration of a community requires collective action and as such, seeks to acknowledge the shared contribution of all partners operating in this community.

This framework groups the intended outcomes into People, Place, and Partnership domains, outlining how high-level conditions (Partnerships) influences the environment (Place), which in turn, impacts the community (People).

OUR STRATEGIC FRAMEWORK & MANDATED STRATEGIC PRIORITIES

Our long-term vision is that “Tāmaki is an awesome place to live”, and our mahi is guided by four long-term strategic priorities for the regeneration programme. This section defines these strategic priorities, with our objectives and work programme within our housing resources, social transformation, economic development, and placemaking strategic priority areas, and the results we are aiming for over the next 12 months, described in the following sections.

Our Mandated Strategic Priorities

TRC has been mandated by its shareholders, the Crown, and Auckland Council, to lead on urban regeneration activity in Tāmaki, focussed on four strategic priorities outlined in our Constitution:

Housing Resources[5]

Optimising the use of land and existing housing stock to effectively support and deliver social and economic results, including better public housing options for Tāmaki.

Social Transformation[6]

Supporting Tāmaki residents and families to gain the skills, knowledge, and employment opportunities to progress their lives.

Economic Development[7]

Strengthening the local economy and unlocking the potential of the Tāmaki area to enable a prosperous community and deliver better value for money to the Crown (with a focus on increasing the return on investment and realising the potential value from state and Council-owned housing).

Placemaking[8]

Creating safe and connected neighbourhoods that support the social and economic development of Tāmaki and its community.

These four mandated strategic priorities are outlined in TRC’s Constitution and contribute to Crown and Auckland Council strategic goals, the wider social and economic objectives for the region, and the Tāmaki Shared Outcomes Framework (see previous section).

[5] Activity, and associated expenditure, within the Asset Management and Housing Supply subclasses relate specifically to Tāmaki Regeneration Limited (TRL), TRC’s asset-owning subsidiary; activity, and associated expenditure within the Tenancy Management subclass relates specifically to the activities of Tāmaki Housing Association Limited Partnership. Revenue and expenditure are consolidated within the Housing Resources Revenue and Output Expenses Table.

[6] Activities, and associated expenditure, as set out within the Social Transformation output class relates specifically to Tāmaki Redevelopment Company Limited. Revenue and expenditure are consolidated within the Social Transformation Revenue and Output Expenses Table.

[7] Activities, and associated expenditure, as set out within the Economic Development output class relates to Tāmaki Redevelopment Company Limited. Revenue and expenditure are consolidated within the Economic Development Revenue and Output Expenses Table.

[8] Activities, and associated expenditure, as set out within the Placemaking output class relates to both Tāmaki Regeneration Limited and Tāmaki Redevelopment Company Limited. This expenditure is consolidated within the Placemaking Revenue and Output Expenses Table.

Tāmaki Regeneration Intervention Logic Map

The following diagram sets out the high-level Tāmaki Regeneration intervention logic map. This is intended to set out how inputs and activities are linked to annual outputs and how these annual outputs deliver outcomes within an SOI period (i.e., a 1-4Y frame) and longer-term (5Y+) impacts.

Figure One: Tāmaki Regeneration Intervention Logic Map Part 1

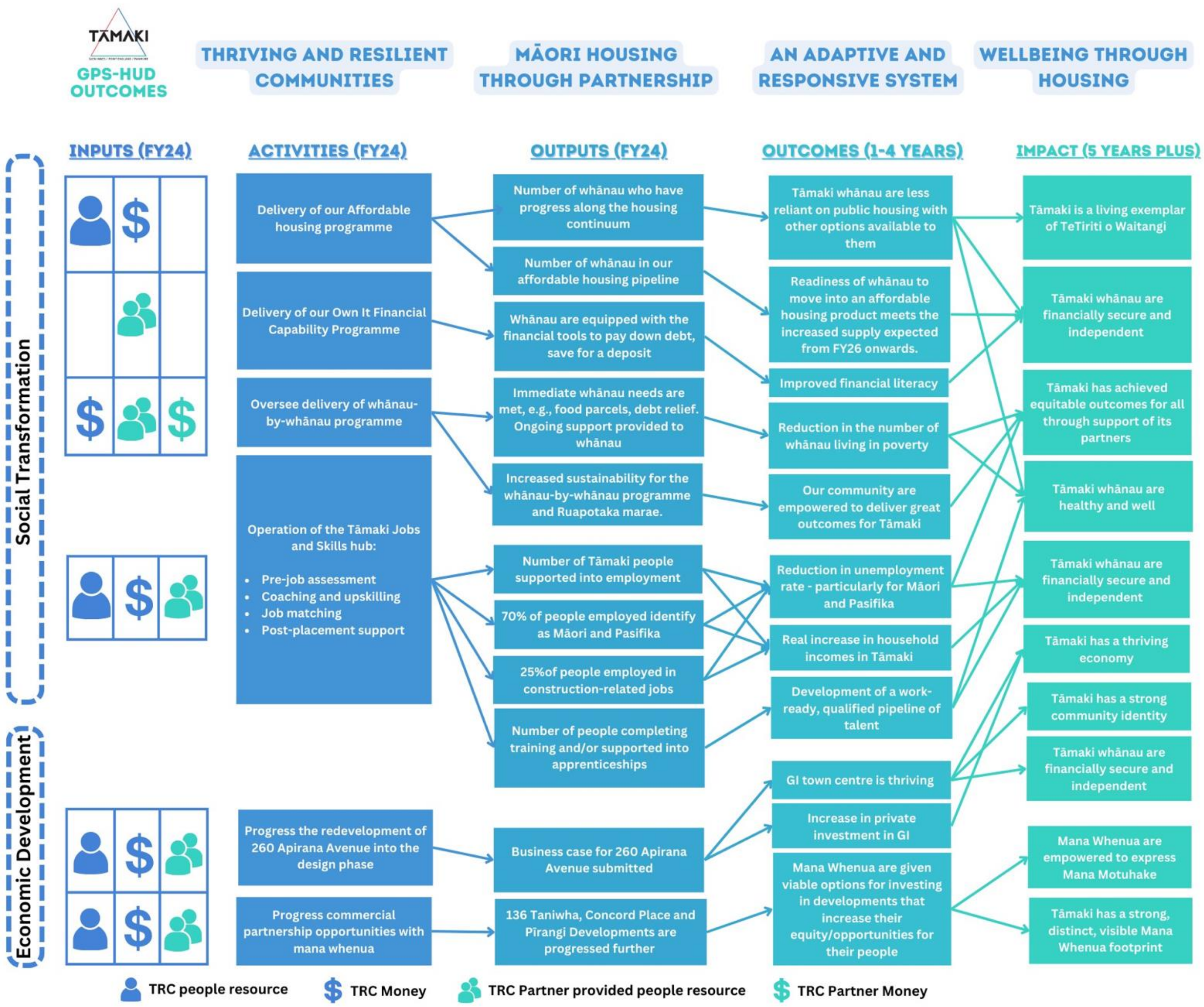


Figure Two: Tāmaki Regeneration Intervention Logic Map Part 2

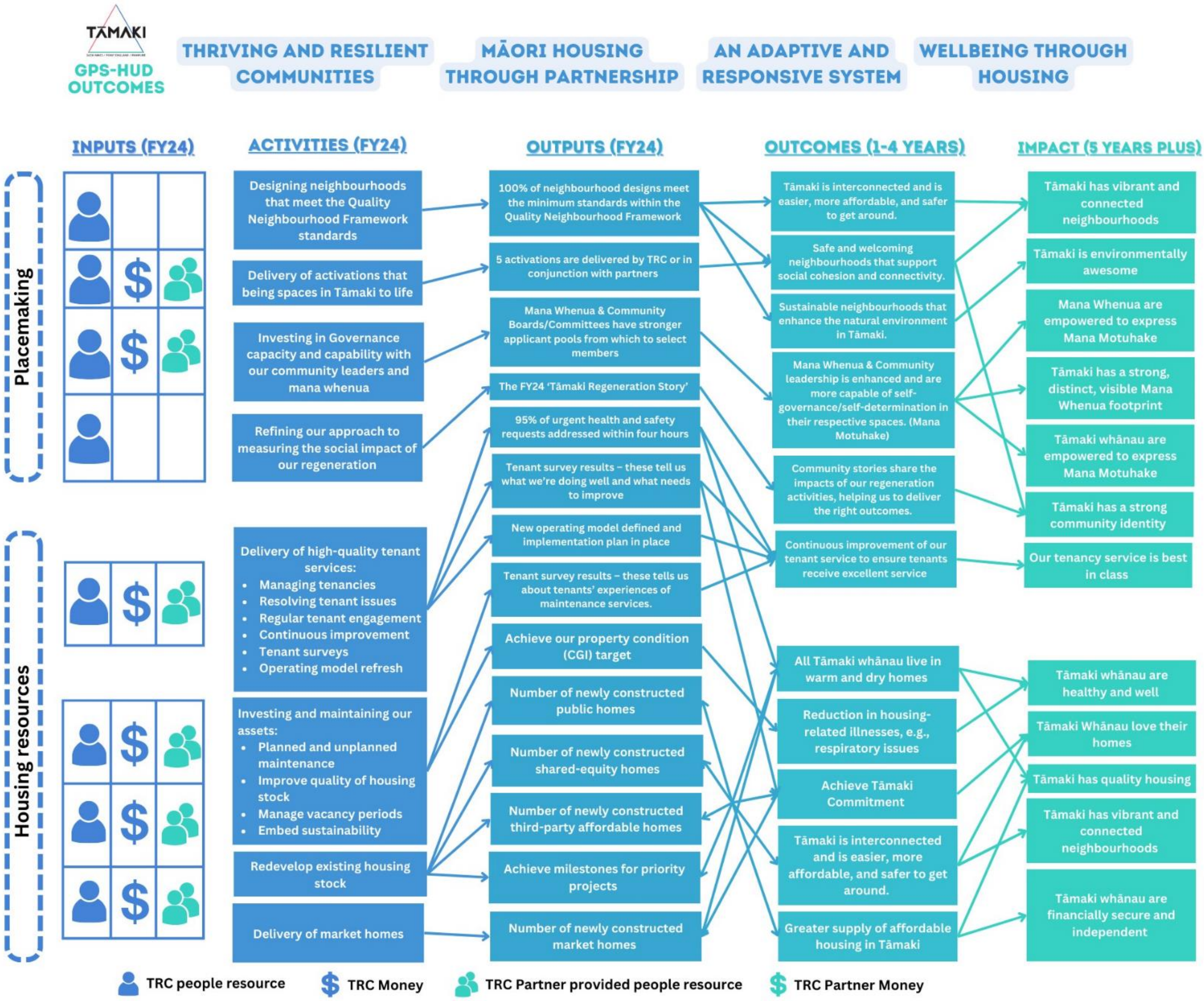


Figure Three: Activities across our strategic priority areas in FY24

HOUSING RESOURCES

- Deliver public and affordable housing with Kāinga Ora and TRC's build partners.
- Progress status of key development sites with regulatory authorities.
- Plan for future housing delivery with Kāinga Ora.
- Deliver a high-quality tenancy management service.
- Progress a range of customer-focussed improvements to our tenancy management service.
- Effectively and efficiently manage our assets.

SOCIAL TRANSFORMATION

- Provide local whānau with the knowledge and tools to build their financial capability and mortgage readiness.
- Deliver Own It Financial Capability Programme in Tāmaki.
- Operate the Tāmaki Jobs and Skills Hub in partnership with the Auckland Business Chamber.
- Continue to oversee the delivery of Whānau by Whānau programme.

TĀMAKI

PLACEMAKING

- Design neighbourhoods which meet the standard set out in our Quality Neighbourhood Framework.
- Design and deliver on our Tāmaki Precinct Masterplan, alongside our partners.
- Deliver activations to bring spaces to life.

ECONOMIC DEVELOPMENT

- Continue to work with partners to revitalise the Glen Innes Town Centre.
- Progress planning for redevelopment of 260 Apirana Avenue into a mixed-use catalyst site.
- Explore opportunities to utilise space in Glen Innes Town Centre.
- Progress commercial partnership opportunities with Mana Whenua.

STRATEGIC PRIORITY – HOUSING RESOURCES

Optimising the use of land and existing housing stock to effectively support and deliver social and economic results, including better public housing options for Tāmaki.

Long-Term Vision

Our vision is for the housing resources of Tāmaki to be high-quality, so the people in Tāmaki have warm, dry, secure, and affordable houses that they are proud to live in.

Housing provided by the Crown will be developed in a collaborative and inclusive manner. A diverse range of housing options will be provided across the housing continuum, including public houses and shared home ownership houses. Homes built for families and neighbourhoods will be designed by the people for the people.

Tāmaki homes will be affordable. Homes will be built with a range of affordable housing products delivered that provide the stability needed for Tāmaki whānau to flourish and be part of the wider community they live in without barriers.

Housing Supply[9]

With global economic conditions causing cost of living and interest rate pressures for New Zealand households, whānau face increasing challenges in accessing affordable and secure housing. The implications of these pressures are evident in persistently high demand for public housing locally and across the motu. This makes our mahi to deliver affordable and secure housing in Tāmaki and support of whānau to progress along the housing continuum as critical as ever.

We have deep connections into the community and insights about the housing needs for Tāmaki whānau – our tenancy managers and community development kaimahi work with whānau daily and understand the type and size of housing that the require. Based on this, we tailor our housing supply to meet the needs of the community and our delivery in coming years will reflect this. This means building larger houses that meet the needs of larger Māori and Pasifika whānau and housing that will meet the needs of kuia and kaumātua.

We have developed a five-year strategy to ensure our housing delivery is focused on investing in areas that meet community aspirations, respond to current and projected needs, and align with government priorities. Our unique position as a place-based organisation allows us to marry qualitative insights from the community with data-driven analysis and determine the best approach to delivering outcomes for whānau.

It is important that we build bigger homes faster, and more affordably in Tāmaki for several reasons. The delivery of more public homes sooner, including more larger whare for Māori and Pasifika whānau, means that we can alleviate overcrowding pressures and enable whānau to live in housing that is appropriately sized and configured to their needs. The imperative to build as affordably as possible and accelerate the delivery of shared home ownership housing recognises that housing is likely to become more unaffordable for whānau over the next five years.

In FY24, we will continue to prioritise activities that will increase the pace and scale of our housing delivery, to ensure we can meet the housing needs of whānau in Tāmaki. Over the next 12 months, we will work with Kāinga Ora and build partners to deliver 39 public homes, 11 shared equity homes, and 87 third-party affordable homes in

[9] Activity, and associated expenditure, within the Housing Supply subclass relates specifically to Tāmaki Regeneration Limited (TRL), TRC's asset-owning subsidiary. Expenditure is consolidated within the Housing Resources Revenue and Output Expenses Table, along with revenue and expenditure within the Asset Management and Tenancy Management subclasses. TRL's full financial statements are contained within the Prospective Financial Statements section of this document.

Tāmaki. This will progress us towards the targets we set in our SOI. However, we recognise the need to accelerate our housing output in the coming years and our delivery plan over the next SOI period will reflect this.

TRC was allocated $870m in equity funding as part of Budget 2023, to cover the period FY24-FY27 (inclusive). As part of this work, and after Budget 2023's announcement, TRC has undertaken an extensive review of the forward development programme. Housing output forecast during this SPE period and subsequent financial years reflects the outputs of this review and a pragmatic reforecasting of delivery.

This includes a greater number of market completions in FY24 and delivery of some public and affordable homes shifting from FY24 and FY25 into FY26 and FY27. The shift in delivery timeframes for TRC (and partners delivering market homes in FY24) reflects a range of development impacts. These include Covid-19 lockdowns, labour market constraints, supply chain disruptions, and adverse weather events.

The work that we have done internally, and with Kāinga Ora, over the last year to optimise the end-to-end development process will enable us to deliver more homes faster in the years to come, in line with our output intentions over the next five years. This has involved reviewing each stage of the development process, including the feasibility, design, and construction phases, and identifying process improvements that will enable us to streamline the delivery of new homes. We know that this streamlining of processes will deliver greater wellbeing outcomes through accelerating the delivery of new homes.

Over the next 12 months, we will achieve key milestones across priority development projects, progressing projects such as Site A, Epping-Evandale, Pirangi, 136 Taniwha, Concord, and 260 Apirana[10]. These projects will deliver over 500 new homes over the next five years and will also provide opportunities to deliver outcomes identified in the Tāmaki Precinct Masterplan. We will continue to progress plans for future developments with Kāinga Ora and add homes to our supply pipeline to maintain momentum in the years to come.

Collectively, these projects will enable us to accelerate our housing delivery, however, we recognise the complexity of our operating environment and the challenges facing the construction sector across the motu. We are not immune to these challenges and will continue to engage with our partners to identify opportunities to address these challenges, while accepting that we need to accept an appropriate level of risk within our projects to maintain momentum within the programme.

It is important to note that our ability to progress these priority projects in the near-term, and deliver the housing scheduled over the medium-term and long-term, is contingent on the successful delivery of the land enablement programme by Kāinga Ora. In practical terms, this means that we require certainty that the infrastructure required to support the delivery of new housing is scheduled, programmed, and financed – in alignment with the housing delivery programme.

Our delivery of a diverse mix of housing within well-functioning, connected neighbourhoods is consistent with the objectives set out in the Government's **National Policy Statement on Urban Development** and the **Medium Density Residential Standards.** In accordance with Auckland Council's Waste Minimisation Plan to have zero waste sent to landfills by 2040, TRC is developing and implementing practical methods of repurposing old houses, salvaging materials from deconstructed houses, and minimising construction waste from Tāmaki development sites.

We are committed to not just building more homes but building the right types of homes that will meet the diverse needs of the Tāmaki community. In Tāmaki, this means larger homes that are suitable for larger Māori and Pasifika whānau. It also means partnering with Māori to deliver on local Māori housing aspirations. It is important that we

[10] Note that due to the potential mixed-use nature of the redevelopment of 260 Apirana Avenue, this project is listed in the Economic Development section of our SPE.

deliver homes that allow whānau to live together in safe and healthy homes. This aligns with the direction set out in the Government's **Policy Statement on Housing and Urban Development** and the **National Māori Housing Strategy**.

During the 2023/24 financial year, Tāmaki Regeneration Limited will:

- Work with Kāinga Ora and build partners to deliver new public, affordable and market housing in Tāmaki, including 39 public homes, 11 shared equity homes, and 87 third-party affordable homes.
- Progress key development sites with Kāinga Ora and regulatory authorities (i.e., obtain approvals required under the RMA) to ensure future delivery of public and affordable housing.
- Explore and progress opportunities to partner with Mana Whenua through development projects, to enable the achievement of housing and economic aspirations for their whānau.
- Plan for future housing delivery with Kāinga Ora, by identifying future development opportunities across the regeneration area.

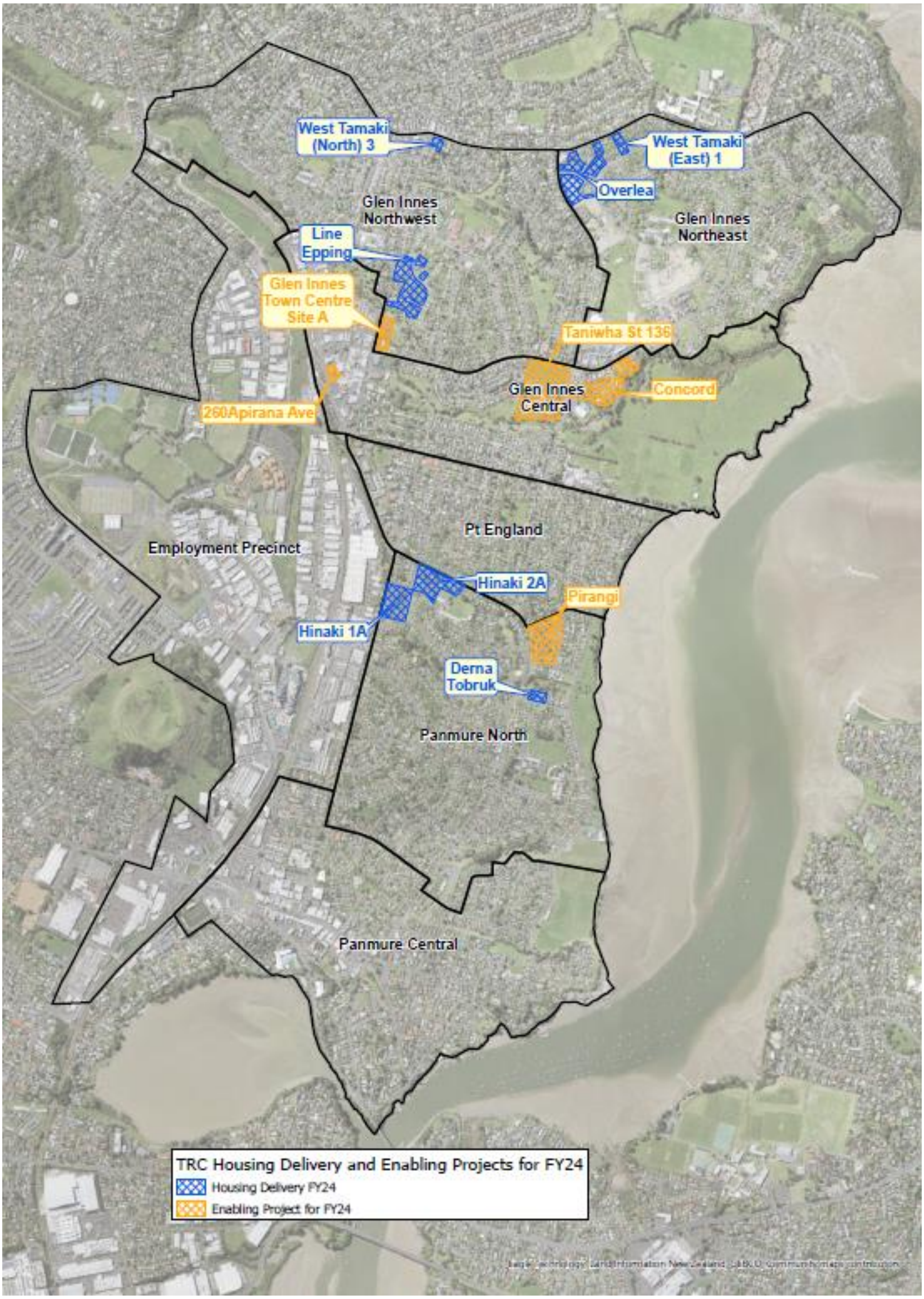
STRATEGIC FRAMEWORK	LINK		
Contributes to: Tāmaki Outcomes Framework.	• Tāmaki has quality housing. • Tāmaki whānau love their homes. • Tāmaki has connected neighbourhoods. • Tāmaki has vibrant neighbourhoods.		
Our Objectives: What we are aiming to deliver.	• A continued supply of quality houses across the housing continuum, which reflects the needs of the Tāmaki community, is accessible, of high-quality, and is safe. • Houses that are fit-for-purpose for our public housing tenants and enable Tāmaki whānau to be proud of where they live. • A Tāmaki that is interconnected and, as such, is easier, more affordable, and safer to get around. • A Tāmaki that celebrates its unique composition and history through its physical design.		
Outputs – Desired Trends: How we will know we are making progress.	MEASURE	TARGET 22/23	TARGET 23/24
	Number of newly constructed public homes – delivery managed by Kāinga Ora on behalf of TRC[11].	38	**39**
	Number of newly constructed shared equity homes – delivery managed by Kāinga Ora on behalf of TRC[12].	13	**11**
	Number of third-party affordable houses delivered across Tāmaki neighbourhoods.	188	**87**
Enabling Project: What we need to do to support our objectives.	PROJECT		MILESTONE 23/24
	Site A Redevelopment. Redevelopment of a TRC-owned site adjacent to the Glen Innes town centre and Taniwha Reserve. This project will deliver a range of smaller and larger typologies, responding to the needs of public housing whānau and whānau in TRC's affordable housing demand pipeline. It also		**Building consent lodged.**

[11] These houses are defined as completed once the Certificate of Practical Completion has been received.

[12] These houses are defined as completed once the Certificate of Practical Completion has been received.

STRATEGIC FRAMEWORK	LINK	
	delivers on TRC's Apartment Strategy and the Glen Innes Town Centre Revitalisation Plan.	
	Epping-Evandale. This project is key in accelerating the delivery of affordable housing and public housing to meet the needs of whānau and drive equity outcomes in Tāmaki. TRC will be acquiring 100% of the approximate 200 homes delivered in Phase 1, with a mix of TRC affordable and public housing delivered through this project.	Resource consent lodged.
	Pīrangi. This project will provide a range of typologies, including apartment, terraced, and freestanding typologies. The project will deliver approximately 88 public and affordable homes (including two heritage homes currently scheduled) and enable the acceleration of equity outcomes for whānau.	Resource consent lodged.
	136 Taniwha. This project provides the opportunity to deliver up to 200 public and affordable homes, which meet the needs and aspirations of Māori whānau, on a site that we purchased in FY23. We have worked through feasibility and the early stages of design in FY23 and will be progressing to submission of a ministerial business case for this project (as agreed with HUD) in FY24.	Business case submitted.
	Concord. This project will provide a mix of apartment and terraced homes and will deliver approximately 96 public and affordable homes. This will enable the acceleration of equity outcomes for whānau and connection with the natural environment, namely Ōmaru Stream and Point England Reserve.	Building consent lodged.

Figure Four: TRC housing delivery and enabling projects in FY24



Asset Management[13]

We put people at the centre of our asset and investment strategies, recognising how our assets can support community aspirations. Our strategic and systematic approach to asset management planning will ensure that we maximise both financial and non-financial (social and economic) dividends for the Crown and the Tāmaki community over the long-term, while adhering to the overarching principles of the regeneration programme. This aligns with our Outcomes Framework which recognises the importance of quality housing, and health and wellbeing for Tāmaki whānau.

The overall quality of our regeneration portfolio will significantly improve over time, through cost-effective planned and responsive maintenance to achieve our desired levels of service across the housing portfolio. All properties will meet the health and safety requirements expected of a public house. Since the baseline for the Condition Grade Index[14] ("CGI") measure was established in FY19, TRC has made good progress in improving the overall condition of the portfolio, taking a planned maintenance approach to asset management. The establishment and physical works associated with TRC's Te Taha Whānau – Quality Housing Planned Maintenance Program ("QHPMP") has provided a mechanism not only to upgrade houses but to ensure that these meet TRC's Levels of Service.

Following the introduction of the **Residential Tenancies (Healthy Homes Standards) Regulations 2019,** we designed an upgrade programme to work our strengths, taking a whānau-focused approach to the upgrade of our portfolio and empowering and supporting our maintenance delivery partner Spencers to utilise their strength in planned programme delivery. Taking this approach, all 100% of the homes in our portfolio were compliant with the Healthy Homes Standards by the end of FY23, well before the legislative deadline of 1 July 2024.

We recognise the importance of working towards a cleaner, greener, healthier, and more sustainable future as the community faces increasing environmental challenges. We embed this in the way we manage our assets into the future. New initiatives have been established and are being explored to improve the sustainability of new builds and existing homes within our portfolio. These include launching a feasibility pilot for installing solar panels on all new builds (i.e., future-proofing our assets for a potential transition in power supply), switching all homes to 100% energy-efficient LED lighting, and replacing the last remaining gas supply lines with more environmentally friendly alternatives.

During the 2023/2024 financial year, Tāmaki Regeneration Limited will:

- Continue to improve the overall quality of our portfolio by purchasing newly built public houses and upgrading existing stock through the QHPMP.
- Upgrade our public housing portfolio to be 100% compliant with the Residential Tenancies (Healthy Homes Standards) Regulations 2019 by the end of the financial year.

[13] Activity, and associated expenditure, within the Asset Management subclass relates specifically to Tāmaki Regeneration Limited (TRL), TRC's asset-owning subsidiary. Expenditure is consolidated within the Housing Resources Revenue and Output Expenses Table, along with revenue and expenditure within the Housing Supply and Tenancy Management subclasses. TRL's full financial statements are contained within the Prospective Financial Statements section of this document.

[14] To assess the overall condition of our properties at a portfolio-level, we use a Condition Grade Index ("CGI") that measures the average condition grade of components, weighted by their gross replacement costs. This encompasses all the components that make up a property and is rolled up to provide an overall portfolio score. If the CGI is less than 2.0, it is likely that the average condition of properties across the portfolio are good to very good. If the CGI is greater than 2.5, then it is likely that properties across the portfolio are, on average, in poorer condition. Our target for FY24 is to have a CGI score of 2.16 for our housing portfolio by the end of the year.

- Manage the housing portfolio to keep vacancy periods to a minimum and maximise the number of public housing places available, within the constraints of the redevelopment programme and our rehousing schedule.
- Embed sustainability into how we manage our assets, guided by our Environment Strategy.
- Manage housing portfolio to ensure that public houses are suited to tenants' needs, as agreed with our Crown partners in our Open Terms Agreement.

STRATEGIC FRAMEWORK	LINK		
Contributes to: Tāmaki Outcomes Framework.	• Tāmaki has quality housing. • Tāmaki whānau love their homes. • Tāmaki whānau have good health and wellbeing.		
Our Objectives: What we are aiming to deliver.	• Houses that are fit-for-purpose for our public housing tenants and enable Tāmaki whānau to be proud of where they live. • A built environment that supports positive outcomes for whānau across all domains of wellbeing.		
Outputs – Desired Trends: How we will know we are making progress.	MEASURE	TARGET 22/23	TARGET 23/24
	Portfolio average property condition (CGI).	2.26	**2.17**
	Tenants' satisfaction rating for maintenance services.	74%	**75%**
	Average inter-tenancy void turnaround time (vacant to ready to let).	<20 Working Days	**<20 Working Days**

Tenancy Management[15]

Looking after our tenants is our top priority and we deliver an innovative tenancy management service across Tāmaki that places the wellbeing of our public housing whānau at the centre of all that we do. The philosophy and service delivery of Tāmaki Housing is based on a deep understanding of the barriers, enablers, and drivers of change for each public housing whānau.

Tāmaki Housing[16] takes a strengths-based, compassionate, and flexible approach to managing tenancies, acknowledging the need to provide greater support to some whānau, and recognising that many whānau will still be impacted by the changes that Covid-19 brought. Working with public housing whānau in this way is both the right thing to do and an approach that will enable whānau to achieve their aspirations. This approach is consistent with the Government's directive that public housing providers sustain tenancies for current tenants or household members who could be at risk, recognising stable housing (preventing homelessness) as a key focus area expressed in the **Aotearoa Homelessness Action Plan (Phase One 2020-2023).**

Tāmaki Housing is committed to continuing to deliver a service which ensures safe, healthy, quality homes for Tāmaki whānau, and manages delivery of both planned and reactive maintenance as part of this. One key element is responding to urgent health and safety maintenance requests in short timeframes. In this financial year, we continue

[15] Activity, and associated expenditure within the Tenancy Management subclass relates specifically to the activities of Tāmaki Housing Association Limited Partnership, a wholly owned subsidiary of Tāmaki Redevelopment Company Limited. Revenue and expenditure are consolidated within the Housing Resources Revenue and Output Expenses Table, along with revenue and expenditure with the Housing Supply and Asset Management subclasses. Tāmaki Redevelopment Company Limited Legal Group's full financial statements are contained in the Prospective Financial Statements section of this document.

[16] The Tāmaki Housing Association Limited Partnership is a registered community housing provider (Class I Social Landlord with the Community Housing Regulatory Authority) that is a wholly owned subsidiary of Tāmaki Redevelopment Company Limited.

our commitment to meeting a number of measures that hold Tāmaki Housing to account and ensure the delivery of high-quality service to Tāmaki whānau, alongside our partners.

Tāmaki Housing is continuously improving the way that public housing is provided for in Tāmaki and will continue working with our partners to progress a range of improvements over the next 12 months to improve services and efficiency. We anticipate that over this year we will be able to provide more kanohi ki te kanohi (face-to-face) engagement than has been possible over the last two years. This approach will be used alongside the other service delivery models that have been used to good effect over the last 12 months as various restrictions and safety measures have been in place.

This combined delivery model will help ensure a high-quality service for Tāmaki whānau as well as ensuring that Tāmaki Housing maximises both financial and non-financial (social and economic) dividends to the Crown. During FY24, progress is planned on the 'Open Terms Agreement framework' with HUD to strengthen insights and service delivery that recognises the needs of Tāmaki whānau, among other benefits under new contractual arrangements.

Engaging with and understanding the needs of public housing whānau, and levels of satisfaction with the service Tāmaki Housing provides, is vital to delivering a world-class public housing service in Tāmaki. To this end, Tāmaki Housing continues to regularly survey public housing whānau, holding itself to account for the quality of the service we deliver, and enabling us to assess the success of the improvements described above. In FY24, we aim to achieve a customer satisfaction score of 80% from our public housing tenants. We will also work to identify deeper insights from the survey for particular groups of tenants (augmented by qualitative research), and through this find ways to adjust our awareness and practices to deliver a service more aligned to their needs or that rectify any gaps we identify.

Rehousing remains a key component to the regeneration programme in Tāmaki, and we recognise that this can be a difficult time for whānau. When we require a public housing property for redevelopment purposes, Tāmaki Housing spends a considerable amount of time engaging with the whānau to develop a rehousing plan that factors in their current needs as well as their aspirations for the future.

As the pace of housing delivery increases, rehousing Tāmaki whānau becomes increasing complex. Despite this we, at all times, adhere to the **Tāmaki Commitment** that those who wish to stay in Tāmaki will have the opportunity to do so. We uphold this commitment based on our understanding of the importance and long-term benefits of preserving the links whānau have in Tāmaki, which in many cases span decades.

Through FY24 we will continue to embed our place management model, which sees us take a more active role with everyone that lives in a newly re-developed neighbourhood. This approach includes our team being more visible in the community, including being based in those neighbourhoods or community facilities in some cases.

As part of our regeneration programme, Tāmaki Housing supports our public housing whānau on their housing journey. We see the impact of our work when we have our public tenancy whānau join our Affordable Housing pipeline and begin their journey towards home ownership, and with those whānau that are now living in TRC's first build to rent building. We build the linkages between these services and programmes to deliver better outcomes for Tāmaki whānau.

During the 2023/2024 financial year, the Tāmaki Housing Association will:

- Manage tenancies efficiently, effectively, and compassionately, while complying with our obligations and operating within a complex regeneration environment.
- Engage with our tenants, particularly those with at-risk tenancies, to ensure they can access support and sustain their tenancies.
- Respond to tenant requests quickly and resolve issues within agreed timeframes.
- Progress a range of customer-focussed improvements, including improving the information our front-line team have access to when working with tenants and continuing a more intensive and holistic approach to some of our higher density neighbourhoods.
- Combine quantitative and qualitative tenant feedback to identify and respond to areas where our service delivery model may not meet the needs of all whānau we serve.
- Adhere to the Tāmaki Commitment.
- Build linkages with the Affordable Housing programme, so we can best support whānau out of public housing when they are ready.

STRATEGIC FRAMEWORK	LINK
Contributes to: Tāmaki Outcomes Framework.	• Tāmaki has quality housing. • Tāmaki whānau love their homes.
Our Objectives: What we are aiming to deliver.	• Houses that are fit-for-purpose for our public housing tenants and enable Tāmaki whānau to be proud of where they live. • Tenant-landlord relationships that are managed professionally, with tenants being treated respectfully throughout their whole stay in any of our homes. • A rehousing practice that both supports the redevelopment programme and respects the mana of those who have strong connections to this community who must move to make way for new homes. • A world-class public housing service in Tāmaki that is continuously improving.

Outputs – Desired Trends: How we will know we are making progress.	MEASURE	TARGET 22/23	TARGET 23/24
	Percentage of tenants, who are affected by redevelopment and want to stay in Tāmaki, that are rehoused within Tāmaki.	100%	**100%**
	Tenant's overall satisfaction rating for Tāmaki Housing services.	80%	**80%**
	Tenancy management cost per unit.	$2,896pa	**$2,966pa**
	Rental debt older than 21 days as a percentage of monthly rental income.	<5%[17]	**<5%**
	Average number of days to let Tāmaki Housing Association property to applicants from the MSD register after it becomes available.	<8 Calendar Days	**<8 Calendar Days**

[17] The time period for this measure was changed from 7 days to 21 days, as we considered that 21 days was a more appropriate period to reflect arrears more likely to be indicative of more challenging tenancy issues.

STRATEGIC FRAMEWORK	LINK		
	Percentage of urgent healthy and safety maintenance requests responded to within 4 hours.	95%	**95%**

Housing Resources Revenue and Output Expenses

The Revenue and Output Expenses as presented below are for the output class Housing Resources, which includes the subclasses of Asset Management, Tenancy Management, and Housing Supply.

Revenue and Output Expenses		2023/24 PROSPECTIVE UNAUDITED ($000s)
	Crown Revenue	46,042
	Other Revenue	43,878
	Total Revenue	**89,920**
	Expenditure	(114,179)
	Net (Deficit)	**(24,259)**

STRATEGIC PRIORITY – SOCIAL TRANSFORMATION

Supporting Tāmaki residents and families to gain the skills, knowledge, and employment opportunities to progress their lives.

Long-Term Vision

Our vision is that Tāmaki continues to be a vibrant community as diverse and rich as the stories passed down from our ancestors. Here people can feel the strength of kotahitanga and unity that binds all threads together, so'o le fau i le fau.

Tāmaki whānau, and neighbours, support the community. As whānau immerse themselves in the community they discover the wealth of opportunities available for everyone, from education and home ownership, to employment, allowing Tāmaki whānau to realise their potential.

Education opportunities provided by the area support and enable Tāmaki whānau to pursue their dreams, passions, and aspirations. The breadth of work and education opportunities and a strong and inclusive community together with a range of affordable housing options will draw and hold people to Tāmaki. This will be an area where people want to put down roots.

"Mā te huruhuru, ka rere te manu" – "Adorn the bird with feathers, so it may fly."

Social Transformation[18]

Affordable housing is a fundamental part of the regeneration programme, providing a stepping-stone for whānau out of public housing and, ultimately, into home ownership. We recognise the challenges whānau face to gaining housing independence so our Own It Financial Capability programme in Tāmaki, provides whānau with the knowledge and tools to make steps up the housing continuum towards home ownership. Whānau progressing along the housing continuum may look like whānau making the step from social housing into an affordable rental, or from an affordable rental into a shared home ownership product.

Figure Five: TRC Housing Continuum

[18] Activities, and associated expenditure, as set out within the Social Transformation output class relates specifically to Tāmaki Redevelopment Company Limited. Revenue and expenditure are consolidated within the Social Transformation Revenue and Output Expenses Table. Tāmaki Redevelopment Company Limited Legal Group's full financial statements are contained in the Prospective Financial Statements section of this document.

Through this programme, we support whānau to progress along the housing continuum by delivering financial capability workshops which provide whānau with the knowledge and tools to reduce their debt, increase their savings, and become mortgage ready. We engage with whānau to understand their housing needs and aspirations and support them directly into affordable housing through our housing delivery programme or connect whānau with market affordable products in Tāmaki which meet their needs.

We continue to work alongside MHUD in the delivery of our shared ownership products, to ensure ongoing alignment with all relevant aspects of the Government's Progressive Home Ownership Investment Framework. In FY24, we will support 24 whānau to move along the housing continuum into shared home ownership products. Over the lifetime of the programme, we have supported over 20 whānau into affordable rental homes, over 60 whānau into shared ownership homes, and over 20 into market affordable homes.

In response to current economic conditions for house buyers, including increased interest rates and tougher mortgage serviceability requirements, we are ramping up our support programmes for whānau (e.g., additional support for whānau to increase household income). In addition, we are reviewing our design specifications and lot locations (within sites) for shared home ownership homes, to ensure affordability of builds for the shared home ownership programme.

We will prioritise housing delivery, across the housing continuum, in this financial year and the years ahead to ensure we can supply more housing across the continuum and meet the needs of our growing affordable housing demand pipeline. We also understand the positive impact that increased supply of affordable, safe, and connected homes will have on our social transformation objectives. Alongside our housing delivery, we continue our core programmes which provide skills, knowledge, employment, and support for whānau in Tāmaki.

We operate the Tāmaki Jobs and Skills Hub in partnership with the Auckland Business Chamber to support local people into training and employment opportunities. We foster and deepen connections between industry and talent locally, with the intent of developing more diverse employment pathways for Tāmaki rangatahi and jobseekers. Over the past five years, we have supported nearly 1,200 local people into employment. We continue this important mahi in FY24, while recognising the need to take a more targeted approach with this programme moving forward.

We see both our Affordable Housing Programme and the Tāmaki Jobs and Skills Hub as important levers to drive more equitable outcomes for Māori or Pasifika in Tāmaki. We maintain our commitment that at least 70% of the whānau who progress along the housing continuum through our initiatives or people employed through the Hub identify as Māori or Pasifika. This is an important aspect of how we honour Te Tiriti o Waitangi in our activities. This commitment to drive equity outcomes aligns with priorities set by the Government in MAIHI Ka Ora.

In FY22, working with the Tāmaki community and experts, we established an intensive support service, called Whānau by Whānau, which supports whānau with immediate (e.g., kai) and broader (e.g., housing sustainability) needs. Our role was to provide catalytic funding and backbone support for Ruapotaka Marae to stand up this service. The investment into this service helped the marae to scale up their back-office functions, to the extent where TRC has been able to scale back its direct investment and involvement in the service moving into FY24.

TRC's Social Regeneration Programme, outlined above, is strongly aligned with the Government's continued focus on reducing child poverty, raising living standards and wellbeing for families, improving housing affordability, and equity outcomes for Māori and Pasifika whānau.

During the 2023/2024 financial year, Tāmaki Redevelopment Company will:

- Provide local whānau with the financial knowledge and tools to be able to save for a deposit, pay down debt and progress along the housing continuum towards home ownership, through the delivery of the Pathways to Housing Independence Programme.

- Support 24 whānau to progress along the housing continuum into a shared home ownership home.
- Continue to build a local demand pipeline and have whānau moving into affordable housing products.
- Operate the Tāmaki Jobs and Skills Hub, in partnership with the Auckland Business Chamber, to support local people into training and employment.
- Drive equity outcomes in Tāmaki by providing Māori and Pasifika people and whānau with opportunities through our employment and affordable housing initiatives.

STRATEGIC FRAMEWORK	LINK		
Contributes to: Tāmaki Outcomes Framework.	• Tāmaki whānau have good health and wellbeing. • Tāmaki whānau are financially secure and independent. • Tāmaki partners drive equitable change. • Tāmaki partners engage in systems thinking.		
Our Objectives: What we are aiming to deliver.	• A place where whānau feel connected to their communities, neighbourhoods, and each other. • An integrated social service system, which enables whānau to achieve their aspirations and experience positive outcomes across all domains of wellbeing. • Programmes and services that support Tāmaki residents into education and employment opportunities. • A diverse range of affordable housing products for Tāmaki whānau and programmes to support whānau to access these products. • Innovative approaches to programme and service delivery with our partners across the system to drive improved equity outcomes for Māori and Pasifika whānau.		
Outputs – Desired Trends: How we will know we are making progress.	MEASURE	TARGET 22/23	TARGET 23/24
	Number of Tāmaki people who are employed through TRC initiatives[19].	150	**150**
	Percentage of people who are employed through TRC initiatives that identify as Māori or Pasifika.	70%	**70%**
	Percentage of people who are employed through TRC initiatives into construction-related jobs.	25%	**25%**
	Number of Tāmaki people supported into apprenticeships, cadetships, or internships through TRC initiatives.	15	**15**
	Number of Tāmaki people who progress along the housing continuum into a shared home ownership product.	30	**24**
	Percentage of people who progress along the housing continuum into a shared home ownership product that identify as Māori or Pasifika.	70%	**70%**

[19] The definition of employed, for the purposes of this measure, and related measures within this section, is a person being supported into a sustainable job directly through the Tāmaki Jobs and Skills Hub, or through other TRC-led employment initiatives.

Social Transformation: Revenue and Output Expenses

Revenue and Output Expenses		2023/24 PROSPECTIVE UNAUDITED ($000s)
	Crown Revenue	0
	Other Revenue	596
	Total Revenue	**596**
	Expenditure	(5,630)
	Net (Deficit)	**(5,033)**

STRATEGIC PRIORITY – ECONOMIC DEVELOPMENT

Strengthening the local economy and unlocking the potential of the Tāmaki area to enable a prosperous community and deliver better value for money to the Crown.

Long-Term Vision

Tāmaki will be a thriving hub of enterprise. A variety of employment centres will exist in the area and rangatahi will be able to pursue employment in their field of interest. Tāmaki rangatahi will choose to stay in the area because of the number of opportunities that are open to them.

Opportunities to work, study and live in Tāmaki will be accompanied by wide-ranging enablers for example, support for people to upskill and transition into high-quality sustainable jobs; support for people to own their homes; availability of childcare; excellent transport to and from work/study, amongst others.

The workforce of Tāmaki will have skills in a diverse range of industries due to the regenerated town centres and industrial area to the west of the rail line. Tāmaki will offer a myriad of opportunities to trades people, technicians, and entrepreneurs, and locals will be supported to develop the key skills that will allow them to thrive in the workforce of the future. The level of innovation will be such that Tāmaki business leaders will be able to pass on their kaupapa to the young rangatahi such that the next generation can prosper.

Economic Development[20]

Economic development is an integral part of the regeneration programme to ensure that Tāmaki is an area of investment, employment, innovation, and opportunity. This provides whānau the best opportunity to thrive in Tāmaki into the future. Our objective in this area is to strengthen the local economy, unlock the potential of the Tāmaki area, enable prosperous communities within Tāmaki and deliver better value for money to the Crown.

This is an important aspect of our regeneration as we support the local and national economy recover from Covid-19. We will continue to work with partners at the intersection of the public and private sectors to support the progression of key initiatives that we believe will have a stimulatory effect on the economy, support business growth, and create employment opportunities for locals. This work will be targeted and project-specific in the year ahead.

Well-connected and patronised town centres are both a sign of a healthy local economy and a key attraction feature for new residents. We have been working closely with our partners to develop and revitalise the Glen Innes town centre. A cornerstone of this programme is our work to encourage local Tāmaki business to operate within the town centre. We are doing this through utilising the current buildings onsite at 260 Apirana Avenue, which we purchased in FY21, and the commercial building on Line Road, which we purchased in FY21 and redeveloped during FY22-FY23.

260 Apirana Avenue provides opportunities to enhance the existing offerings and amenities in Glen Innes, support further economic development in the town centre, and enable the acceleration of TRC's housing delivery. In FY23, we partnered with Tātaki Auckland Unlimited to develop an operating model for potential commercial space that could be developed and delivered on the site. In FY24, we will work with HUD to explore options for the redevelopment of this site, resulting in identification of a preferred option for the redevelopment of the site and submission of a ministerial business case.

[20] Activities, and associated expenditure, as set out within the Economic Development output class relates to Tāmaki Redevelopment Company Limited. Revenue and expenditure are consolidated within the Economic Development Revenue and Output Expenses Table. Tāmaki Redevelopment Company Limited Legal Group's full financial statements are contained in the Prospective Financial Statements section of this document.

The development of the local economy will benefit all the people of Tāmaki, with a clear focus on driving improved economic outcomes for local Māori and Pasifika whānau through the regeneration programme. Consistent with this focus, the Government's good-faith and collaborative approach to Māori-Crown relationships, and our Te Tiriti o Waitangi obligations, we will continue to seek opportunities to support the aspirations of Mana Whenua and local Māori and Pasifika businesses through commercial partnerships.

As we deliver bigger houses faster, we expect this will have a stimulatory effect on the local economy. TRC will continue to work closely with its partners, including Kāinga Ora, over the next 12 months to ensure that local suppliers are prioritised to access opportunities (i.e., social procurement) created by this accelerated delivery. Through a broader and longer-term lens, we expect that as more Tāmaki whānau move into affordable and secure housing, they achieve greater financial independence and security which will see the local economy thrive.

During the 2023/2024 financial year, Tāmaki Redevelopment Company will:

- Continue to work with the Maungakiekie-Tāmaki Local Board, Glen Innes Business Association, and Auckland Council on the revitalisation of the Glen Innes town centre.
- Progress the redevelopment of 260 Apirana Avenue to the design phase of the project (subject to ministerial approval), setting the project up to deliver social, economic, and housing outcomes in future years.
- Progress commercial partnership opportunities with Mana Whenua.

STRATEGIC FRAMEWORK	LINK	
Contributes to: Tāmaki Outcomes Framework.	• Tāmaki has a thriving economy. • Tāmaki whānau are financially secure and independent. • Tāmaki whānau have a strong Tāmaki identity.	
Our Objectives: What we are aiming to deliver.	• A vibrant Glen Innes town centre that meets the needs of our current and future populations, while maintaining the Tāmaki culture. • An innovation ecosystem that supports local entrepreneurs and innovators to thrive.	
Enabling Projects: What we need to do to support our objectives.	PROJECT	MILESTONE 23/24
	260 Apirana Avenue. 260 Apirana Avenue provides opportunities to enhance the existing offerings and amenities in Glen Innes, support further economic development in the town centre, and enable the acceleration of TRC's housing delivery. In FY24, we will test options for redevelopment of the site through a business case process, working closely with HUD on this.	**Business case submitted.**

Economic Development: Revenue and Output Expenses

Revenue and Output Expenses		2023/24 PROSPECTIVE UNAUDITED ($000s)
	Crown Revenue	0
	Other Revenue	386
	Total Revenue	**386**
	Expenditure	(1,906)
	Net (Deficit)	**(1,520)**

STRATEGIC PRIORITY – PLACEMAKING

Creating safe and connected neighbourhoods that support the social and economic development of Tāmaki and its community.

Long-Term Vision

Our vision is that the fertile whenua and awa, at the heart of Tāmaki, has been regenerated in alignment with Mana Whenua knowledge of the whakapapa of the area and the 'blueprint' on how to build from what is already there. Mauri provides mana, flowing into Mana Whenua and the community. The Tāmaki community uses a circular approach in all processes which reduces pressure on natural resources and generates prosperity for the Tāmaki people.

Alongside this, festivals and celebrations of all cultures are held within community halls and in green spaces enabling a strong sense of belonging. Walking around the community, physical anchors such as archaeological sites commemorate and act as educational tools, sharing the rich history of our whakapapa.

All communities of the Tāmaki whenua are celebrated. For example, celebrations of Māori, Tongan, Samoan, Chinese, Niuean and Burmese, communities can be physically demonstrated through the act of raising pou (pillars) together for each community. Marae, fale, mosques, community parks and halls reinforce the wide inclusiveness in Tāmaki, allowing everyone to feel a sense of belonging and connectedness to the Tāmaki area.

"Kōtahi te aho, ka whati, ki te kāpuia e kore e whati" – "A strand, alone, may easily be broken, but many together, will never be broken".

Placemaking[21]

Our vision is that Tāmaki has connected and vibrant neighbourhoods and local whānau have a strong Tāmaki identity. This year, we focus on delivering on our core placemaking objectives, while we accelerate the delivery of our housing programme. We do so, understanding the positive impact housing supply has on our placemaking activities, and how it will set the foundations for us to scale up our placemaking objectives in the years to come.

It is integral that the regeneration of neighbourhoods in Tāmaki demonstrate best practice urban design and efficiency. Additionally, that neighbourhoods create cohesive communities linked by a quality open space network and supported by social infrastructure that meets the needs of Tāmaki's changing population. In this financial year, we will assess our neighbourhoods against our refreshed, fit-for-purpose Quality Neighbourhood Framework (QNF), to ensure we maintain best practice Tāmaki standard. We will also be testing the QNF on super-lot developments to ensure that the quality envisaged at a neighbourhood level translates into reality on live projects.

We continue to partner with Mana Whenua and a range of public and private sector organisations, including Kāinga Ora, Auckland Council, Auckland Transport, Eke Panuku, Healthy Waters, Watercare, our design and build partners, and the Tāmaki community to design and deliver on our Tāmaki Precinct Masterplan Implementation Plan. Our Placemaking Programme complements these physical moves by delivering activations with our partners, bringing new and existing spaces to life, and creating vibrant and socially cohesive communities within Tāmaki.

Environmental sustainability is a key consideration in TRC's masterplanning practices and placemaking activities. We work with relevant partners to enhance the quality of waterways (including restoration of the Omaru Creek),

[21] Activities, and associated expenditure, as set out within the Placemaking output class relates to both Tāmaki Regeneration Limited and Tāmaki Redevelopment Company Limited. This expenditure is consolidated within the Placemaking Revenue and Output Expenses Table. Tāmaki Redevelopment Company Limited Legal Group's full financial statements are contained in the Prospective Financial Statements section of this document.

improve the quality of stormwater management infrastructure, and reduce discharges into the wai of Tāmaki. Our masterplan prioritising active travel for whānau, intensifying close to transport nodes, and establishing walkways to connect residents with open space and community infrastructure.

It is important to us that we engage and work closely with Mana Whenua and the Tāmaki community through the regeneration programme. In the year ahead, we will ensure Mana Whenua are engaged with early and throughout the design and development process, recognising the principles of Te Tiriti o Waitangi and the role of Mana Whenua as Iwi Whakamaru. We continue to engage with the neighbourhoods that are part of our regeneration area before, during and post development and we evolve how we work to respond to what we hear.

We will continue to work closely with community leaders in Tāmaki to continue to develop their governance capacity and capability. This includes working with the Tāmaki Community Liaison Committee to upskill, as a key body with representatives from a broad range of communities within Tāmaki. Alongside this, we will continue to support Ngāti Whātua Ōrākei, Ngāi Tai ki Tāmaki, and Ngāti Paoa with their governance aspirations.

Our Tāmaki Shared Outcomes Framework upholds key long term social outcomes of our regeneration programme. Last year, we designed and tested a method for evaluating the social impact of our regeneration initiatives. This year, we will live-test this method and look to gather insights about social cohesion, the sense of trust, identity and belonging within the community in Tāmaki, and the impact of specific interventions that we have made. We understand the challenges to measuring social impacts (e.g., attribution of impact), so we will continue to refine the method over the year ahead.

During the 2023/2024 financial year, Tāmaki Redevelopment Company will:

- Deliver the Tāmaki Precinct Masterplan Implementation Plan, alongside our partners.
- Design neighbourhoods which meet the standard set out in our Quality Neighbourhood Framework; reflective of a balance between industry best practice and engagement with the community to understand their needs and aspirations.
- Deliver activations in Tāmaki to bring spaces to life, show Tāmaki as a destination of choice, and strengthen community resilience.
- Continue to invest in the governance capacity and capability of community leaders in Tāmaki and work alongside Ngāti Whātua Ōrākei, Ngāi Tai ki Tāmaki, and Ngāti Paoa to support with their governance aspirations.

STRATEGIC FRAMEWORK	LINK
Contributes to: Tāmaki Outcomes Framework.	• Tāmaki has connected neighbourhoods. • Tāmaki has vibrant neighbourhoods. • Tāmaki is environmentally awesome. • Tāmaki whānau have a strong Tāmaki identity.
Our Objectives: What we are aiming to deliver.	• A Tāmaki that is interconnected and, as such, is easier, more affordable, and safer to get around. • Quality transport connections that allow easy movement within Tāmaki - and to and from other regional destinations. • Safe and welcoming neighbourhoods that support social cohesion and connectivity. • A Tāmaki that celebrates its unique composition and history through its physical design. • Sustainable neighbourhoods that enhance the natural environment in Tāmaki.

STRATEGIC FRAMEWORK	LINK		
	• Provision of forums and mechanisms for residents to shape Tāmaki and take advantage of its opportunities.		
Outputs – Desired Trends: How we will know we are making progress.	MEASURE	TARGET 22/23	TARGET 23/24
	Percentage of neighbourhood designs that meet the agreed minimum standard under the Quality Neighbourhood Framework.	100%	**100%**
	Number of activations delivered directly by TRC or in conjunction with partners, bringing new and existing spaces to life, and creating vibrant and socially cohesive communities within Tāmaki.	5	**5**

Placemaking: Revenue and Output Expenses

Revenue and Output Expenses		2023/24 PROSPECTIVE UNAUDITED ($000s)
	Crown Revenue	0
	Other Revenue	89
	Total Revenue	**89**
	Expenditure	(738)
	Net (Deficit)	**(649)**

ORGANISATIONAL HEALTH

He tāngata, he tāngata, he tāngata.

Our team fulfils big responsibilities supporting the aspirations and wellbeing of the Tāmaki community and working to improve equity outcomes for Māori and Pasifika whānau. For TRC, taking care of our organisation means taking care of our people. We support the holistic health and wellbeing of all our employees, considering their physical, emotional, social, and spiritual wellbeing, through a range of supportive programmes and policies.

TRC regards diversity and inclusion as essential to successfully and sustainably achieving outcomes for Tāmaki. We respect and value the contribution of each member of the team and their potential to make a difference in delivering outcomes for the people of Tāmaki. We have an internal Diversity and Inclusion team and employ people from, and who reflect the diverse communities we serve. This is represented at all levels of TRC.

In FY23, we launched a TRC health insurance scheme, in partnership with UniMed. Under the scheme, TRC pays for eligible staff and their immediate whānau (including whāngai) to maintain UniMed's Hospital Select Base Plan and Specialists Module free of charge. Given the demography of our workforce, and the inequity in health outcomes for Māori and Pasifika in Aotearoa, this was an important policy decision for the organisation.

We encourage people to find learning opportunities to realise their personal potential and enhance job satisfaction, which we know will grow the capability of our workforce. We aspire to create an organisational learning environment where with the support of the leadership team, our employees are resilient to change, develop new skills, maintain agility, and take responsibility for their own continuous learning.

TRC is committed to upholding Te Tiriti by developing cultural fluency within our organisation. Our Cultural Leadership programme, Turou Hawaiki, is designed to grow Māori and Pasifika understanding and competency within the organisation. This programme entails a series of workshops centred around 4 Pou (pillars), including Te Tiriti o Waitangi, Privilege in Aotearoa, Cultural Leadership – Māori, and Cultural Leadership – Pasifika.

The workshops are facilitated by experienced leaders throughout the year and aim to create space to have difficult conversations in a safe environment, and to empower individuals with a deeper understanding of Māori and Pasifika values. The workshops also provide guidance around how these learnings can be translated into TRC's everyday workplace and embedded into projects and programmes.

Ultimately, our integrated people programmes and policies support the wellbeing of our people, provide opportunities for people to grow as individuals, and lift our cultural fluency and leadership as an organisation.

PROSPECTIVE FINANCIAL STATEMENTS

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Comprehensive Revenue and Expense (Unaudited)
For the year ending 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Revenue		
Management fee income	12,906	15,020
Dividend Received	10,000	11,300
Other income	0	105
Total revenue	**22,906**	**26,425**
Expenditure		
Personnel costs	14,542	13,671
Consultants and professional fees	2,886	4,321
Contractors and temporary staff	28	142
Directors' fees	277	259
Utilities and insurance	80	99
Legal expenses	90	70
Repairs and maintenance	16	92
Other expenses	4,143	4,139
Total expenditure	**22,061**	**22,792**
EBITDAF	845	3,633
Depreciation and amortisation expense	60	185
EBIT	785	3,448
Interest income	144	173
Interest costs	(10)	0
Net interest income	**134**	**173**
Net surplus for the year	134	3,621
Total comprehensive revenue and expense	919	3,621
Surplus for the year attributable to:		
Crown	542	2,134
Minority interest (Auckland Council)	377	1,487
	919	3,621
Total comprehensive revenue and expense attributable to:		
Crown	542	2,134
Minority interest (Auckland Council)	377	1,487
	919	3,621

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Financial Position (Unaudited)
As at 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Assets		
Current assets		
Cash and cash equivalents	5,055	5,055
Trade and other receivables	2,434	2,434
Total current assets	**7,489**	**7,489**
Non-current assets		
Property, plant, and equipment	26	85
Total non-current assets	**26**	**85**
Total assets	**7,515**	**7,574**
Liabilities		
Current liabilities		
Creditors and other payables	(12,614)	(13,676)
Annual leave liability	(720)	(720)
GST payable	(125)	(42)
Total current liabilities	**(13,458)**	**(14,437)**
Total liabilities	**(13,458)**	**(14,437)**
Net liabilities	**(5,944)**	**(6,863)**
Equity		
Ordinary shares - Crown	5,000	5,000
Ordinary shares - Auckland Council	3,500	3,500
Accumulated (deficit)	(14,444)	(15,363)
Total equity	**(5,944)**	**(6,863)**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2023.

Director
30 June 2023

Director
30 June 2023

TĀMAKI

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Changes in Equity (Unaudited)
For the year ending 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Balance at 1 July	(6,863)	(10,484)
Total comprehensive revenue and expense		
Surplus for the year	919	3,621
Total comprehensive income	**919**	**3,621**
Owners' transactions		
Capital contribution	0	0
Repayment of capital	0	0
Total contributions and distributions	**0**	**0**
Balance at 30 June	(5,944)	(6,863)

TĀMAKI

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Cash Flows (Unaudited)
For the year ending 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Cash flows from operating activities		
Rental Income from tenants	0	(511)
Receipts from other revenue	0	(1,665)
Management fee income	12,906	15,020
Payments to suppliers	(8,498)	(7,876)
Payments to employees	(14,542)	(14,694)
Net cash flow from operating activities	**(10,134)**	**(9,726)**
Cash flow from investing activities		
Purchase of property, plant and equipment	0	0
Purchase of intangible assets	0	0
Net cash flow from investing activities	**0**	**0**
Cash flow from financing activities		
Interest received	144	173
Interest paid	(10)	0
Dividend received	10,000	11,300
Net cash flow from financing activities	**10,134**	**11,473**
Net increase in cash and cash equivalents	**(0)**	**1,747**
Cash and cash equivalents at the beginning of the year	5,055	3,308
Cash and cash equivalents at the end of the year	**5,055**	**5,055**

Tāmaki Redevelopment Company Limited Group
Notes to the Prospective Financial Statements (Unaudited)
For the year ending 30 June 2024

Statement of Accounting Policies

REPORTING ENTITY
These prospective financial statements are for the Tāmaki Redevelopment Company Limited Group (TRC Group) which comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRC Group has determined that it is a public benefit entity (PBE) for financial reporting purposes. TRC Group's primary objective is the social and economic regeneration of the Tāmaki area.

These prospective financial statements do not include Tāmaki Regeneration Limited (TRL) due to Crown (rather than TRC Parent) controlling TRL. TRL's prospective financial statements are presented separately on pages 44 to 55 of this Statement of Performance Expectations. This document also presents, on pages 56 to 61, an aggregated set of prospective financial statements of the Tāmaki Redevelopment Company Limited Legal Group (which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP) and are not audited. Such an aggregation has to be treated as a non-GAAP set of prospective financial statements as it is not acceptable under PBE IPSAS 6 Consolidated and Separate Financial Statements to consolidate TRL into TRC Group.

TRC Parent is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is a schedule 4A entity of the Public Finance Act 1989.
These prospective financial statements for TRC Group are for the year ending 30 June 2024 and were approved by the Board on 30 June 2023.

PROSPECTIVE FINANCIAL STATEMENTS
These prospective financial statements have been prepared for the express purpose of meeting legislative requirements set out under the Crown Entities Act 2004 and the use of these statements for any other purpose may not be appropriate. The description of the principal activities and current operations of TRC Group including those activities and operations expected to be undertaken during the period covered by these prospective financial statements are outlined in the strategic priorities section of this document. The actual financial results achieved for the year ending 30 June 2024 are likely to vary from these prospective financial statements and the variations could be material.

BASIS OF PREPARATION
The prospective financial statements have been prepared on a going concern basis. This is based on the past practice of funding TRC's operating expenditure through intercompany advances and dividends from its subsidiary, Tāmaki Regeneration Limited. A dividend was issued by TRL for $11.3m on 16 February 2023 which was used to pay off prior intercompany advances made by TRL. The Entitled Persons/Ministerial approval for the dividend waiver was received as required.

The TRL Board has resolved to provide cash flow support to TRC group as required and TRL is expected to be solvent and in a position to issue dividends to the TRC group at the end of the prospective reporting period.

The accounting policies have been applied consistently throughout the period.

Tāmaki Redevelopment Company Limited Group
Notes to the Prospective Financial Statements (Unaudited) (Cont'd)
For the year ending 30 June 2024

Statement of Compliance
The prospective financial statements of TRC Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRC Group is a non-publicly accountable and non-large public benefit entity as defined by the External Reporting Board. For that reason, TRC Group is allowed and has elected to prepare its financial statements in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

These prospective financial statements comply with PBE accounting standards; Prospective Financial Statements (PBE FRS 42).

Functional and presentation currency
The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC is New Zealand dollars (NZ$).

SIGNIFICANT ACCOUNTING POLICIES
Control and consolidation
Subsidiaries

Subsidiaries are entities controlled by the TRC Parent. The TRC Parent controls an entity when it has the power to govern the financial and operating policies of the entity to benefit from its activities. The prospective financial statements from the date on which control commences until the date on which control ceases are consolidated into the TRC Parent's prospective financial statements. The TRC Parent controls two subsidiaries being THALP and THAGP.

Loss of control

When the TRC Parent loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related minority interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Revenue from exchange transactions:
Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRC Group, and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

Management fee income

The TRC Parent received management fees from Tāmaki Regeneration Limited each month in return for supplying day to day management services. THALP received management fees from TRL, each month in return for provision of tenancy and property management services.

Dividend income from TRL

Dividend income is recognised when the right to receive payment is established. Dividend revenue is received from TRL on the 100 ordinary shares that TRC Parent owns at $1 each. The value of these shares is rounded down to zero in the Statement of Financial Position.

Interest income

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRC Group applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Property, plant, and equipment

Property, plant, and equipment consist of the following asset classes: leasehold improvements, office equipment and computer equipment. All asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred, subsequent to, initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Leasehold improvements	The shorter of the period of the lease or estimated useful life.
Office equipment	3 years
Computer equipment	5 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of TRC Group's website are recognised as an expense when incurred. Fees associated with the access to the software of Software as a Service (SaaS) arrangements and the configuration and customisation costs of the software in the SaaS arrangements are recognised as expenses in the Statement of Comprehensive Revenue and Expense.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software 3 years.

Impairment of property, plant and equipment, intangible assets, and inventories

TRC Group does not hold any cash-generating property, plant, and equipment. Property, plant, and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRC Group's primary objective from its non-financial assets is to achieve the regeneration objectives set out in its Statement of Intent.

Non-cash-generating assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where TRC Group would, if deprived of the asset, replace its remaining future economic benefit or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in the surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to reporting date and annual leave earned to but not yet taken at balance date. A liability and an expense are recognised for bonuses where TRC Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Annual leave expected to be settled within 12 months of reporting date is classified as a current liability.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

Financial instruments

TRC Group classifies all its financial assets and liabilities at amortised cost under the accounting standard PBE IFRS 9 on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

TRC Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by TRC Group is recognised as a separate asset or liability.

TRC Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when TRC Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income tax

These prospective financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

Goods and services tax

All items in the prospective financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. All THA items are presented inclusive of GST as THA is exempt from GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position. The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the prospective statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit); and
- capital.

Critical accounting estimates and assumptions

In preparing these prospective financial statements, TRC Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered, such as the physical condition of the asset, expected period of use of the asset by TRC Group and expected disposal proceeds from the future sale of the asset.

Critical accounting judgements

A critical accounting judgement made in the preparation of these prospective financial statements is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease (replacing the lease entered into in December 2017) which sets out that THALP will receive a per property per week management fee. Under both the old and new deeds of lease, THA receives a per property per week management fee. TRL under both the old and the new deed of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Critical accounting judgements (cont'd)

Factors that indicate THALP is acting as a principal.
THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development and the Ministry of Housing and Urban Development (HUD) from October 2018, with regards to charging and collecting the IRRS subsidy and letting of tenants through the MSD application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed of lease.

Factors that indicate THALP is acting as an agent.
TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement.
Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its duties on behalf and for TRL.

Assumptions, risks and uncertainties underlying the prospective financial statements.

The prospective financial statements are unaudited. The main assumptions underlying the prospective figures are as follows:

- Operating costs are based on historical experience and forecast costs based on TRC Legal Group's business plan.
- The following economic assumptions will eventuate:

Assumption (source: Treasury)	Level of uncertainty	Risk	Financial impact
Average change in CPI: +3.5%	Moderate	That actual inflation is higher than forecast inflation	Movements in market prices will impact TRC Group's operating costs as well as interest income.

The actual results achieved for the period covered by the prospective figures are likely to vary from actual results for the financial year 2024 and these variances could be material. Factors that could lead to material differences between the prospective financial statements and the 2024 actual financial statements, in addition to the sources of uncertainty mentioned above, include decisions being made that alter the assumptions made above.

The FY24 budget is based on the assumption that Tamaki Redevelopment Group can contain inflation to broadly 3.5% (excluding cost areas such as Council rates of 4.66% and water rates of 9.5% as notified during the budget process). The impact of an additional 1% rise in inflation on top of the expected 3.5% on the FY24 budget will add $500,000 to Operating Expenditure (OPEX) and $1.5 million to Capital Expenditure (CAPEX).

TRC’s operating expenditure is funded in the short-term through intercompany advances and dividends from its subsidiary, Tāmaki Regeneration Limited (“TRL”). Dividends are subject to an Entitled Persons Consent or Ministerial waiver of the Crown’s right to receive dividends from TRL. The Crown holds all the preference shares in TRL, whereas TRC holds all the ordinary shares in TRL.

Tāmaki Regeneration Limited
Statement of Prospective Comprehensive Revenue and Expense (Unaudited)
For the year ending 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Revenue		
Development sales	0	(5,006)
Sales of shared ownership properties	19,658	8,899
Income-related rent subsidies	46,042	46,103
Rental income from tenants	21,747	21,647
Other	1,000	(377)
Total revenue	**88,447**	**71,267**
Expenditure		
Consultants and professional fees	1,003	616
Contractors and temporary staff	0	16
Management fee expense	12,906	15,020
Inventory costs	19,658	(2,418)
Repairs and maintenance	35,407	33,396
Utilities and insurance	13,898	12,614
Legal expenses	0	3
Other expenses	1,344	1,610
Total expenditure	**84,216**	**60,858**
EBITDAF*	4,231	10,409
Depreciation	29,011	36,214
EBIT	(24,780)	(25,805)
Interest income	2,400	2,199
Interest costs	0	0
Net interest income	**2,400**	**2,199**
Tax expense	0	0
(Deficit) for the year	(22,380)	(23,606)
Total comprehensive revenue and expense	(22,380)	(23,606)

*Earnings before interest, taxation, depreciation, amortisation and fair value adjustments.

Tāmaki Regeneration Limited
Statement of Prospective Financial Position (Unaudited)
As at 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Assets		
Current assets		
Cash and cash equivalents	42,341	39,623
Trade and other receivables	24,650	24,663
Inventories	110,930	94,595
Total current assets	**177,920**	**158,881**
Non-current assets		
Property, plant and equipment	3,196,661	3,100,951
Shared ownership investments	11,006	5,108
Total non-current assets	**3,207,667**	**3,106,059**
Total assets	**3,385,587**	**3,264,940**
Liabilities		
Current liabilities		
Creditors and other payables	(16,775)	(11,606)
GST payable	922	1,779
Total current liabilities	**(15,853)**	**(9,826)**
Total liabilities	**(15,853)**	**(9,826)**
Net assets	**3,369,734**	**3,255,114**
Equity		
Ordinary shares - TRC Parent	0	0
Preference shares - Crown	2,057,475	1,910,475
Revaluation reserve	1,577,062	1,577,062
Accumulated (deficit)	(264,804)	(232,424)
Total equity	**3,369,734**	**3,255,114**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2023.

Director
30 June 2023

Director
30 June 2023

Tāmaki Regeneration Limited
Statement of Prospective Changes in Equity (Unaudited)
For the year ending 30 June 2024

	Contributed capital 2024 Prospective Unaudited $000's	Revaluation reserve 2024 Prospective Unaudited $000's	Accumulated (deficit) 2024 Prospective Unaudited $000's	Total 2024 Prospective Unaudited $000's
Balance at 1 July	1,910,475	1,577,062	(232,424)	3,255,114
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(22,380)	(22,380)
Other comprehensive revenue and expense	0	0	0	0
Total comprehensive income	0	0	(22,380)	(22,380)
Owners' transactions				
Capital contribution	147,000	0	0	147,000
Dividends paid	0	0	(10,000)	(10,000)
Repayment of capital	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	147,000	0	(10,000)	137,000
Balance at 30 June	2,057,475	1,577,062	(264,804)	3,369,734

	Contributed capital 2023 Prospective Unaudited $000's	Revaluation reserve 2023 Prospective Unaudited $000's	Accumulated (deficit) 2023 Prospective Unaudited $000's	Total 2023 Prospective Unaudited $000's
Balance at 1 July	1,781,875	1,611,768	(197,517)	3,196,125
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(23,606)	(23,606)
Net Revaluation Reserve movements	0	(34,705)	0	(34,705)
Total comprehensive income	0	(34,705)	(23,606)	(58,312)
Owners' transactions				
Capital contribution	128,600	0	0	128,600
Dividends paid	0	0	(11,300)	(11,300)
Repayment of capital	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	128,600	0	(11,300)	117,300
Balance at 30 June	1,910,475	1,577,062	(232,424)	3,255,114

Tāmaki Regeneration Limited
Statement of Prospective Cash Flows (Unaudited)
For the year ending 30 June 2024

	2024 Prospective Unaudited	2023 Prospective Unaudited
Cash flows from operating activities	**$000's**	**$000's**
Receipts from shared ownership sales	19,658	4,880
Rental income from tenants	21,761	21,952
Income-related rent subsidies	46,042	46,103
Other revenue received	1,000	968
Management fee paid	(12,906)	(15,020)
Payments to suppliers	(52,135)	(65,582)
Net cash flow from operating activities	**23,420**	**(6,700)**
Cash flow from investing activities		
Purchase of freehold land and rental properties	(154,205)	(100,856)
Purchase of Shared ownership assets	(5,897)	(2,002)
Net cash flow from investing activities	**(160,102)**	**(102,858)**
Cash flow from financing activities		
Interest received	2,400	2,199
Dividend paid to TRC	(10,000)	(11,300)
Preference share drawdown	147,000	128,600
Preference share offset	0	(18,041)
Net cash flow from financing activities	**139,400**	**101,458**
Net increase in cash and cash equivalents	**2,718**	**(8,100)**
Cash and cash equivalents at the beginning of the year	39,623	47,723
Cash and cash equivalents at the end of the year	**42,341**	**39,623**

Tāmaki Regeneration Limited
Reconciliation of deficit to net cash flows from operating activities (Unaudited)
For the year ending 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
(Deficit) for the year	**(22,380)**	**(23,606)**
Adjustments for:		
Funding costs	(2,400)	(2,199)
Depreciation	29,011	36,214
Other non-cash entries:		
COGS - SHO	19,658	16,938
Net Inventory Write-down Expense	0	(19,273)
Gain/Loss of Shared Ownership Interest	0	(27)
KO Accrual - build costs	(6,510)	(5,865)
Changes in:		
Trade and other creditors	6,027	(11,547)
Trade and other receivables	13	2,664
Net cash from operating activities	**23,420**	**(6,700)**

Tāmaki Regeneration Limited
Notes to the Prospective Financial Statements (Unaudited)
For the year ending 30 June 2024

Statement of Accounting Policies

REPORTING ENTITY
These prospective financial statements are for Tāmaki Regeneration Limited (TRL). TRL has determined that it is a public benefit entity (PBE) for financial reporting purposes. TRL is domiciled and operates in New Zealand. These prospective financial statements were approved by the Board on 30 June 2023.

TRL has prepared separate prospective financial statements as it is not part of the Tāmaki Redevelopment Company Limited Group (TRC Group). TRC Group's prospective financial statements are presented separately on page 33 to 43 of this document. TRC Group comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRL cannot be included in the TRC Group's financial statements due to Crown (rather than TRC Parent) controlling TRL. This document also presents separately, on pages 56 to 61, an aggregated set of prospective financial statements of the Tāmaki Redevelopment Company Limited Legal Group (which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP). Such an aggregation has to be treated as a non-GAAP set of financial statements as it is not acceptable under PBE IPSAS 6 *Consolidated and Separate Financial Statements* to consolidate TRL into TRC Group.

PROSPECTIVE FINANCIAL STATEMENTS
These prospective financial statements have been prepared for the express purpose of meeting legislative requirements set out under the Crown Entities Act 2004 and the use of these statements for any other purpose may not be appropriate. The description of the principal activities and current operations of TRL including those activities and operations expected to be undertaken during the period covered by these prospective financial statements are outlined in the strategic priorities section of this document. The actual financial results achieved for the year ending 30 June 2024 are likely to vary from these prospective financial statements and the variations could be material.

BASIS OF PREPARATION
The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance
The prospective financial statements of TRL have been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRL is a large PBE as defined by the External Reporting Board. For that reason, TRL has prepared its financial statements in accordance with Tier 1 PBE accounting standards.

Functional and presentation currency
The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC is New Zealand dollars (NZ$).

SIGNIFICANT ACCOUNTING POLICIES

Revenue from exchange transactions:

Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRL, and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

Receipts from land disposals

TRL disposes of land to one off purchasers as well as whānau approved under the TRC shared ownership programme.

Receipts are recognised when the risks and rewards are transferred to the purchaser.

Rental income from tenants

Income from tenants on market rent is recognised on a straight-line basis over the rental term.

Revenue from non-exchange transactions

Revenue from non-exchange transactions is recognised only when TRL obtains control of the transferred asset (cash), and the transfer is free from conditions to refund or return the asset if the conditions are not fulfilled.

Rental income from tenants and income-related rent subsidies

Rental income from tenants who are not on market rent and income-related rent subsidies are recognised on a straight-line basis over the rental term.

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRL applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Inventories

Inventories are measured at cost upon initial recognition or carrying amount at the time of transfer to inventories for items previously classified as property, plant, and equipment. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are its fair value at the date of acquisition. Given that all property, plant, and equipment is revalued annually, the fair value is usually approximated as the book value on transfer of the property, plant, and equipment to inventory. After initial recognition, inventories are measured at the lower of cost and net realisable value.

Property, plant, and equipment

Property, plant, and equipment consist of the following asset classes: freehold land, rental properties and capital work in progress. All asset classes are measured at cost, less accumulated depreciation and impairment losses, with the exception of the land and buildings transferred from Kāinga Ora which are measured at fair value. Investment in joint operations has been classified as PPE as the property is held for a social service and/or strategic purpose.

Property, plant, and equipment (cont'd)

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. Capital work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on rental properties at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives of rental properties are determined by the date they are scheduled to be demolished for redevelopment by Kāinga Ora on behalf of TRL under a Power of Attorney (PoA) arrangement (see below critical accounting estimates policy). The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Subsequent measurement

Freehold land and rental properties are valued, on a class basis, to fair value. 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 differ materially from the asset's fair value at the balance 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, which was recognised in surplus or deficit for the year. Therefore, the surplus is recognised in surplus or deficit for the year. On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset.

An item of property is derecognised upon disposal. 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 surplus or deficit for the year, in the year the item is derecognised. The gain or loss on derecognition is calculated as the difference between the net disposal proceeds and the carrying amount of the item.

Impairment of property, plant, and equipment, intangible assets and inventories

TRL does not hold any cash-generating property, plant, and equipment. Property, plant, and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRL's primary objective from its non-financial assets is to provide state housing as set out in its Statement of Intent.

Non-cash-generating assets

Property, plant, and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where TRL would, if deprived of the asset, replace its remaining future economic benefit or service potential. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

Financial instruments

TRL classifies its investment in shared ownership properties at fair value through surplus or deficit under PBE IFRS 9 *Financial Instruments* on the basis that they do not constitute solely payments of principal and interest. The timing of the repayments from the shared homeowner or whānau is dependent on the whānau's household savings or their ability to refinance their mortgage. TRL classifies all other financial assets and liabilities at amortised cost under PBE IFRS 9 *Financial Instruments* on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

Financial instruments (cont'd)

TRL derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that are created or retained by TRL is recognised as a separate asset or liability.

TRL derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when TRL currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income tax

The prospective financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

Goods and services tax

All items in the prospective financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit); and
- revaluation reserve; and
- preference shares

Critical accounting estimates and assumptions

In preparing these prospective financial statements, TRL has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions (cont'd)

Estimating fair value, useful lives and residual values of property, plant, and equipment

At each balance date, the fair values, useful lives and residual values of property, plant, and equipment are reviewed. The most recent valuation of freehold land and rental properties was performed by an independent registered valuer, Quotable Value Limited. The valuation was effective as at 30 June 2022. Fair value, using market-based evidence is based on the highest and best use of the freehold land and rental properties, with reference to comparative sales values. There are no restrictions on the ability of TRL to sell freehold land and rental properties which would impair its value. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by TRL and expected disposal proceeds from the future sale of the asset.

Derecognition of freehold land

At each balance date, we estimate the value of land to be derecognised through preference shares with the final value determined at completion of the project. At 30 June 2022 there was an increased amount of shared ownership properties which were not subject to derecognition

Critical accounting judgements

A critical accounting judgement made in the preparation of these prospective financial statements is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease (replacing the lease entered into in December 2017). Under both the old and new deeds of lease, THALP receives a per property per week management fee. TRL under both the old and the new deeds of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Factors that indicate THALP is acting as a principal.

THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development and the Ministry of Housing and Urban Development (HUD) from October 2018, with regards to charging and collecting the IRRS subsidy and letting of tenants through the MSD application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed of lease.

Factors that indicate THALP is acting as an agent.

TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement. Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its aforementioned duties on behalf and for TRL.

Assumptions, risks and uncertainties underlying the prospective financial statements.

The prospective financial statements are unaudited. The main assumptions underlying the prospective figures are as follows:

- Operating costs are based on historical experience and forecast costs based on TRC Legal Group's business plan.
- The following economic assumptions will eventuate:

Assumption (source: Treasury)	Level of uncertainty	Risk	Financial impact
Average change in CPI: +3.5%	Moderate	That actual inflation is higher than forecast inflation	Movements in market prices will impact TRL's operating costs as well as interest income.

The actual results achieved for the period covered by the prospective figures are likely to vary from actual results for the financial year 2024, and these variances could be material.

Factors that could lead to material differences between the prospective financial statements and the 2024 actual financial statements, in addition to the sources of uncertainty mentioned above, include decisions being made that alter the assumptions made above.

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Comprehensive Revenue and Expense
For the year ending 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Revenue		
Development sales	0	(5,006)
Sales of shared ownership properties	19,658	8,899
Rental income from tenants	21,747	21,647
Income-related rent subsidies	46,042	46,103
Other income	1,000	(271)
Total revenue	**88,447**	**71,372**
Expenditure		
Personnel costs	14,542	13,671
Inventory costs	19,658	(2,418)
Contractors and temporary staff	28	158
Directors' fees	277	259
Legal expense	90	73
Repairs and maintenance	35,423	33,488
Consultants and professional fees	3,889	4,937
Utilities and insurance	13,978	12,712
Other expenses	5,487	5,749
Total expenditure	**93,371**	**68,630**
EBITDAF	(4,924)	2,742
Depreciation	29,071	36,399
Total depreciation, amortisation and fair value adjustments	**29,071**	**36,399**
EBIT	(33,995)	(33,657)
Interest income	2,544	2,372
Interest costs	(10)	0
Net interest income	**2,534**	**2,372**
(Deficit) for the year	(31,461)	(31,285)
Total comprehensive revenue and expense	(31,461)	(31,285)

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Financial Position
As at 30 June 2024

	2024 Prospective Unaudited $000's	2023 Prospective Unaudited $000's
Assets		
Current assets		
Cash and cash equivalents	47,396	44,678
Trade and other receivables	27,083	27,097
Inventories	110,930	94,595
Total current assets	**185,409**	**166,370**
Non-current assets		
Property, plant and equipment	3,196,687	3,101,036
Shared ownership investments	11,006	5,108
Total non-current assets	**3,207,693**	**3,106,145**
Total assets	**3,393,102**	**3,272,514**
Liabilities		
Current liabilities		
Creditors and other payables	(29,389)	(25,281)
GST payable	797	1,738
Annual leave liability	(720)	(720)
Total current liabilities	**(29,312)**	**(24,263)**
Total liabilities	**(29,312)**	**(24,263)**
Net assets	**3,363,790**	**3,248,251**
Equity		
Ordinary shares - Crown	5,000	5,000
Ordinary shares - Auckland Council	3,500	3,500
Preference shares - Crown	2,057,475	1,910,475
Revaluation reserve	1,577,062	1,577,062
Accumulated (deficit)	(279,247)	(247,786)
Total equity	**3,363,790**	**3,248,251**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2023.

Director
30 June 2023

Director
30 June 2023

TĀMAKI

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Changes in Equity
For the year ending 30 June 2024

	Contributed Capital 2024 Prospective Unaudited $000's	Revaluation Reserve 2024 Prospective Unaudited $000's	Accumulated (deficit) 2024 Prospective Unaudited $000's	Total 2024 Prospective Unaudited $000's
Balance at 1 July	1,918,975	1,577,062	(247,786)	3,248,251
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(31,461)	(31,461)
Other comprehensive revenue and expense	0	0	0	0
Total comprehensive income	**0**	**0**	**(31,461)**	**(31,461)**
Owners' transactions				
Capital contribution	147,000	0	0	147,000
Repayment of capital	0	0	0	0
Dividends paid	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	**147,000**	**0**	**0**	**147,000**
Balance at 30 June	2,065,975	1,577,062	(279,247)	3,363,790

	Contributed Capital 2023 Prospective Unaudited $000's	Revaluation Reserve 2023 Prospective Unaudited $000's	Accumulated (deficit) 2023 Prospective Unaudited $000's	Total 2023 Prospective Unaudited $000's
Balance at 1 July	1,790,375	1,611,768	(216,501)	3,185,642
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(31,285)	(31,285)
Net Revaluation Reserve movements	0	(34,705)	0	(34,705)
Total comprehensive income	**0**	**(34,705)**	**(31,285)**	**(65,990)**
Owners' transactions				
Capital contribution	128,600	0	0	128,600
Repayment of capital	0	0	0	0
Dividends paid	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	**128,600**	**0**	**0**	**128,600**
Balance at 30 June	1,918,975	1,577,062	(247,786)	3,248,251

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Cash Flows
For the year ending 30 June 20234

	2024 Prospective Unaudited	2023 Prospective Unaudited
Cash flows from operating activities	$000's	$000's
Receipts from shared ownership sales	19,658	4,880
Rental income from tenants	21,761	21,441
Income-related rental subsidy	46,042	46,103
Other revenue received	1,000	(697)
Payments to suppliers	(60,632)	(73,458)
Payments to employees	(14,542)	(14,694)
Net cash flow from operating activities	**13,286**	**(16,425)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(154,205)	(100,856)
Purchase of shared ownership assets	(5,897)	(2,002)
Net cash flow from investing activities	**(160,102)**	**(102,858)**
Cash flow from financing activities		
Interest received	2,544	2,372
Interest paid	(10)	0
Preference share offset	0	(18,041)
Preference share drawdown	147,000	128,600
Net cash flow from financing activities	**149,534**	**112,931**
Net increase in cash and cash equivalents	**2,718**	**(6.353)**
Cash and cash equivalents at the beginning of the year	44,678	51,031
Cash and cash equivalents at the end of the year	**47,396**	**44,678**

Tāmaki Redevelopment Company Limited Legal Group
Notes to the Prospective Financial Statements (Unaudited)
For the year ending 30 June 2024

REPORTING ENTITY

These prospective financial statements are for the Tāmaki Redevelopment Company Legal Group (TRC Legal Group) which comprises of:

• Tāmaki Regeneration Limited (TRL); and

• Tāmaki Redevelopment Company Limited Group (TRC Group) which further comprises of the parent Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP).

The prospective financial statements for the TRC Legal Group are the aggregated prospective financial statements of TRC Group & TRL, each of which have been included separately as part of this document.

BASIS OF PREPARATION

The prospective financial statements of the TRC Legal Group are a non-GAAP aggregated set of prospective financial statements. TRC Group consists of TRC Parent, THALP and THAGP. As TRC Parent controls THALP and THAGP it is required by NZ GAAP to consolidate THALP and THAGP into the TRC Group. The Directors of TRC Parent note that while TRC Parent holds 100% of the ordinary shares of TRL, the Crown holds 100% of the preference shares in TRL. The rights and obligations attached to the preference shares result in the Crown having control of TRL, meaning that it inconsistent with NZ GAAP to consolidate TRL into TRC Group. The Directors of TRC Parent wish to present a view of the forecast financial position of TRC Legal Group and its prospective results for the year ended 30 June 2023 in one set of prospective financial statements. Such a presentation has to be treated as a non-GAAP set of prospective financial statements as it is not acceptable under PBE IPSAS 6 *Consolidated and Separate Financial Statements* to consolidate TRL into TRC Group.

The most appropriate way to describe and present such a set of prospective financial statements is as a non-GAAP aggregation. These prospective financial statements have been clearly marked as a non-GAAP aggregation. They have been prepared on a going concern basis. These prospective financial statements have applied the same accounting policies that TRC Group and TRL have applied as set out in their own prospective financial statements within this document. The accounting policies have been applied consistently throughout the period.

The notes to these financial statements are limited to the Statement of Accounting Policies. Aggregated TRC Group & TRL note disclosures are not included in these financial statements and are instead individually set out in the notes to the financial statements of TRC Group and TRL included within this document.

Statement of compliance

The prospective financial statements of TRC Legal Group have not been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). This is because NZ GAAP, specifically PBE IPSAS 6 *Consolidated and Separate Financial Statements* does not allow the consolidation of TRL into TRC Group, as the Crown rather than the TRC Parent controls TRL. All other PBE Accounting Standards have been complied with.

The TRC Legal Group's aggregate of TRC Group & TRL's prospective financial statements (non-GAAP) have been prepared in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

Functional and presentation currency
The aggregate TRC Group & TRL prospective financial statements (non-GAAP) are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC Legal Group is New Zealand dollars (NZ$).

Significant accounting policies
The significant accounting policies of TRC Legal Group are materially the same as the accounting policies used in the preparation of the prospective financial statements of TRC Group and TRL.