



Te Toi Mahana
Community Housing

Annual Report 2023/24

Contents

Nau mai, from our Mana Whenua Partners	04
Chair's Report	06
Acting CE's Report	08
About Te Toi Mahana	10
Tenants are the Heart of Everything we do	12
Case Studies	15
Statement of Service Performance and Summary of Financial Statements	19



The place of caring and nurturing,
standing and belonging.

Nau mai, from our Mana Whenua Partners

Few things contribute more to the wellbeing of whānau than having a warm, dry, affordable home.



Carolyn van Leuven

Te Atiawa o te Waka-a-Māui,
Ngāti Ruanui, Taranaki

Mana Whenua appointed Trustee



Liz Kelly

Ko Ngāti Toa me Ngāti
Tama ōku iwi

Mana Whenua appointed Trustee

Tēnā koutou katoa i te āhuetanga o te wā.

As Mana Whenua partners, Taranaki Whānui ki te Upoko o te Ika, Te Āti Awa and Ngāti Toa Rangatira have been pleased to support the establishment and work of Te Toi Mahana in its first year of operation. Few things contribute more to the wellbeing of whānau than having a warm, dry, affordable home, and Te Toi Mahana has been established to deliver that outcome in the communities we serve. Our own visions and missions speak of strengthening and enhancing the cultural, social and economic wellbeing and mana of our people and community, closely aligned to Te Toi Mahana's vision for whānau across Te Whanganui-a-Tara to have homes that support their wellbeing. We are happy to be working with Te Toi Mahana in bringing to life its purpose to provide homes where people are proud to live, to continuously improve the quality and sustainability of homes and communities, to grow housing support for those in need and in its commitment to affordable living.

We look forward to working even more closely together into the future to achieve our mutual aspirations. Kia kaha rā!



Chair's Report



Andrew Turner

Te Toi Mahana Board Chair

Tēnā koutou katoa,

As Chair of Te Toi Mahana, it is my great pleasure to present our first annual report. After being established as a trust in February 2023, and registered as a Community Housing Provider in July 2023, Te Toi Mahana formally took over Wellington City Council's social housing services on 1 August 2023. Since then, our team have been working diligently to ensure a smooth transition for tenants and to establish strong foundations for a stable and successful future.

The Wellington City Council had provided social housing in Wellington since the 1950's, so the decision to establish Te Toi Mahana and to transfer this responsibility to us was a significant one. At the time, there were over 2,750 social housing tenants and 1,600 homes involved in the transition to Te Toi Mahana. I do not underestimate the trust placed in Te Toi Mahana to lead such important work, both for tenants and for Wellington.

A key rationale for establishing Te Toi Mahana

was to enable access to the Government's Income Related Rent Subsidy (IRRS) for eligible tenants. Access to the IRRS, which is not available to Councils, improves rent affordability for our tenants and leads to improved financial sustainability for Te Toi Mahana. I am pleased to be able to report that by June 2024, Te Toi Mahana had housed tenants through its first 100 IRRS tenancies.

When the Council established Te Toi Mahana, it also agreed to transfer to us the ownership of ten million dollars' worth of social housing property. The remainder of the portfolio continues to be owned by the Council and leased to Te Toi Mahana. After careful consideration a small number of properties were selected and subsequently transferred to Te Toi Mahana. These sites were selected in part because they were suitable for future redevelopment and to build more community housing. While there are currently no immediate development plans, this transfer of property contributes to the

financial security of Te Toi Mahana and is an important step towards allowing us to increase the number of houses for those in need in our community through future development.

While there is much to celebrate after our first year, as outlined in this report, we cannot overstate the social and financial challenges we face. New Zealand, and Wellington in particular, is currently navigating some very challenging economic conditions. This environment places significant pressures on our community, not least the increased cost of living for our tenants. For Te Toi Mahana, this means ensuring the wellbeing of tenants is at the forefront of our decision-making as we maintain prudent management of our housing services and assets.

With the continued commitment and dedication of the broader Te Toi Mahana team, there is much reason to be positive and aspirational for the future of Te Toi Mahana and for community housing in Aotearoa. I wish to sincerely thank everyone who has contributed to making our

first year such a success. To all our tenants, staff, board members, community partners, and to everyone involved – thank you.

Finally, I would like to take this opportunity to thank Angelique Jackson for her service as the Chief Executive for the first 18 months at Te Toi Mahana and acknowledge her previous 3 years of service with WCC City Housing. Angelique was an integral part of the successful transition from Wellington City Council to an independent Community Housing Provider. Under her leadership, tenant satisfaction and employee engagement has improved and all key milestones have been met before and after transition. We wish Angelique all the best for the future.

Ngā mihi nui

Andrew Turner

Te Toi Mahana Board Chair
December 2024

Acting CE's Report



Anne Smith

Acting Chief Executive

Kia ora koutou,

Our first year as a new Community Housing Provider (CHP) has been a successful one. The Trust took over the provision of tenancy management, community development activities and facilities management services from the Council on 1 August 2023. The results highlighted in this report illustrate that the Trust continues to provide safe and affordable places that people can call home and is operating on a financially sustainable basis.

Te Toi Mahana means “the place of caring and nurturing, standing and belonging” and was gifted to us by our Mana Whenua partners - Taranaki Whānui ki Te Upoko o te Ika/Port Nicholson Block Settlement Trust, Te Rūnanganui o Te Āti Awa ki te Upoko o Te Ika a Māui, and Te Rūnanga O Toa Rangatira. Our partnership with mana whenua is something the whole Te Toi Mahana team is deeply grateful for, and one we seek to grow and deepen over time.

Ki te kotahi te kākaho ka whati, ki te kāpuia e kore e whati

When we stand alone we
are vulnerable but together
we are unbreakable

The transition from Wellington City Council to Te Toi Mahana took into account careful consideration of options by the Council and in depth planning for the transition from the City Housing Unit to the Trust. A kōrero was held in early 2022 with tenants who were generally supportive of setting up a CHP and we were keen to ensure that the transition for them went as smoothly as possible. Over 70% of tenants told us they were satisfied with the transition. We can always do better, but it was important to me that we made a good start.

It is great that the vast majority of Wellington City Council housing staff were able to come across to Te Toi Mahana. This not only helped the transition for tenants but ensured that our new organisation started out with a wealth of knowledge and experience. Since then, the team has grown and matured to deliver services to our tenants as well as operate as a sustainable and compliant Charitable Trust. I was particularly proud that, in addition to very high staff engagement rates (95%+) we were finalists for the Diversity New Zealand Awards and won a New Zealand Best Places to Work Award. This recognition reflects the passion and commitment of our team and tenant community we serve.

Tenants are the heart of everything we do and why Te Toi Mahana exists. We appreciate that the situation for our tenants can be very difficult, and that many in our community are doing it tough right now. This is why we are constantly seeking to improve our services to tenants. For our first Tenant Satisfaction Survey, I was thrilled to see a rise in overall tenant

satisfaction--from 76% in the 2022 City Housing survey to 77% in 2024, as well as an increase in turnout - from 303 to 323. In our first year, these results were a really big deal and helped strengthen our belief that Te Toi Mahana was doing a challenging job pretty well.

I would like to thank the Te Toi Mahana kaimahi and Board, our tenants, kaitiaki, tenant focus group and everyone in the community who has helped us begin our journey as Te Toi Mahana. No doubt there will be more challenges ahead, but I am satisfied we have made a great start and if we continue to work together then we will build strong thriving communities that contribute to the wellbeing of tenants we serve.

Ngā manaakitanga

Anne Smith

Chief Executive Officer (Acting)
Tumu Whakarae (Whakakapi)
December 2024

About Te Toi Mahana

The place of caring and nurturing, standing and belonging.

Te Toi Mahana is a newly established charity and Community Housing Provider (CHP) that has taken over Wellington City Council's (WCC's) social housing services.

We are dedicated to providing safe, secure and affordable housing in Te Whanganui-a-Tara, Wellington, New Zealand.

Te Toi Mahana manages over 1,600 homes and 2,750 tenants across Wellington making us the largest public housing provider in Wellington.

We are aspirational for our tenants and the future of housing in Wellington and Aotearoa.

Mana Whenua Partnership

Our partnership with mana whenua is fundamental to who we are and has been since our establishment. We endeavor to deepen and grow our partnership with mana whenua and work together to achieve shared goals and aspirations.

We work with mana whenua to deliver quality housing for our communities and to support the hauora of our tenants, kaimahi and hapori whānau.

Our Board includes two representatives appointed by mana whenua and our teams work collaboratively on operational issues.

Whakapapa

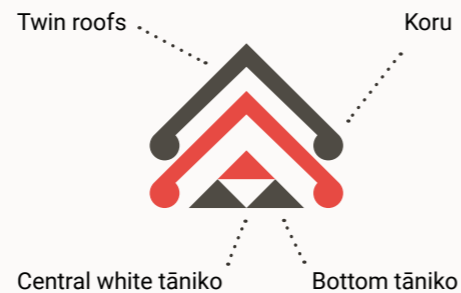
Our name Te Toi Mahana was gifted to us by our mana whenua partners - Taranaki Whānui ki Te Upoko o te Ika, Te Rūnanganui o Te Āti Awa ki te Upoko o Te Ika a Māui, and Te Rūnanga O Toa Rangatira.

Te Toi Mahana means "the place of caring and nurturing, standing and belonging".

The twin roofs represent the partnership, trust and manaatikanga (support) between "Te Toi Mahana" and our resident whānau (tenants).

The koru (spiral) on each end of the roofs, embodies the perpetual movement of our whānau (family) through the journey of life. The central white tāniko (triangular) pattern symbolises warmth and the centrality of whānau to the purpose of "Te Toi Mahana."

The bottom tāniko pattern is the foundation and represents the place of standing and belonging much like a maunga (mountain).



Our Vision

Whānau across Te Whanganui-a-Tara have homes that support their wellbeing.

Our Purpose

- To provide homes where people are proud to live
- Continuously improve the quality and sustainability of homes and communities
- Grow the provision of housing to support those in need
- Be committed to affordable living

Our Principles

Whakamana

Mauri

Tikanga

Rangatiratanga

Tenants are the Heart of Everything we do

Our Tenants

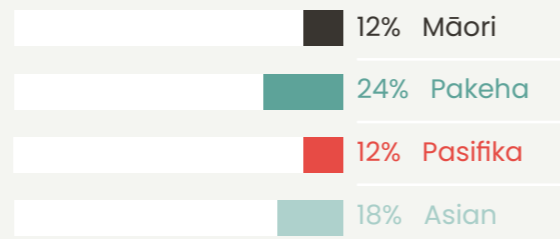
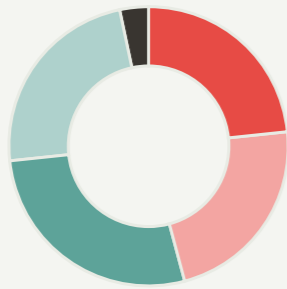
2,750+
tenants

77%
of tenants are satisfied with our services and facilities

50
tenant kaitiaki volunteers

2
tenant focus groups

0 - 20 years	23%
21 - 40 years	22%
41 - 60 years	27%
61 - 80 years	23%
81+ years	3%



40+
languages spoken

65%
live alone

10+ years
over 1 in 3 tenants have lived with us

Services and Community

1,600
managed properties throughout Pōneke (from Tawa to Strathmore)

4
community housing partners

13,000
maintenance jobs completed each year

42
kaimahi

8
on-site offices

40
regular community activities

20
active community groups

14
community gardens

11
community rooms

Highlights

2023

- 16 February Te Toi Mahana established as a Trust.
- 4 May Te Toi Mahana registered as a Charity.
- 26 July Te Toi Mahana registered as a Community Housing Provider.
- 1 August Te Toi Mahana officially takes over social housing services from the Wellington City Council.
- 25 September Te Toi Mahana houses its first IRRS tenant.
- 20 December Facilities and Maintenance Tenant Focus Group is established and meets for the first time.

2024

- 2 February Tenant Policy Focus Group is established and meets for the first time.
- 17 February Health Gala held at Newtown Park Apartments in partnership with Tū Ora, Newtown Health and Te Whatu Ora - over 50 immunisations and more than 40+ Hepatitis C checks provided.
- 23 February Whanaungatanga hui held with our Mana Whenua hui partners - Taranaki Whānui ki te Upoko o te Ika, Te Rūnanganui o Te Āti Awa and Ngāti Toa Rangatira.
- 4 March Te Toi Mahana reception at Level 7, 34 Manners Street, officially opens to the public.
- 15 May Te Toi Mahana is certified as Living Wage Employer.
- 15 May First 100 IRRS tenants housed with Te Toi Mahana.
- 30 May Te Toi Mahana announced as a Diversity Awards NZ Finalist – Inclusive Workplace Category.
- 7 June First Te Toi Mahana Tenant Satisfaction Survey completed - increased tenant satisfaction and turnout.
- 13 June Best Places to Work NZ Finalist – with 97% overall connection!
- 14 June Kaitiaki announced as official Wellington Airport Community Awards Finalists.
- 28 June Matariki celebrations held at Pukehīnau and Central Park Apartments.
- 1 July Te Toi Mahana Contact Centre goes live and takes over services from Wellington City Council.
- 1 July Healthy Homes improvements completed on all Te Toi Mahana properties.
- 2 September Te Toi Mahana becomes owner of 10 properties - 5 sites and 34 units transferred from the Wellington City Council.
- 25 September Te Toi Mahana wins the Best Places to Work - Diversity and Inclusion Award!

Case Studies

Te Ngae'e o Rau Hīnau: The Pukehīnau Kai Hub

The Pukehīnau community has undergone a remarkable transformation since Kaicycle launched its kai hub project last year. Supported by a grant from the Ministry of Social Development's Puta Ora Fund and in collaboration with Te Toi Mahana, the initiative has deeply impacted both the 20-30 weekly māra session participants and the wider Pukehīnau community. While some residents actively join in, others simply visit to enjoy the garden or observe the sessions. The space has even been used for wedding photos, reflecting the personal connections residents have developed. The initiative has replaced stigma with pride, building a stronger sense of community.

Researchers from Otago University note this as the only community-based project of its kind and have completed research highlighting the wellbeing benefits of this project, some of which have been life-changing for tenants. Two Māori tenants hold internships with Kaicycle, sharing their knowledge and leading sessions. Many Māori tenants, who whakapapa to other regions, find the project a meaningful way to reconnect with the whenua and their neighbours. The sessions, though open to all, are informal and evoke the feeling of being back on a marae. Residents from diverse backgrounds also share their gardening knowledge.

Children visit for a Māori-themed colouring in activity and sometimes help in the māra. A resident from Berhampore crafted a carving for the māra, blessed in a dawn service by mana whenua during Matariki. The project is also supported by Kaibosh, Timebank, Wellington City Mission and other groups.

This Māori-led project uses Hua Parakore techniques, reclaiming traditional methods of growing kai.



Kaitiaki

Kaitiaki are the heart of our communities, volunteering their time and passion to support local initiatives.

They manage community spaces and gardens, and organise events and ongoing activities, acting as crucial links between our team and wider community members. Kaitiaki receive induction training, follow a Code of Conduct, and have ongoing support from our Community Development Team. With nearly 50 Kaitiaki across Pōneke, these volunteers stay closely connected to the community, either by leading or helping

our team support the 47 ongoing activities in our spaces. Their efforts are key to building community resilience, especially in difficult times. Whether it's delivering groceries to a neighbour with a broken leg or responding to larger events like the pandemic, Kaitiaki foster collaboration with our team and community groups, and ensure neighbours know how to support one another.



The Kōtuku Fixery

Debbie, a Kaitiaki in Kilbirnie, coordinates a Fixery group every Monday focused on sustainability and whakawhanaungatanga:

"We have on average 8 to 15 people pop down for coffee and a chat or do knitting or sewing. As one tenant says it's great to come here and learn, knitting is so relaxing. Another tenant is happy he saved his 21st cushions from the tip and recovered them. The Fixery doesn't

just save on waste it helps people grow, gives tenants meaning and purpose. Another tenant pops down for coffee and he surprised us with some home-made donuts so lovely of him to share with us! I'm learning too, fixing stuff that I'd years ago just put in the rubbish."



Policy Focus Group:

Our tenant Policy Focus Group works collaboratively with Te Toi Mahana on policy issues that are important to our tenant community. The Focus Group is made up of Te Toi Mahana tenants who recognise the challenges and opportunities faced by social housing in Aotearoa and want to make it better for everyone in the community. The group meets every quarter and provides feedback to ensure policies reflect what is important to our tenant community.

"The challenges are real for tenants and the answers are not always straightforward, says Peter Hooper, Te Toi Mahana tenant and Policy Focus Group member. "The value of the focus group approach is where one is considering multiple voices, and tenants do vary as to their opinions and views. Assessing what is the best path that allows for this merging of voices is more art than science, but I can see that the Policy Focus Group is proving to be genuine in how this can be done" adds Peter.

Examples of how the Policy Focus Group has influenced change include updating the Te Toi Mahana housing policy to remove asset thresholds and annual tenancy reviews.

These changes were considered unnecessary, difficult to administer and burdensome for both tenants and Te Toi Mahana. The removal of these aspects were done on the advice of the Policy Focus Group members. The group have also provided invaluable advice on how to better administer car parking for tenants, improve communication with tenants about sub-leased properties and making more information easily available for tenants.

"Based on the work we have done so far there is a good set of understandings that have emerged. As tenants I think it can be said we look forward to continuing to work with the team at Te Toi Mahana."

- Peter Hooper, Te Toi Mahana tenant and Policy Focus Group member



Statement of Service Performance and Summary of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Statement of Service Performance	20
Summary Financial Statements	22



Statement of Service Performance

Strategic Focus Areas

Te Toi Mahana’s strategy involves fulfilling our vision, values, and purpose as well as:

- Developing an operating model that is effective and sustainable
- Putting tenants at the heart of everything we do.

We have identified four key focus areas for this.

1. Housing Affordability

Te Toi Mahana provides affordable housing by charging tenants less than market rent.

Rent discounts for all tenants who transferred from WCC City Housing were continued at the same rates, and nearly every tenant in this cohort received a discount of 30% or more on the market rent value of their home in the 2023/24 year.

All new tenants are taken from Social Housing Register and are eligible for the central government funded Income Related Rent Subsidy (IRRS). IRRS tenants generally pay 25% of their household net income in rent, with the remaining market rent for the property being paid by the Ministry of Housing and Urban Development (MHUD).

Te Toi Mahana is unable to access IRRS for any WCC City Housing tenancies that transferred to Te Toi Mahana.

MHUD allocated an initial 380 IRRS places to Te Toi Mahana to be utilised by June 2025, with an internal target of 10% of our property portfolio becoming IRRS tenants in the first year. Commencing operations in August 2023, we housed 110 IRRS tenants in the first 11 months of operation (6.6% of the portfolio).

Challenges for IRRS tenant placement in the 2023/24 year were a low turnover rate and a large rehousing project which required multiple vacant properties to be held for tenants who were relocated between August 2023 and November 2023.

Housing Affordability

% of tenants paying less than 100% Market Rent

	23/24 FY
Actual	98.52%

IRRS Agreements

	23/24 FY
Actual	110
Target	180

2. Occupancy Rate

Te Toi Mahana aims to maximise the availability of affordable housing to those in need which makes high occupancy a core objective. Te Toi Mahana have established a team during the year with the core objective of managing occupancy.

We have a target of having an occupancy rate of 97.5%. During the first half of the 2024 financial year, occupancy averaged at 95%.

As at 30 June 2024, our occupancy rate was 97.3%, which was very close to our target of 97.5%.

Occupancy Rate

As at 30 June 2024

Actual	97.3%
Target	97.5%

3. Void to Let Days

Void-to-let days captures the total time between when a property becomes vacant and when a new tenant begins their tenancy. This measure is important because it affects both our ability to provide affordable housing to those in need, and our financial sustainability.

Several factors have affected our Void-to-let average in the 2023/24 Financial Year. Some properties have required considerable time between tenancies for repair and others were held due to a large rehousing project occurring between August – November 2023. In February 2024 a new team was established to manage vacated properties and following this, the number of properties being filled has increased drastically.

The maintenance and servicing process currently takes an average of 40 days per property throughout the year. With the implementation of the new Facilities Management contract planned for 2025, the goal is for this time-frame to be reduced.

Average Void to Let Days

23/24 FY

Actual	132
Target	10

4. Rent Arrears (Financial Sustainability)

To support the financial sustainability of Te Toi Mahana and the wellbeing of our tenants, Te Toi Mahana is committed to reducing rent arrears in our tenant community. Our Rents Team was established in February 2024 with the core focus of managing and reducing arrears. The team uses a tenant-centred approach to identify rent arrears early, providing the necessary support and advice to enable early resolution.

Rent Arrears

% of tenants with rent arrears greater than 3 weeks

23/24 FY

Actual	4.2%
Target	4%

Summary Financial Statements

Statement of Comprehensive Revenue and Expenses

For the Year ended 30 June 2024

	2024	2023
	(\$000)	(\$000)
Revenue		
Non-exchange transactions	8,315	1,500
Exchange transactions	243	-
Total revenue	8,558	1,500
Other Operating Income	21,797	-
Expenses		
Rent to Wellington City Council	14,991	-
Tenant and property related expenses	1,537	-
Employee expenses	3,797	54
Other expenses	2,378	807
Depreciation	115	-
Total Expenses	22,818	861
Surplus/(Deficit) before net financing costs	7,537	639
Finance income	507	-
Finance costs	-	-
Net Finance costs	507	-
Net Surplus or deficit for the year	8,045	639
Total Comprehensive Revenue and Expenses	8,045	639

Statement of Financial Position

For the Year ended 30 June 2024

	2024	2023
	(\$000)	(\$000)
Assets		
Current Assets		
Cash and cash equivalents	4,627	604
Term Deposits	6,420	-
Receivables from operating income	272	-
Receivables from non-exchange transactions	-	258
Prepayments	35	40
Total Current Assets	11,354	902
Non-current Assets		
Property, plant and equipment	592	287
Total non-current Assets	592	287
Total Assets	11,947	1,189
Current Liabilities		
Payables & Accruals from Exchange Transactions	2,796	550
Revenue in advance	249	-
Employee Benefit Liability	217	-
Total Current Liabilities	3,263	550
Total Liabilities	3,263	550
Net Assets	8,684	639
Equity		
Retained earnings	890	639
Existing tenants support funds reserve	7,794	-
Total Equity	8,684	639



Andrew Turner
Board Chair

Date: 13 December 2024



Louise Marsden
Audit and Risk Committee Chair

Date: 13 December 2024

Statement of Movements in Equity

For the Year ended 30 June 2024

	2024	2023
	(\$000)	(\$000)
Retained earnings at beginning of year	639	-
Retained earnings	-	-
Net Surplus or deficit for the year	8,045	-
Transfer to existing tenants support funds reserve	(7,794)	639
Retained earning at 30 June	890	639
Existing tenants support funds reserve	-	-
Transfer from retained earnings	7,794	-
Existing tenants support funds reserve as at 30 June	7,794	-
Balance at 30 June	8,684	639

Statement of Cash Flows

For the Year ended 30 June 2024

	2024	2023
	(\$000)	(\$000)
Operating Activities		
Receipts from operating activities and other Income	22,281	-
Receipts from Grants and Subsidies	8,315	604
Interest received	507	-
Cash paid to suppliers and employees	(20,240)	-
Net cash flow from operating activities	10,863	604
Investing Activities		
Payment to term deposits	(6,420)	-
Purchase of Property, Plant and Equipment	(420)	-
Net cashflow from investing activities	(6,840)	-
Net increase/(decrease) in cash and cash equivalents	4,023	604
Bank and cash balance at the start of the period	604	-
Cash and cash equivalents at the end of the year	4,627	604

Notes to the Summary Financial Statements

For the Year Ended 30 June 2024

Reporting Entity

Te Toi Mahana is a public benefit entity for the purpose of financial reporting in accordance with the Financial Reporting Act (2013). The Trust was registered as a Charitable Trust in April 2023 under the Charities Act 2005 and has taken over social housing services from Wellington City Council who provided social housing since the 1950s. The Trust became a registered Community Housing Provider (CHP) in July 2023 and is registered with the Community Housing Regulatory Authority. The financial statements have been prepared in accordance with that Act.

The financial statements are for the year ended 30 June 2024. The financial statements were authorised for issue by the Board of Trustees on the date they were signed.

Statement of Compliance and Basis of Preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These summary financial statements are in compliance with PBE-43 Summary Financial Statements. The full set of Te Toi Mahana's financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Tier 2 Not-For-Profit and other applicable financial reporting standards, as appropriate for public-benefit-entities.

These summary financial statements do not include all the disclosures provided in the full financial statements. No information has been re-stated or re-classified in preparation of the summary financial statements.

The full set of financial statements have been audited by BDO Wellington Audit Limited and an unmodified opinion was issued and can be obtained by contacting Te Toi Mahana DX Mail SP25501, Wellington 6011 or email info@tetoimahana.org.nz.

These financial statements were authorised and Issued by the Board of Trustees on the 13th of December 2024.

(b) Measurement basis

The accounting principles recognised as appropriate for the measurement and reporting of the financial statements on a historical cost basis are followed by the Trust.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars (NZ\$) which is the Trust's functional, currency rounded to the nearest thousand.

There has been no change in the functional currency of the Trust during the year.

Changes in Accounting Policies

This is the first period of financial reporting undertaken by the Trust. Accordingly, the accounting policies stated above will form the basis of all reporting.

Summary of Revenue

	2024	2023
	(\$000)	(\$000)
Revenue from Exchange transactions		
Operating Cost Gainshare	243	-
Total revenue from Exchange transactions	243	-
Revenue from Non-exchange transactions		
Income related rent subsidies (IRRS)	541	-
Wellington City Council Grant	7,774	1,500
Total revenue from Non-exchange transactions	8,315	1,500
Other Operating Income		
Lease to tenants	20,438	-
Other revenue	44	-
Lease to other CHP's	1,316	-
Total Other Operating Income	21,797	-

Related Parties

Te Toi Mahana was established in February 2023 and registered as a Charitable Trust in April 2023 and has taken over social housing services from WCC. The Council has committed to an upfront capitalisation of \$35 million, which includes \$23 million cash for development to increase new housing supply, \$10 million to finance the purchase of identified WCC property assets and \$2 million for establishment costs. These amounts are not payable to WCC unless Te Toi Mahana ceases operations.

WCC retains ownership of the remaining social housing portfolio and leases these assets to Te Toi Mahana. Te Toi Mahana is accountable for tenancy management, and rent-setting. WCC maintains responsibility for the major maintenance, renewals, and upgrades of the housing stock. Additionally, in accordance with PBE IPSAS 35, the Trust is classified as being controlled by the Council for financial reporting purposes.

Transactions with the Council are as follows:

Receipt of Services

During the period the Trust received services primarily related to the Council property portfolio lease payments, ICT services, Security services, Property services, and Customer service centre service, totalling \$16.5 million (2023: Nil). At reporting date there is a total of \$2.5million (2023: Nil) lease payable.

Receipts of Grants

During the period the Trust received grants from the Council, totalling \$7.77 million (2023: 1.5 million). The Council has contributed the Existing tenants support fund to Te Toi Mahana as a one-off lump sum payment of \$7.42 million in August 2023 to administer which is intended to support existing tenants' rental affordability or costs of living. Any and all interest received in respect of amounts in the Existing tenants support funds bank account will be added to the Existing tenant support fund to use in accordance with the clause 8 of the Lease Agreement with WCC. The manner in which the Trust uses the funding is at its discretion and within the parameters agreed upon in the approved terms. The Trust is assessing policy options for the effective allocation of the funds.

	Existing Tenants Support Fund	Establishment Tranche	Other grant	Total
	(\$000)	(\$000)	(\$000)	(\$000)
2023				
Opening balance as at 01 July 2022				
Grants received	-	1,500	-	1,500
Closing balance as at 30 June 2023	-	1,500	-	1,500
2024				
Opening balance as at 01 July 2023				
Grants received	7,420	350	4	7,774
Closing balance as at 30 June 2024	7,420	350	4	7,774

Community Housing Lease

WCC leases its community housing properties to the Trust. The Trust is responsible for tenancy management, rent setting, and property maintenance. The Trust is permitted to deduct the lessee operating cost from the rent. The reconciliation below shows the gross lease payment less the operating costs (clause 13.2 of the Lease Agreement) plus the variable rent (80% of Operating Surplus - clause 13.4(a) of the Lease Agreement).

	2024	2023
	(\$000)	(\$000)
Fixed rent	21,659	-
Less operating costs	(7,407)	-
Plus variable rent	650	-
Total annual lease paid to WCC	14,902	-

Lease Operating Cost Gainshare

For the first ten years of the contract Lease Agreement with the Council, starting from Day 1:

If the lessee's actual operating costs are less than the baseline operating costs, the Trust keeps 50% of the cost saving.

The reconciliation below shows the baseline cost less the operating costs and shows the cost saving.

	2024	2023
	(\$000)	(\$000)
Lessee Operating costs		
Baseline Operating Costs	7,607	-
Less		
Actual Baseline Costs	7,121	-
Cost Saving	485	
Operating Cost Gainshare 50% - cost savings	243	-

Key Personnel

The Trust classifies its key personnel as follows:

- Members of the Board of Trustees
- Senior executive officers

Members of the Board are paid a monthly fee while the senior leadership team are employed as employees of the Trust.

The aggregate level of remuneration paid and number of persons (measured in 'people' for the Board of Trustees, and 'full-time-equivalents' (FTE's) for Senior executive officers in each class of key management personnel is presented below:

	2024		2023	
	(\$000)	Number of Individuals	(\$000)	Number of Individuals
Members of the Board of Trustees	213	7 people	91	7 people
Senior executive officers	752	3 FTE's	54	1 FTE
	965		145	

Transactions with close family members of key management personnel was \$8.3k (2023:Nil).

Operating Leases

The Trust has entered a lease to manage the Council's existing social housing service. The lease commenced on 1 August 2023 with an initial term of 35 years and the right of renewal in accordance with the lease terms, for a total period not exceeding 50 years. The final expiry date of the lease is 1 August 2073. The lease (rent) reviews take place on 1 July as per the lease agreement and are indexed 2% for 4 years (1st year is 1.01833 which is essentially 2%) and then CPI.

The Trust shall pay the base rent by equal monthly instalment. The monthly payments to WCC are cancellable operating leases as per clause 36.3 of the Lease Agreement. As per this clause either party can terminate the lease within 5 years notice.

	1 Year	2-5 Years	Total
	(\$000)	(\$000)	(\$000)
Fixed rent	24,031	101,029	125,061
Less projected operating costs	(8,971)	(37,808)	(46,779)
Base rent	15,060	63,221	78,282

Commitments and contingencies

As at 29 July 2024, the Trust has entered into a contractual commitment for ICT services. This commitment represents an unrecognised obligation, as it does not meet the recognition criteria for a liability under the applicable standards. The estimated value of this commitment is \$390k.

Events Occurring After Reporting Date

Following the end of the reporting period on 30 June 2024, the Council approved the sale of the ten properties (Transferred Properties) to the Trust at a value of \$10.785 million. Settlement of the sales is to effective on the 2nd of September 2024.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF TE TOI MAHANA'S SUMMARY FINANCIAL STATEMENTS AND SUMMARY STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

Opinion

The summary financial statements and the summary statement of performance of Te Toi Mahana on pages 20 to 29, that comprise the summary statement of financial position as at 30 June 2024, the summary statement of comprehensive revenue and expenses, summary statement of movements in equity, summary statement of cash flows, and the summary statement of service performance for the year ended on that date, and related notes, are derived from the full financial statements and the full statement of performance for the year ended 30 June 2024 that we have audited.

In our opinion, the summary financial statements and the summary statement of performance are consistent, in all material respects, with the full financial statements and the full statement of service performance for the year ended 30 June 2024, in accordance with PBE FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary Financial Statements and Summary Statement of Service Performance

The summary financial statements and the summary statement of service performance do not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary financial statements and the summary statement of service performance and the auditor's report thereon, therefore, is not a substitute for reading the full financial statements and the full statement of service performance and the auditor's report thereon.

The summary financial statements and the summary statement of service performance do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full financial statements and the full statement of performance.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the full financial statements and the full statement of service performance for the year ended 30 June 2024 in our auditor's report dated 13 December 2024.

Board's Responsibility for the Summary Annual Report

The Board is responsible on behalf of Te Toi Mahana for the preparation of the summary financial statements and the summary statement of service performance in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements and the summary statement of service performance are consistent, in all material respects, with the full audited financial statements and statement of service performance of Te Toi Mahana, based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, Te Toi Mahana.

Mark Bewley

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED

On behalf of the Auditor-General

Wellington, New Zealand

13th December 2024

Directory

Nature of Business:	Community Housing Provider
Registered Office:	Level 7, 34 Manners Street Te Aro Wellington 6010
NZBN Number:	9429051294809
Charity Registration Number:	CC61426
IRD number:	139-043-607
Trustees:	Andrew Turner (Chair) Matthew Harker (Finance and Property Committee Chair) Louise Marsden (Audit and Risk Committee Chair) Lucy Elwood Natasha Possenniskie Carolyn van Leuven Liz Kelly Tim Brown Rebecca Matthews
Lawyers:	Anthony Harper Ltd 62 Worcester Blvd Christchurch Central Christchurch 8013
Auditor:	BDO Wellington Audit Limited on behalf of the Auditor General Level 1, Chartered Accountants House 50 Customhouse Quay Wellington
Banker:	ANZ Bank New Zealand Limited ANZ Centre 23-29 Albert Street Auckland 1010 Kiwibank Limited 20 Customhouse Quay Wellington 6011

