Social Investment Agency
Toi Hau Tāngata

E.118

Annual Report

2025/26

New Zealand Government
Te Kāwanatanga o Aotearoa

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This report contains data for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI please visit https://www.stats.govt.nz/integrated-data/. Access to the data used in this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Data and Statistics Act 2022.

The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes and is not related to the data's ability to support Inland Revenue's core operational requirements.

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Chief Executive's introduction

Tēnā koutou katoa,

At the heart of social investment is a simple proposition: public spending should make the greatest possible difference to people's lives, particularly for those with the greatest needs.

That means understanding where support can have the greatest impact, investing earlier and more effectively, and building a stronger understanding of what works, for whom, and in what circumstances. It also means ensuring that government, communities and service providers work together around shared goals and a shared commitment to improving outcomes.

The Social Investment Agency Toi Hau Tāngata was established to help drive this shift. Our role is to strengthen the use of evidence in decision making, improve the way social services are commissioned and funded, and support a more effective and coordinated approach to addressing complex social challenges. We do this by providing advice and insights, establishing standards, building data and evidence capability, and testing new approaches through the Social Investment Fund.

The 2025/26 year has been an important one for laying the foundations for long-term change.

Over the past twelve months we have continued to build the infrastructure needed to support a mature social investment system. This has included strengthening and publishing our Impact Measurement Standards, developing new analytical tools and approaches to improve access to evidence, and working with agencies, providers, iwi and communities to support better investment decisions. These initiatives are helping us build a stronger evidence base and improve our collective ability to understand whether investment is making a meaningful difference.

A significant focus has been the continued development of the Social Investment Fund (the Fund). The Fund allows us to test and learn from new approaches to commissioning, contracting, evaluation and investment. Through its investment pathways, the Fund is supporting organisations to deliver services focused on outcomes, while also helping government learn what is required to invest more effectively at scale. Importantly, the Fund is not only investing in services. It is also building the systems, tools, governance arrangements and evidence needed to support better decisions across the wider social sector over time.

In all this work we have continued to strengthen our partnerships with government agencies, iwi, communities and service providers. Social investment is about combining robust evidence with the knowledge, expertise and experience of those closest to the people and communities being supported. Better outcomes are most likely when solutions are informed by both.

This year has reinforced our belief that social investment is not a single initiative or programme. It is a long-term shift in how decisions are made, how resources are allocated, and how success is measured. Our success will be reflected in more consistent use of evidence, stronger accountability for outcomes, funding directed towards approaches that make the greatest difference, and a greater willingness to learn, adapt and improve over time.

There is still a lot to do, but the progress we have made in 2025/26 is encouraging. The work described in this report reflects the commitment of many organisations and individuals across the social sector who share an ambition to improve outcomes for New Zealanders and ensure public resources are used as effectively as possible.

I would like to thank our staff, partners across government, iwi and Māori organisations, community providers, members of the Social Investment Board and everyone who has contributed to this work over the past year. Your expertise, commitment and willingness to work differently are helping turn social investment from a concept into a practical and enduring way of working.

Ngā mihi

Brendan Boyle

Secretary for Social Investment and Chief Executive, Te Tumu Whakarae

Social Investment Agency Toi Hau Tāngata

Statement of responsibility

I am responsible, as Chief Executive of the Social Investment Agency, for:

- the preparation of the agency's financial statements, the statements of expenses and capital expenditure, and for the judgements made in them;
- having in place a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the agency is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by the agency, whether or not that information is included in this annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the agency;
- the financial statements fairly reflect the financial position and operations of the agency as at 30 June 2026 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the agency as at 30 June 2027 and its operations for the year ending on that date.

Brendan Boyle

Secretary for Social Investment and Chief Executive, Te Tumu Whakarae
Social Investment Agency Toi Hau Tāngata

Dated: 30 September 2026

Section One: Progress on Strategic Intentions

This section sets out our strategic framework and key achievements in 2025/26.

Who we are and what we do

Aotearoa New Zealand invests significant public funding in the social sector, including services delivered by both government and community organisations. However, this investment does not consistently translate into improved outcomes for all New Zealanders. People with complex needs, in particular, continue to experience poor life outcomes.

This reflects how the system works today. Support is often delivered separately across services and is not always aligned to the full needs of individuals and whānau. As a result, people can miss out on the right help at the right time, leading to ongoing and long-term disadvantage.

Many of the challenges people face are complex and span areas such as health, education, housing, and justice. This makes it difficult for a single service or agency to respond effectively. At the same time, there are growing expectations that public spending should make a clearer difference, with a stronger focus on understanding what works and improving results over time.

Advances in data and technology are making it easier to understand need, track progress, and improve services. Together, these changes are driving a shift towards providing support earlier, delivering services in a more joined-up way, and making better use of public resources.

Social investment

Social investment is the Government's approach to getting better results from social spending. At its core, it is about using funding more effectively in ways that are more likely to lead to improved outcomes for people. This means allocating funding to where it makes the biggest difference, funding services in ways that focus on outcomes and allow providers to adapt, and delivering services based on people's needs and adjusting support as those needs change.

Leading this change requires a strong central agency that can work across government and the wider social sector. By bringing together agencies, communities, and service providers, sharing information, and applying what is learned, support can be more timely, connected, and effective. Without this, efforts to improve outcomes for people with the greatest needs are likely to remain fragmented and less likely to lead to improved outcomes.

The Social Investment Agency

The Social Investment Agency (SIA) was established in July 2024 to provide this leadership and help drive the implementation of social investment across the government and social sector[1]. We contribute to the system in a distinct way through three core functions.

Setting direction through standards

We set clear expectations for how social investment should work across government. This includes defining good practice and supporting a consistent approach to funding, delivery and assessing impact. We develop standards to guide agencies and monitor how they are applied. Learning from practice, including through the Social Investment Fund, helps us refine these expectations over time. Together, this supports a more consistent and transparent system with a stronger focus on results.

Building and using data and evidence to inform decisions

We use data and evidence to understand what works and where change is needed. This includes analysing performance and spending to understand what is delivering results. We also strengthen the data and evidence systems that support this work across government and the wider sector. We turn these insights into clear advice and practical tools, so decisions are informed by the best available information.

Enabling better investment across the system

We work across government to improve how services are funded and delivered so that resources are used more effectively. The Fund is a key part of this work, allowing us to test new approaches and support earlier, more joined-up support for people with complex needs. We use what we learn to influence how funding is directed and to identify opportunities for change. We also support agencies to strengthen how they invest, including improving commissioning and aligning funding with people's needs.

2025/26 has been a transition year for the Social Investment Agency

Our Strategic Intentions *2024/25–2028/29* was published in December 2024 and was intentionally short term, reflecting our establishment phase at the time. Now that the organisation is more mature, we have updated our Strategic Intentions to reflect our longer term direction and role. Our new *Strategic Intentions 2026/27–2029/30* can be found on the SIA website.

While we have updated our Strategic Intentions, there is strong continuity between the previous and new strategic frameworks. Both are focused on improving outcomes for people with the greatest needs by supporting earlier and more effective interventions, using data and evidence to inform decision-making, and directing investment towards approaches that are proven to work. The new framework builds on the foundations established in our first Strategic Intentions, while placing greater emphasis on system-wide change and the long-term impact of the Fund.

This Annual Report reports against the *Strategic Intentions 2024/25–2028/29* and future annual reports will report against the new *Strategic Intentions 2026/27–2029/30*.

1 The Social Investment Agency was established on 1 July 2024, with its role expanded in 2025, to lead and strengthen the social investment approach across government, including setting standards, improving the use of data and evidence, reviewing social sector spending, and overseeing commissioning and the Social Investment Fund.

What we're here to achieve

Vision for social investment[2]

Our vision is that people, families and communities achieve their full potential.

Our mission[2]

Our mission is to drive a fundamental shift in how New Zealanders achieve social outcomes, putting relationships first, harnessing evidence, fostering innovation and working openly to create lasting, positive change.

Our strategic framework[2]

Purpose

To shift the system using data and evidence, so that the system invests earlier and more effectively to improve the lives of New Zealanders.

The outcomes we're seeking

Outcome 1:	Outcome 2:
Earlier and more effective investment supported by data and evidence	Better outcomes for vulnerable people

Our strategic objectives

Social sector agency capability to apply a social investment approach is growing	Social sector spending shifts from low to high-value investments	Data and evidence infrastructure is fit-for-purpose to support the social investment system	Social service providers are increasingly funded for outcomes rather than outputs	Social services innovate to address complex needs and know that outcomes have been delivered	Decision makers are supported with the right advice, analytics, and evidence

Our strategic priorities (12–18 months)

Establish the Agency's role as a central agency and system lead	Deliver social investment components of Budget 25	Conduct a rolling review of social sector spend	Invest to improve data and evidence infrastructure	Establish the Social Investment Board	Establish the Social Investment Fund	Partner to deliver improvements to commissioning

Our measures in 2024/25

Quality of our policy advice	Social Investment Ministers' satisfaction	New data added to the Integrated Data Infrastructure (IDI)	Social Investment Board established Board satisfaction	Establishment of the fund underway	3–5 model contracts initiated

2 This is the framework from our Strategic Intentions 2024/25–2028/29.

Progressing our outcomes in 2025/26

Much of our work contributes to both of our outcomes. While the section below shows our activities under each outcome, work we do to achieve one outcome will also have an impact on the other.

Outcome 1: Earlier and more effective investment supported by data and evidence

We understand who we need to invest in and what works for those people, as well as how we can measure progress to ensure that what we are doing is working. We use data, evidence, and modern analytics to invest earlier and more effectively. We have the required data and evidence infrastructure to support social investment.

Key achievements in 2025/26

In 2025/26 we made good progress in this area. As a central agency, our role is to support the implementation of social investment across the public service. We have continued to build the capability and methodologies to review the effectiveness of funding across the social sector, improve service delivery and increase visibility of what the government spends and where. We have supported other agencies in their social investment approach through guidance and standards, outcomes contracting and commissioning support, evaluation models, and data and analytics.

Improving investment practices across the social sector

Developing standards for better investment decisions

During 2025/26, we continued to support the adoption of social investment practices across the public sector through the Impact Measurement Standards (IMS). The standards provide a consistent framework for assessing what programmes and services are trying to achieve, whether they are making a meaningful difference, and who is benefiting from improved outcomes. By promoting a common approach to measuring and using evidence, the IMS helps agencies design better programmes, assess the strength of available evidence, and put meaningful outcome measures in place from the outset.

We have applied the standards in our work with agencies, and we are supporting their integration into wider funding and commissioning processes. Over time, this will strengthen the evidence base for social investment and improve understanding of what works, for whom, and where outcomes can be improved.

Efficient data sharing at scale

During 2025/26, we developed a repeatable cohort analysis methodology that enables the rapid production of data dashboards showing who services are reaching and the outcomes being achieved. The approach provides a faster, lower-cost way to generate insights, allowing us to meet growing demand for data products without rebuilding analyses from scratch.

Fund providers have used the dashboards to better understand their client populations, identify groups they could potentially reach, and compare outcomes with similar people who did not receive support. The methodology has also been adopted by analysts in other government agencies, significantly reducing the time required to undertake complex analyses.

By making high-quality insights more accessible and scalable, this work strengthens the evidence base for social investment and supports more informed decision making across the social sector.

Tools to accelerate insight delivery

During 2025/26, we developed and published ADAPT (Accelerated Data Analysis & Pipeline Toolkit), a suite of analytic tools designed to make it faster and easier to generate insights from the Integrated Data Infrastructure

(IDI). By automating and standardising common analytical tasks, ADAPT has significantly improved the speed, quality and reliability of data analysis, reducing the time required to produce insights from weeks to days and, in some cases, hours.

The toolkit has enabled us to deliver more data products within existing resources, including insight dashboards for Fund partner organisations. By making analysis more efficient and reproducible, ADAPT is helping increase access to evidence across government and the social sector.

Strengthening relationships with iwi and Māori

During 2025/26, we continued to strengthen our engagement with iwi, Māori organisations and community partners to support improved outcomes for whānau and communities. We worked alongside iwi through a range of relationship, data, commissioning and strategic partnership initiatives. This included supporting iwi access to insights and evidence to enable better decision-making, engagement on locally-based approaches, and strengthening mechanisms that enable iwi aspirations to inform decision-making.

Our work increasingly reflects the principle that effective social investment requires solutions that are locally informed, culturally grounded and developed in partnership with those closest to the communities they serve. Through these engagements, we continued to build trust, strengthen relationships and improve our understanding of the opportunities and challenges facing iwi, hapū and Māori organisations across the social sector.

Providing advice that shifts the system

Reviewing effectiveness of existing spending

During 2025/26, we continued to strengthen our approach to reviewing the effectiveness of social sector spending. Through Phase One of the joint impact review of Oranga Tamariki's early prevention and intervention services, we tested how funding reviews can inform investment and commissioning decisions. This was completed alongside advisory and analytical support to reviews led by the Centre for Family Violence and Sexual Violence Prevention, the Ministry of Housing and Urban Development, and the Ministry of Education.

These reviews demonstrated how evidence and analysis can be used to assess whether spending is achieving its intended outcomes and whether resources are reaching those with the greatest need. The work also helped establish a more consistent and repeatable approach for future reviews.

Looking ahead, we have developed a forward programme of funding reviews for 2026/27 and are exploring how artificial intelligence and automation can support the analysis of large volumes of contracts and funding information, enabling faster identification of patterns, risks, and opportunities across the social sector.

Supporting Budget decision making for new investments

During 2025/26, we worked with the Treasury through the Budget process by reviewing a range of social sector bids and providing advice on proposed monitoring, evaluation, and evidence approaches. This work improved how initiatives would measure success and demonstrate impact over time.

Supporting Budget decision making is an important part of our system leadership role, helping to embed social investment principles into investment decisions from the outset. The experience also highlighted opportunities for further engagement in future Budget processes, enabling stronger evidence-informed decision making and better assessment of the outcomes expected from new public investments.

Measuring our progress in 2025/26

As an agency focused on long-term change, our approach to measuring performance will continue to evolve. Some measures in the *Strategic Intentions 2024/25–2028/29* reflect establishment milestones that have now been achieved or are no longer the most relevant indicators of success. An updated approach to measurement is outlined in the Strategic Intentions 2026/27–2029/30 and in the performance reporting section of this annual report (pages 25–33).

Performance Measure	Performance Standard	2025/26 Result	Achieved
The policy and analytical advice provided by the Social Investment Agency enables decision making informed by data and evidence	Quality of policy advice out of a possible 5	3.05	✓ See discussion on pages 28–29
Social Investment Ministers have trust and confidence in the advice we provide.	Overall satisfaction out of a possible 5	4	✓ See discussion on pages 29
The Social Investment Agency invests to improve the volume and quality of data and evidence available to funders, providers, and decision makers to enable social investment	New data will be added in the IDI: • Number of new datasets added, • number of updated datasets added, • number of cohorts of social investment interest added.	This is not a measure within the Social Investment Agency's control as Statistics New Zealand add data to the IDI. Therefore, this measure is not reported on in 2025/26.	NA
The Social Investment Agency leads the establishment of the Social Investment Board and provides high-quality advice and support as measured by survey of board members	Board established	Board established in November 2024	✓
	Average overall satisfaction score out of a possible 5	4.4	✓

Social Investment Board

The Social Investment Board met regularly during 2025/26 through scheduled meetings, workshops, and a strategy session. Drawing on expertise from across the social, community, Māori, Pacific, investment, and public sectors, the Board provided independent advice and assurance to the Minister for Social Investment on the implementation of social investment.

The Board's work focused on several significant themes, including the role of SIA as a central agency, community-led commissioning, Whānau Ora and Pacific approaches, co-investment and outcomes-based financing, the use of data and information to improve decision-making, social sector expenditure reviews, and the future form and governance of the Fund.

During the year, the Board produced advice on social service commissioning, Te Kāhui Kāhu, co-investment, and the future development of social investment. It also commissioned and considered a significant body of case study material drawn from New Zealand and international experience, including work on community-led commissioning, collective impact, Whānau Ora, social sector reform, and the Oranga Tamariki Funding Review. Collectively, these examples helped the Board consider social investment concepts against practical experience and informed the Board's advice to Ministers.

As the Board concludes its second year, it is preparing an End of Term Report that will draw together its observations, advice, and lessons from examining social investment in practice, and identify opportunities for future ministerial focus.

Outcome 2: Better outcomes for vulnerable people

The way we deliver, commission and scale successful social services enables us to achieve better outcomes, invest more effectively, and drive greater impact. There is a focus on new approaches and innovation, including co-investment and collation of contracts with non-government organisations (NGOs). We use the Social Investment Fund to test new ways of working and adopt what we learn in the social sector.

Key Achievements in 2025/26

In 2025/26 we made progress on this outcome by setting up the Social Investment Fund (the Fund) and working with others to learn what taking a new approach looks like and what it will take to make it successful.

Social Investment Fund driving change

Social investment is about better enabling people, families, whānau, and communities to achieve better outcomes and thrive, by using data, evidence and different ways of working. The Fund plays two key roles in support of this goal:

- it invests directly in robustly-evaluated early intervention and support services that support children, young people, and families to achieve positive outcomes, align with Government priorities, and reduce future fiscal and social costs, and
- it also develops, tests, and operationalises the architecture required to support the social investment approach, providing a test bed for approaches that can be refined, proven, and rolled out across government to accelerate investment in arrangements that meet social investment standards.

Progress made in all four pathways

The Fund uses four investment pathways to help achieve its goals:

Pathway One: New Investment

This pathway invests in initiatives that focus on priority cohorts and outcomes and strongly demonstrate the social investment approach. Selected organisations are working with the Fund to help us test how government and the social sector can work smarter together, including collaborative and robust approaches to evaluation, learning, and data-sharing agreements.

In its first year, the New Investment pathway supported nine initiatives allocating up to $68 million of funding across four years. We also opened a second investment round funding in February 2026, which is expected to invest up to $88 million in up to 12 initiatives. Once contracts are signed by October 2026, the Fund's investment portfolio is expected to include more than 20 new investments.

Pathway Two: Contract Consolidation

This pathway consolidates existing contracts held by organisations with one or more government agencies into a single outcomes-based agreement, administered by the Fund. The pathway is testing the impact of reducing the administrative and compliance burden for selected organisations and providing flexibility in how they deliver support.

In 2025/26, we consolidated $21 million in social sector spending per annum across approximately 50 contracts and 76 contracted lines of funding into 12 integrated outcome agreements. A total of seven government agencies were involved in consolidations.

Pathway Three: Community-led Commissioning

This pathway is testing a new model in which decision-making authority for social service investment is devolved to local leaders, empowering communities to tailor solutions to their specific needs.

This pathway opened in May 2026. In July 2026 three local groups were selected to participate in the Discovery and Design phase of Community-led Commissioning. These local groups will spend approximately six to twelve months working with us and partner agencies to design the community-led commissioning arrangement and develop a detailed proposal for consideration by Ministers in early 2027.

Pathway Four: Co-investment and Innovation

This pathway involves collaborating with philanthropic, iwi, community, private and academic partners to jointly fund and further evaluate high potential initiatives. Initial policy decisions on this pathway have been taken, and we anticipate that it will open for initial proposals in late 2026 or early 2027.

Over the next four years Fund investments are expected to exceed $300 million. Investment across multiple pathways partnering with organisations, communities, iwi partners, government agencies and individuals will address persistent social challenges and support thousands of children, young people and families. The Fund aims to improve outcomes, strengthen resilience, help children and families thrive, reduce demand for crisis and intervention services, and lower future Crown costs by tens of millions of dollars.

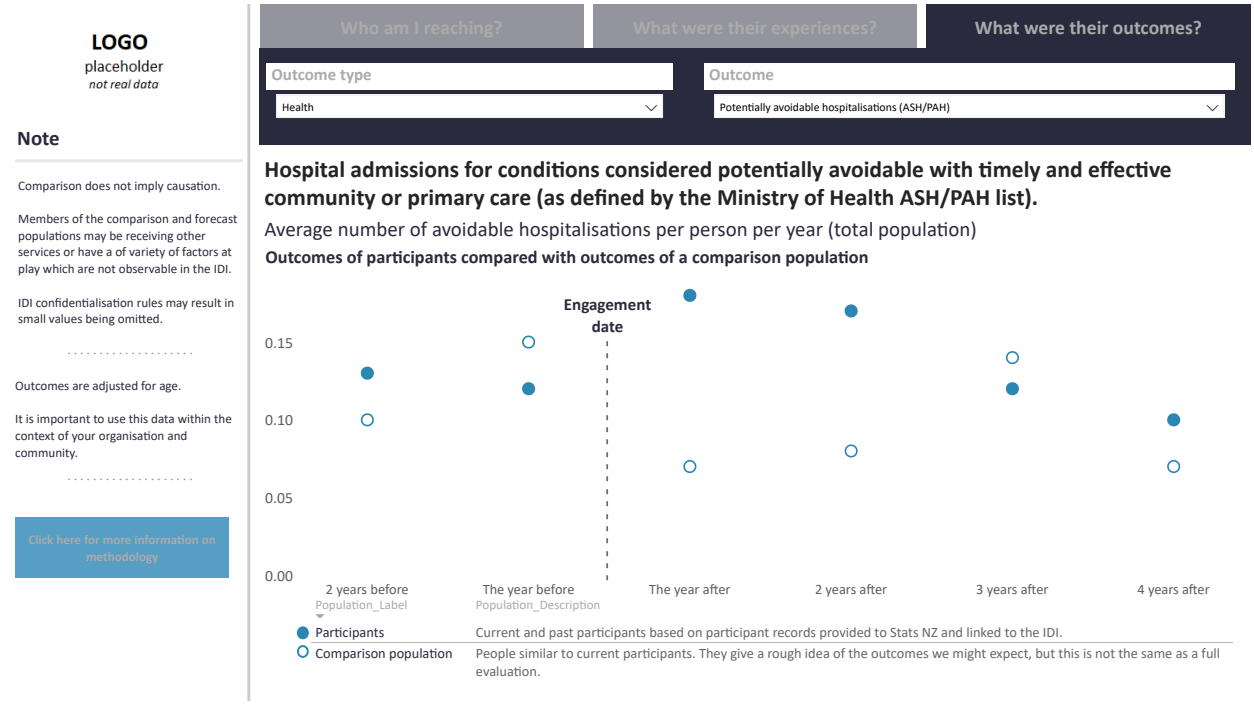
Developing infrastructure for the system

Through the Fund, we have designed, tested and implemented new 'architecture' to support the social investment approach. This architecture includes the skills, tools, technology, governance, partnerships, and data and evaluation standards that should enable smarter investment of billions of dollars of public and private funding in the future.

Social investment data architecture

Past challenges with sharing and using individual data have made it difficult to combine local and national data, limiting shared learning and continuous improvement across the social sector. With Stats NZ, we have worked with social service organisations to create new ways for organisations to share and use data on their own terms.

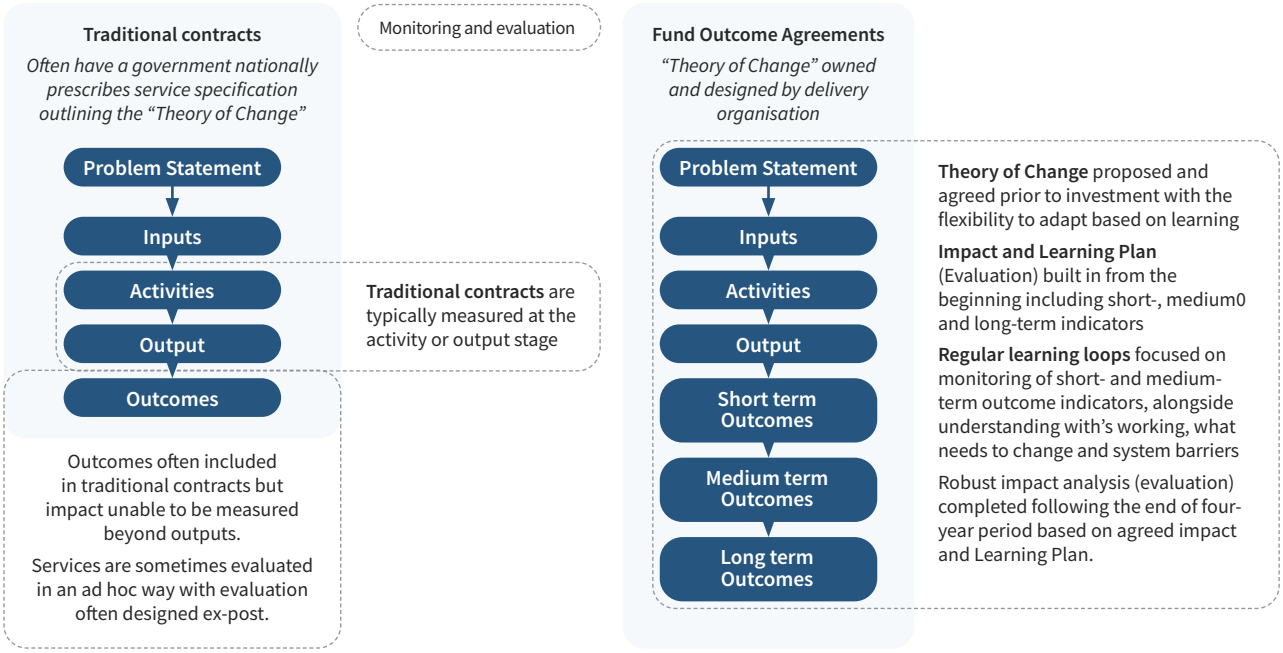
We have also developed tools that enable social service delivery organisations to use and benefit from the huge amount of data held by Government. The same tools and approaches are being used to support Whānau Ora commissioning agencies and providers. An example of the types of information available to organisations through the Provider Dashboard is illustrated below.



Outcome Agreements

Standard Government social service contracts typically include a bullet point list of desired outcomes within the document text. However, contracts are generally monitored using activity data (e.g. number of people supported) and qualitative information (e.g. case studies). The Fund has rebuilt the standard Outcome Agreement and designed new procurement approaches that ensure that the contract monitoring data used is predictive of future outcomes, and that those outcomes can be measured consistently using data that Government already holds.

This approach is supported by technology and supplemented by robust evaluation, which assesses whether changes in outcomes can be attributed to the initiative. An illustrative example of how a Fund Outcome Agreement works in practice is provided below.



Integrated Outcome Agreements

For decades, the social sector has struggled to integrate contracts within and across Government agencies. The Fund has delivered 12 consolidated, multi-agency outcome agreements so far. This has relied on the establishment of a Social Investment Fund Ministers Group that oversees the Fund, agrees strategic direction, and, critically, sets shared expectations of Government agencies. The architecture used to integrate contracts will support streamlined contracting within and across Government agencies.

The success of this approach is already driving wider change across government and there is clear momentum across agencies for contract consolidations. For example, the Ministry of Social Development and other agencies have now begun work to consolidate hundreds of additional contracts, helping to create a simpler, more joined up social services system.

Innovations in procurement – shaping the market

Through the Fund we have designed and tested new procurement approaches that support the social investment approach and its focus on evidence, data, outcomes and learning. For example, we have:

- shared clear outcomes and population groups and invited organisations to propose well-designed and evidenced initiatives that they are confident will make a difference. More than 200 organisations have used our guidance on developing clear theories of change and understanding impact, with feedback indicating it has been valuable and practical to apply.
- been highly transparent in how we assess proposals based on the strength of evidence underpinning the design of the service. Summaries of shortlisted proposals have been published so that communities and experts can provide feedback on Pathways One and Two. The robust assessment process enables detailed feedback to be provided to unsuccessful organisations who can use that feedback to develop further proposals and compare their current practice to social investment standards.
- shared detailed government data on population groups who would benefit from support. This data has directly informed the design of initiatives, ensuring that they are tailored to the local population.

The Fund's procurement approach is beginning to shape the way government commissions social services. NGOs and third-party consultancies and contractors have responded quickly to changing incentives and the new standards set by us. This is driving improved practice across the sector, particularly the use of methods and tools to understand what works and why. Other agencies are picking up quickly on the new approach and building it into their practice.

Social sector organisations have recognised that the social investment approach relies on robust data infrastructure and economies of scale. This is leading to alliances between smaller organisations and the development of shared backbone infrastructure models that enable organisations to retain their tight local focus, while benefiting from shared new tools and approaches.

Lessons learned

The first year of implementing the Fund has provided valuable insights into what is required to support successful outcome-focused investment. One of the strongest lessons has been the importance of investing time upfront to establish clear outcomes, robust evaluation approaches, and shared expectations between funders and providers. While this extended contracting timeframes, it has helped ensure initiatives are designed to generate meaningful evidence about what works and for whom.

We also learned that measuring the impact of complex social initiatives requires flexible evaluation approaches. Many programmes provide holistic, tailored support to people with diverse needs, meaning traditional evaluation methods are not always appropriate on their own. Testing different approaches through the Fund has helped refine both our practice and the Impact Measurement Standards, strengthening the quality and practicality of impact measurement while maintaining a strong focus on evidence.

Measuring our progress in 2025/26

As an agency focused on long-term change, our approach to measuring performance will continue to evolve. Some measures in the *Strategic Intentions 2024/25–2028/29* reflect establishment milestones that have now been achieved or are no longer the most relevant indicators of success. An updated approach to measurement is outlined in the Strategic Intentions 2026/27–2029/30 and in the performance reporting section of this annual report (pages 25–33).

	Performance Standard	2025/26 Result	Achieved
The Social Investment Agency designs and establishes a Social Investment Fund	Establishment of the fund is underway	Fund established with progress made in 3 of its 4 pathways opened with good progress on the design of the fourth	✓ See commentary pages 14
The Social Investment Agency establishes a model for contracting for outcomes.	3–5 model contracts initiated to demonstrate contracting for outcomes, which will establish a model and strengthen the evidence base available to decision makers and funders	3 were established in 2024/25. Additional investments made through the New Investment and Contract Consolidation pathways	✓ See commentary pages 13–17

The Year in Numbers

$190 million
additional investment announced over four years

3,500+
estimated children and their families supported over the next four years through Pathway One New Investment

300+
organisations expressed an interest in New Investment Pathway in Round One and Two

20+
New Investments anticipated from Round One and Two

$150+ million
New Investments anticipated funding in Round One and Two

7

Government agencies involved in consolidation

$21+ million
of funding consolidated across Pathway Two per annum

76 contracted service lines integrated into

12 outcome-based agreements

27 days

Time saved by researchers and community organisations to receive data out of the IDI

167

programmes and initiatives considered over 2 impact reviews

Section Two: Assessment of operations and performance

Our key work programmes, services and activities are set out in Section One of this annual report on pages 7 to 18. Additionally, we report against our performance on our appropriation on pages 28 to 33. Together these provide detailed information on what we set out to do, and how well we achieved our ambition.

Implementing the Government's priorities

Government targets

The outcomes framework for the Fund is aligned to Government targets. This enables us to track whether investments in the Fund are delivering towards these outcomes.

Other Government and ministerial priorities

We contribute to the achievement of Government priorities and targets with a particular focus on strengthening how outcomes are defined, measured, and used, so funding decisions are clearer, more consistent, and focused on where they will make the biggest difference.

We contribute to wider public service priorities that depend on effective system performance. This includes supporting a more modern, joined-up public service, where services are easier to access and better aligned to people's needs, such as through the Government's digital public service strategy. Working with central agencies and other system leaders, we support more aligned decision-making, improved commissioning, and stronger coordination across government.

Significant Budget decisions from Budget 2024 and Budget 2025

Through Budget 2024, we received funding to support implementation of a social investment approach. In Budget 2025, we received additional funding to identify and coordinate social investment opportunities, and to develop social investment outcomes including through the establishment of a Social Investment Fund.

Significant Budget initiatives are published in the Minister of Finance's Summary of Initiatives, available on the Treasury website. Information on other significant funding decisions taken during the year is available in the Supplementary and Estimates of Appropriations for Vote Social Investment. The table below provides information on these significant Budget initiatives and related performance information.

Initiative	Budget Year	Intended result	Performance information
Supporting implementation of a Social Investment Approach.	Budget 24 Budget 25	Advice, insights, tools and practices to support sector-wide implementation of a social investment approach.	Progressing our outcomes 2025/26 on pages 10–17 and in our service performance reporting pages 25–33
Identifying and co-ordinating social investment opportunities.	Budget 25	Advice on interventions, population cohorts, investment objectives and opportunities for the Social Investment Fund and other social sector investments, as well as the performance monitoring and reporting for the Fund.	Progressing our outcomes 2025/26 on pages 10–17 and in our service performance reporting pages 25–33
Delivering social investment outcomes.	Budget 25	Improved social outcomes for New Zealanders though social investment initiatives.	Progressing our outcomes 2025/26 on pages 10–17 and in our service performance reporting pages 25–33

Major spending decisions

Cabinet has established an ongoing framework for monitoring and reporting on major operating spending, savings, and review decisions. Under this framework, departments are required to report on forecast funding, deliverables, results, and progress against agreed measures. Cabinet agreed that selected Budget 2024 and Budget 2025 initiatives would be included in this monitoring.

We have one Budget 2025 initiative included in the framework: *Social Investment Fund – Building Foundations to Drive Social Investment*. This initiative covers all the funding within two of our three appropriations: *Identifying and Coordinating Social Investment Opportunities and Delivering Social Investment Outcomes*. We agreed with The Treasury that performance for this initiative would be assessed using the measures set out in the Vote Social Investment Estimates 2025/26. Information on these measures is provided on pages 33–37 of this report and in the Report-Back on B25 Spending Decision Performance Indicators as at 31 December 2025 available on our website.

Baseline savings

The Social Investment Agency was not required to find baseline savings in 2025/26.

Expenditure on contractors and consultants

Consultant and contractor spending in 2025/26 was $2.3m, an increase of $1.3m from the previous year. This expenditure supported establishment activities and provided capacity while staff were recruited and onboarded.

Section Three: Organisation health and capability

A capable, connected organisation

During the year, we continued to build the foundations of a capable, connected organisation. We enhanced our workforce capability, systems and operating practices, strengthening our ability to operate at scale, influence system change and deliver on our mandate. Our efforts are focused on five key dimensions.

People and leadership

We strengthened our workforce capability and leadership by recruiting people with the skills and experience needed to deliver our role and support system change. We increased capability across policy, investment, commissioning, data, and relationship management, while building leadership capability to work effectively in a complex system.

Ways of working and operating model

We established clearer and more consistent ways of working across the organisation, strengthening how teams plan, collaborate, make decisions and deliver results. We improved the foundations needed to operate as one organisation and support delivery at scale. This remains a work in progress.

System leadership and partnerships

We strengthened partnerships across the social investment system, working with government agencies, iwi and Māori, communities, and social service organisations to support coordinated action and shared ownership of outcomes.

Data, evidence, and insights capability

We strengthened our data, evidence and insights capability to support better decision-making across government. This included improving data and evidence infrastructure, providing system-level insights and performance reporting, and enhancing access to data and tools that support evidence-informed decisions.

Technology and tools

We continued to invest in technology and tools that improve how we work, generate insights and deliver results. Key activities included strengthening data platforms, advancing the use of artificial intelligence to improve efficiency and insight generation, and establishing governance to support the responsible use of technology and AI.

Our people

88.1 FTE as at 30 June 2026

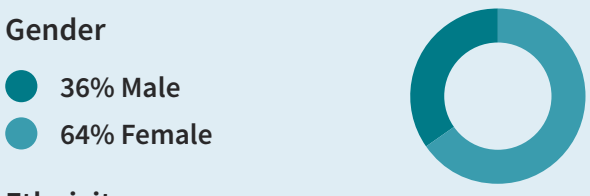
41.4yrs average age

3% have disclosed a disability

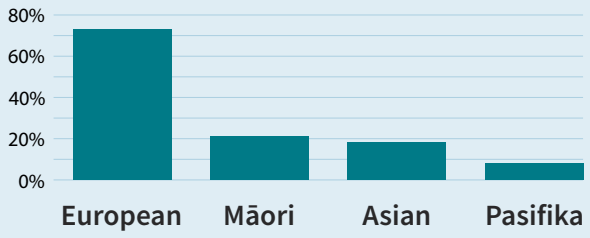
Gender pay gap minus **5.5%**

Note, low numbers have been suppressed to protect our people's privacy

Gender



Ethnicity



Diversity, equity and inclusion

We are committed to building an inclusive, equitable workplace and a workforce that reflects the growing diversity of Aotearoa New Zealand. To deliver meaningful outcomes for New Zealanders, we need people with diverse backgrounds, experiences, and perspectives.

We have continued to work towards our goals in our Diversity, Equity and Inclusion Plan, which has a focus on increasing our ethnic diversity through our recruitment activity. As the organisation has grown, we have seen a shift in our workforce demographics.

During the year, we continued to foster a culture where everyone feels valued, respected, and supported to thrive. This is essential to achieving our purpose and delivering impact through our mahi. Tātou, our diversity, equity and inclusion working group, led initiatives to grow awareness and connect and engage our people. These included Wellington Pride Month, Eid, Pink Shirt Day, Matariki, Pacific Language weeks, and a number of events to encourage connection across our agency.

Good employer responsibilities

SIA is committed to being a good employer by promoting equal access to employment opportunities for all, free from discrimination based on age, ethnicity, gender, disability or other personal characteristics. Our goal is to foster an inclusive, high-performing workplace where everyone can participate and reach their full potential.

During the year we have applied this lens as we reviewed policies and processes. We developed a recruitment guide to ensure fair, transparent, safe and inclusive recruitment processes. We developed a new performance framework to ensure everyone knows what is expected of them and has the development and support to help them succeed. Our people leaders completed unconscious bias training to support fair and consistent end-of-year processes that were free from bias.

Health, safety and wellbeing

We prioritise the health, safety and wellbeing of our people. Through 2025/26 there were regular agency Health and Safety meetings and participation in the monthly Te Iho Building Health and Safety Committee meetings, which provide opportunities to identify risks, share insights and coordinate safety initiatives across the workplace. We also invest in building organisational capability and preparedness, with staff representatives completing first aid and fire warden refresher training this year to ensure we can respond effectively to emergencies and support the wellbeing of our people.

Māori Crown

Treaty settlements

During the year we continued to contribute to the Crown's ongoing Treaty settlement responsibilities through participation in post-settlement relationship arrangements, iwi–Crown accords, and cross-agency engagement forums. We maintained active involvement in Accord commitments and Ministerial forums with iwi partners, including Raukawa, Te Nehenehenui and Te Hiku, supporting cross-government efforts to uphold settlement commitments and strengthen enduring relationships between iwi and the Crown. These engagements provide an important mechanism for understanding iwi aspirations, identifying opportunities for collaboration, and supporting greater accountability for Crown commitments.

We also contributed to advice on Treaty settlement matters and relationship redress, helping ensure our work aligns with broader Crown obligations and supports future-focused relationships with iwi. This work reflects our commitment to maintaining the integrity of settlement commitments and supporting collaborative approaches that enable whānau, hapū and iwi aspirations to be reflected in public service delivery and investment approaches.

Māori Crown Relations capability: Te Aho Kura – Māori Cultural Capability Plan 2023–2026

We continued to strengthen our capability to engage effectively with Māori and support the practical application of Te Tiriti o Waitangi across our work. Key activities included the development of organisational capability frameworks, supporting staff learning and development, providing strategic advice on Māori–Crown relationships, and improving understanding of Treaty obligations and responsibilities within our functions. This work supports a more confident, capable and culturally responsive organisation.

Māori language capability

As we have grown, our approach to supporting te reo Māori capability has evolved. While we no longer provide in-house introductory te reo Māori training, employees continue to demonstrate strong interest in developing their language skills and are encouraged to access external learning opportunities.

In 2026, we appointed a Māori Advisor who works closely with the Executive Leadership Team and contributes to building cultural capability across the organisation. This includes providing a weekly Kupu o te Wiki through our internal newsletter to encourage the everyday use of te reo Māori. We actively promote participation in initiatives such as Te Wiki o te Reo Māori and Mahuru Māori, encouraging staff to engage in both internal and external activities that support the visibility, use, and normalisation of te reo Māori in the workplace.

Carbon Neutral Government Programme reporting

SIA is committed to supporting the Government's environmental objectives through measuring, reporting and reducing its greenhouse gas emissions. The 2024/25 financial year was the Agency's base year for carbon-emissions measurement. The 2025/26 financial year is the Agency's second reporting year and provides the first opportunity to assess performance against that baseline and the Agency's 2030 reduction target.

The Agency's 2025/26 greenhouse gas inventory was undergoing independent verification by Toitū at the date this annual report was finalised. The results reported below are provisional and subject to completion of verification.

In 2025/26, we emitted 92.50 tCO_2e (tonnes of carbon dioxide equivalent).

Total emissions by activity

The table below shows emissions activity in our baseline year of 2025/26. It shows that most of our emissions come from travel (including commuting) and the energy needed to operate our office accommodation.

Source	2025/26	
	Amount	%
Accommodation	2.48 tCO_2e	2.68%
Air Travel	43.39 tCO_2e	46.91%
Commuting	30.96 tCO_2e	33.47%
Electricity	3.51 tCO_2e	3.79%
Electricity transmission and distribution	3.51 tCO_2e	3.79%
Waste	5.73 tCO_2	6.19%
Working from home	1.50 tCO_2e	1.62%
Cars for business purposes	1.41 tCO_2e	1.52%
Total Gross Emissions	**92.5 tCO_2e**	**100%**

Emissions intensity

The Social Investment Agency measures emissions intensity by FTE and expenditure. Figures for our baseline year of 2025/26 are shown in the table below.

GHG emissions per KPI	Unit	2025/26
Total gross emissions per FTE	tCO2-e per FTE per annum	1.038
Total grows emission per operating expenditure	tCO2-e per $million	3.485

Emissions reduction target

SIA developed and published its carbon emissions inventory and reduction plan in September 2025. The plan is publicly available on the SIA website and outlines the Agency's ambitious yet achievable carbon reduction goals, supported by strategies and targets to reduce emissions.

SIA is committed to reducing its overall carbon emissions by 42 percent by 2030. This equates to an overall reduction of 29.21 tonnes per annum against the base year, resulting in total carbon emissions of not more than 40.335 tonnes per annum by 2030.

We have identified the following three carbon reduction activities: reducing emissions from staff commuting, reducing our air travel, and eliminating gas use. The target reduction is shown in the table below

Reduction measure	Base year result (2025)	2030 target	Percentage reduction target
Reduce staff commute emissions	29.650	17.661 tonnes	11.989 / 40 percent
Minimise air travel	20.982	12.169 tonnes	8.813 / 42 percent
Reduce gas use	9.408	<1 tonne	8.408 / 89 percent

Section Four: Our performance reporting

Service performance reporting

The service performance information on pages 12–17 and 26–33 has been prepared in accordance with Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48). We explain any significant differences between actual results and the expected standard to help tell the full performance story and highlight any factors that may have affected the results. We also note any performance measures that were added, removed, or expired through the 2025/26 Estimates of Appropriations or the 2025/26 Supplementary Estimates of Appropriations when reporting on the relevant appropriations.

For new measures, prior-year performance information may not be available because the measure was not relevant in the previous year (for example, where a service is being delivered for the first time), performance cannot be determined retrospectively, or the measure relies on a new system or database that was not available in the prior year and therefore cannot be applied retrospectively. Where appropriate, specific reasons are provided under each measure.

Disclosure of judgements

In preparing the service performance information for 2025/26, we have made judgements about what information to present. These judgements are based on an assessment of the most appropriate and meaningful information for readers assessing performance against our objectives and to fairly represent the diverse nature of our activities. Decisions about the service performance information to present were made by our Executive Leadership Team in consultation with the appropriation Minister either when an appropriation was created, or as a response to having identified alternative measures that enhance the quality of performance information that can be presented and to meet PBE FRS 48 standards.

Significant judgement was used in deciding what information to report on the agency's Strategic Intentions and activities. Some activities cannot be measured using a single numerical result, so suitable measures were developed to provide meaningful performance information. These judgements are explained under each appropriation to help readers understand the performance results, analysis, and methodology.

Most of the measures in our *Strategic Intentions 2024/25–2028/29* are also appropriation measures. For those that are not, the judgements applied are set out in the table below.

Priority	Measure	Indicator	Methodology	How we assess whether we achieved our target
Establish the Social Investment Fund (SIF)	SIA designs and establishes a SIF	Establishment of the fund is underway.	Qualitative assessment of progress.	Achieved – institutional arrangements, technology and financial infrastructure in place for the fund to commence making investments. Not Achieved – the institutional arrangements, technology and financial infrastructure are not in place to support the fund to commence investments.
Partner to deliver improvements to commissioning	SIA establishes a model for contracting for outcomes.	3–5 model contracts initiated to demonstrate contracting of outcomes, which will establish a model and strengthen the evidence base available to decision makers and funders.	Count of contracts initiated as at 30 June 2025.	3 or more initiated is achieved and fewer than 3 is not achieved. Initiated refers to identifying priority outcomes, selecting providers, and commencing negotiations on new outcomes-based agreements, data sharing arrangements, and impact analysis and reporting.
Establish the Social Investment Board	SIA leads the establishment and provides high-quality advice and support as measured by a survey of board members.	Board established.	Date of establishment.	Achieved – Terms of Reference (TOR) approved, Board in place, and first meeting held. Partially achieved—one or two of TOR, Board in place, or first meeting held but not all three. Not achieved – no TOR, appointments, or first meeting held.
		Average overall satisfaction scores out of a possible 5.	Survey form sent to all Board members and a weighted average calculated to provide a score out of 5 where 1 is never and 5 is always	In the absence of a target, we will apply judgement in assessing performance.

Continuously improve our performance measures

We're focused on improving the quality, relevance, and transparency of our performance information. Each year, we review and refine our measures to make sure they're meaningful, aligned to our outputs, and fit for purpose.

New Strategic Intentions from 1 July 2026

Our *Strategic Intentions 2024/25–2028/29* was published in December 2024 and was intentionally short term, reflecting our establishment phase at the time. Now that the organisation is more mature, we have updated our Strategic Intentions to reflect our longer term direction and role. Our new *Strategic Intentions 2026/27–2029/30* can be found on the SIA website. This Annual Report reports against the *Strategic Intentions 2024/25–2028/29* and future annual reports will report against the new *Strategic Intentions 2026/27–2029/30*.

Changes to our appropriation measures for 2025/26

In 2025/26 two new appropriations were added to Vote Social Investment: *Identifying and coordinating social investment opportunities* and *Delivering social investment outcomes*. New measures have been set for each of these appropriations. Details of these are set out on pages 30–33.

Changes to our appropriation measures for 2026/27

We continue to develop our performance measurement framework as our role, system influence, and evidence base mature. The framework reflects a staged approach, recognising that system wide impacts will take time to be evident. Changes have been made to performance measures in Vote Social Investment - The Estimates of Appropriations 2026/27 to reflect this. Details of changes are provided under each appropriation. Further refinement is expected in future years as impacts can be more robustly measured.

Reporting against our appropriations

Supporting implementation of a social investment approach

This appropriation is limited to providing advice and creating insights, tools, and practices to support sector-wide implementation of a social investment approach.

What was intended to be achieved with this appropriation

This appropriation is intended to achieve the provision of strategic cross-system advice and support, and insights, tools, and practices to implement the social investment approach to support and further the long-term wellbeing of New Zealanders.

What we achieved

Performance Measure	Performance Standard	2024/25 Result	2025/26 Result	Achieved
The policy and analytical advice provided by the Social Investment Agency enables decision making informed by data and evidence.	Quality of policy advice out of a possible 5	3.35 85% of papers assessed scored 3 or higher	3.05 75% of papers assessed scored 3 or higher	✓
Social Investment Ministers have trust and confidence in the advice we provide.	Overall satisfaction out of a possible 5	4.85	4	✓
The Social Investment Agency invests to improve the volume and quality of data and evidence available to funders, providers, and decision makers to enable social investment).	31 new or updated data sets added to the IDI	13 new datasets and 18 updated/ modified datasets added in the IDI	NA See comment below	NA See comment below

Why these measures were chosen

These performance measures were selected as they are core to our support for ministers (measures of policy quality and Ministerial satisfaction) and users of data in the system (data added to an IDI which indicates increased access to data in the system). As our role develops and expands, we will develop additional performance measures to align with our strategy and role.

How we performed against each measure

Policy quality

Methodology

Providing policy advice that informs decision making is a core role. It is important that our policy advice is of high-quality, timely, and relevant. We use the Policy Quality Framework (PQF) to assess the quality of a randomly selected sample of policy advice. The PQF is a public service-wide methodology for assessing the quality of policy advice. We contract the New Zealand Institute of Economic Research (NZIER) to conduct this review for us. A random selection of 20 papers was selected by NZIER for the NZIER panel to review against the PQR criteria.

Under the PQR, policy advice is scored on a scale of 1 to 5, where 1 means unacceptable and 5 means outstanding. The PQF sets a public-service-wide target for policy quality of 3 out of 5 for an assessed sample of papers. We did not set a target for the quality of our advice in 2025/26 so have assessed our performance against the public-sector target of 3 in this annual report. A policy quality score of 3 or more is assessed as achieved and a score below this is not achieved.

Although not an indicator in our 2025/26 Estimates, we also report on the distribution of our policy quality

scores (as recommended by the PQR) in this annual report to provide more insight into our performance. The PQF does not set a public service-wide target for this measure, so in 2025/26 we compare ourselves to the public-sector average to make a judgement about our performance on this measure.

For 2026/27 we have set the following targets: an average score of 3.5 out of 5, and a distribution of 70% of papers scoring 3 or higher, 30% scoring 4 or higher, and no more than 10% scoring 2 or less.

Performance

The average score in 2025/26 was 3.05 out of 5 which is slightly lower than last year (3.35). This year 75% of papers met the standard a score of 3 (acceptable) or higher which is lower than last year (85%) and below the all-agency average of 97%. This year we had fewer high-scoring papers than last year with 5% of the papers scoring scored 4 (good) or higher compared to 25% last year and the all-agency average of 27%. However, more than half (60%) scored 3.5 or higher, and 15% scored 2 or less.

We are committed to improving our policy quality and this will be a focus for 2026/27. We are continuing to build and mature the systems, processes and tools that support the delivery of high-quality advice across the agency. To inform this work, we have commissioned an independent diagnostic review of our advice function and the systems and processes that support advice quality. The findings will help identify opportunities to strengthen our approach as the agency matures. Through our Performance and Development Framework, we will continue to invest in capability development through work-based learning, mentoring and targeted development opportunities. We will also encourage participation in external professional learning activities, including those offered by the Policy Project and other relevant organisations.

Social Investment Ministers' satisfaction

Methodology

Satisfaction of Social Investment Ministers was assessed by seeking feedback from the Chair of this group using questions from the Department of the Prime Minister and Cabinet's (DPMC) Ministerial Satisfaction survey related to the Chair's trust and confidence in the Social Investment Agency as Chair of this group.

Satisfaction is measured on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations. As with policy quality, we did not set a target for this measure in 2025/26. A score of over 3 out of 5 is considered to be achieved as it meets an overall standard of mostly.

Performance

The Chair of the Social Investment Ministers' Group provided feedback indicating that she is largely satisfied with the advice and support provided by the Social Investment Agency, and that she has trust and confidence in the agency.

IDI data

This is not a measure within our control as Statistics New Zealand adds data to the IDI and makes decisions in relation to this in consultation with other agencies. Therefore, this measure is not reported on in 2025/26. This measure has been removed from the 2026/27 Estimates.

How much it cost

2024/25 Actual $000		2025/26 Actual $000	2025/26 Budget $000	2025/26 Supp Estimates $000
13,752	Revenue Crown	19,800	14,652	19,804
412	Revenue Other	165	-	1,324
14,164	**Total Revenue**	**19,965**	**14,652**	**21,128**
12,512	Expenses	16,616	14,652	21,128
1,652	Net Surplus/(Deficit)	3,349	-	-

The appropriation increased during the year as a result of a $3.500 million contingency drawdown to fund the development of the Social Investment Fund IT platform; a $1.652 million expense and capital transfer from 2024/25 to 2025/26 to complete establishment projects for the Social Investment Agency and Social Investment Fund; and a $1.324 million increase in third-party revenue reflecting payments received from organisations for access to the agency's data analytics platform and related data and analytics services.

Identifying and coordinating social investment opportunities

This appropriation is limited to advice on interventions, population cohorts, investment objectives and opportunities for the Fund and other social sector investments, as well as the performance monitoring and reporting for the Fund.

What was intended to be achieved with this appropriation

This appropriation is intended to establish and operate the Fund. The Fund will use data and evidence to identify priority cohorts, outcomes, and interventions, focusing especially on early intervention and support for those with high and complex needs. It will have a strong focus on commissioning for outcomes, as well as monitoring and evaluating whether those outcomes have been achieved.

What we achieved

Performance measure	Performance standard	2024/25 Result	2025/26 Result	Achieved
A systematic approach is used for agency expenditure reviews	4 agency reviews commenced with clear methodology	NA New appropriation in 2025/26	See commentary below	✓
Ministers are supported to identify funding and services for potential transfer	Process established and approved by Minister	NA New appropriation in 2025/26	See commentary below	✓
Investment decisions are guided by a comprehensive investment strategy	Investment Strategy provided to Minister	NA New appropriation in 2025/26	See commentary below	✓
The average overall satisfaction rating given by Social Investment Fund Ministers for the quality of advice on investment opportunities and outcomes	Average score of 4 out of 5 or higher	NA New appropriation in 2025/26	3.4	x
Investment portfolio performance is measured against the Assessment Framework	Assessment Framework developed	NA New appropriation in 2025/26	See commentary below	✓

Why these measures were chosen

These measures reflected what success looked like while the Fund was being established. They focused on helping Ministers set the Fund's direction, putting that direction into action through investment pathways, reviewing spending to identify opportunities for improvement, and sharing lessons to strengthen investment and commissioning across government.

Now that the Fund is established, these measures have been removed from the Vote Social Investment Estimates 2026/27 and replaced with measures that better reflect the Agency's current role and priorities. The new measures are on page 337 of the Vote Social Investment - The Estimates of Appropriations 2026/27.

We continue to refine our performance measures as our role develops and more evidence becomes available. This recognises that wider system impacts take time to emerge and measure. We expect to make further changes to our performance measures in future years as we develop a clearer understanding of our impact.

How we performed against each measure

Systematic approach to agency expenditure reviews

Performance against this measure was demonstrated through our work to strengthen and test a consistent methodology for reviewing social sector spending. During 2025/26, we commenced and supported multiple reviews, including Phase One of the joint impact review

of Oranga Tamariki's early prevention and intervention services, as well as reviews led by the Centre for Family Violence and Sexual Violence Prevention, the Ministry of Housing and Urban Development, and the Ministry of Education. These reviews applied a structured approach to assessing whether expenditure was achieving intended outcomes and reaching those with the greatest need, helping to establish a repeatable process for future agency expenditure reviews.

Ministers are supported to identify funding and services for potential transfer

The reviews completed during 2025/26 helped establish a more consistent and repeatable approach to expenditure reviews, providing Ministers with evidence and analysis to inform investment and commissioning decisions. This work tested and refined the review methodology, creating a foundation for a forward programme of funding reviews in 2026/27. The establishment of this approach demonstrates that a formal review process has been developed and is being used to support ministerial decision-making on social sector funding and service delivery.

Investment decisions are guided by a comprehensive investment strategy

Social Investment Fund Ministers agreed their expectations for the Fund in June 2025 along with key aspects of the model, in particular the priority outcomes sought and the priority cohorts for the New Investment pathway. The priority cohorts are:

- children whose parent(s) are currently or have recently been in prison,
- children of parent(s) who experienced the care system,
- children that were stood down or suspended from school when they were 12 or younger, and
- mothers who experience harm from substance use, and their children, from pregnancy up to age five.

The last priority cohort was agreed by Ministers in December 2025 to be added in Round Two of New Investment and is a part of the Crown Response to the Abuse in Care Inquiry. Specific funding was allocated in Budget 2025 to prevent entry into care. The SIF Ministers expectations are documented in the Social Investment Ministers' Expectations document which can be found on our website.

Social Investment Fund Ministers' satisfaction

Methodology

Social Investment Fund Ministers' Group satisfaction is assessed through a survey of all members, covering overall satisfaction, the quality of advice provided, and their trust and confidence in the Agency. Satisfaction is measured through administration of a cut down version of DPMC's Ministerial Policy Satisfaction with satisfaction measured on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations. The overall score is determined by taking a weighted average of the ratings provided. A performance standard of 4 out of 5 was set for 2025/26.

Performance

Ministerial satisfaction averaged 3.4 in 2025/26. Feedback indicated confidence, trust, and the quality of advice were generally rated positively, with most responses scoring 4. Areas for improvement focused on the timeliness of advice, briefings, and communications ahead of meetings. In response, we have strengthened our planning and engagement processes to provide Ministers with earlier, more consistent advice and to better incorporate feedback.

Investment portfolio performance measured against the Assessment Framework

The Framework to measure the performance of the Fund's investment portfolio has been completed and will further evolve as the Fund matures.

How much it cost

2024/25 Actual $000		2025/26 Actual $000	2025/26 Budget $000	2025/26 Supp Estimates $000
-	Revenue Crown	5,000	5,000	5,000
-	Revenue Other	-	-	-
-	Total Revenue	**5,000**	**5,000**	**5,000**
-	Expenses	4,968	5,000	5,000
-	Net Surplus/(Deficit)	32	-	-

This is a newly established appropriation which has increased by $5 million per annum to establish and operate a Social Investment Fund.

Delivering Social Investment Outcomes

The single overarching purpose of this appropriation to achieve improved social outcomes for New Zealanders through social investment initiatives.

What was intended to be achieved with this appropriation

This appropriation is intended to establish and operate the Social Investment Fund. The Fund will use data and evidence to identify priority cohorts, outcomes and interventions, focusing especially on early intervention and support for those with high and complex needs. It will have a strong focus on commissioning for outcomes, as well as monitoring and evaluating whether those outcomes have been achieved.

What we achieved

Performance measure	Performance standard	2024/25 Result	2025/26 Result	Achieved
Investments are allocated in accordance with the Investment Framework	Investment Framework developed	NA New appropriation in 2025/26	See commentary below	✓
Funding is invested in priority cohorts	Priority cohorts identified and approved	NA New appropriation in 2025/26	See commentary below	✓
Investments are outcomes based	Outcomes Measurement Framework developed	NA New appropriation in 2025/26	See commentary below	✓
The Social Investment Agency receives reports from funded providers, which includes emerging/ early leading indicators of the impact of initiatives	Approach to measuring lead indicators is developed	NA New appropriation in 2025/26	See commentary below	✓

Why these measures were chosen

These measures were selected to assess whether the Fund is operating in line with its intended design and investment principles. Together, they provide assurance that funding is allocated according to the Investment Framework, targeted toward priority cohorts, and invested in initiatives with clearly defined outcomes. They also measure whether funded organisations are reporting on emerging results and leading indicators, supporting effective contract management and enabling us to monitor performance, learn from implementation, and make evidence-informed investment decisions.

As the Fund has developed, new categories have been established within this multi category appropriation to strengthen visibility and oversight of different investment types while retaining flexibility. Measures for each category focus on the conditions needed to achieve impact, with impact measures to be added over time as evidence emerges. Therefore, the measures above have been removed from the Vote Social Investment Estimates 2026/27 and replaced with new measures that better reflect the new categories and Fund pathways. The new measures are on pages 342–343 of the Vote Social Investment - The Estimates of Appropriations 2026/27.

We continue to refine our performance measures as our role develops and more evidence becomes available. This recognises that wider system impacts take time to emerge and measure. We expect to make further changes to our performance measures in future years as we develop a clearer understanding of our impact.

How we performed against each measure

Investments are allocated in accordance with the Investment Framework; Funding is invested in priority cohorts; Investments are outcomes based

Social Investment Fund Ministers agreed the priority cohorts and outcomes for the Fund in June 2025 as part of setting Expectations for the Fund. We have operationalised these expectations into our activities for 2025/26 which includes the development of four pathways, opening three pathways, and investing in three demonstration initiatives to test and learn about different aspects of social investment and commissioning for outcomes.

The Social Investment Agency receives reports from funded providers

The approach to measuring the performance of individual Fund investments, including emerging/lead indicators has been developed.

How much it cost

2024/25 Actual $000		2025/26 Actual $000	2025/26 Budget $000	2025/26 Supp Estimates $000
-	Revenue Crown	5,000	5,000	5,000
-	Revenue Other	-	-	-
-	**Total Revenue**	**5,000**	**5,000**	**5,000**
-	Expenses	4,956	5,000	5,000
-	Net Surplus/(Deficit)	44	-	-

This is a newly established appropriation in 2025/26, which has increased by $5 million per annum to establish and operate a Social Investment Fund.

Section Five: Our financials

Appropriation statement

The following statements report information about the expenses and capital expenditure incurred against the appropriation administered by the Agency for the year ended 30 June 2026. They are prepared on a GST exclusive basis.

Statement of cost accounting policies

The Agency has determined the cost of outputs using the cost allocation system outlined below.

Departmental costs

- Costs that are directly related to an output are coded directly to that output.
- Costs that are not directly related to a single output are allocated to outputs based on appropriate cost drivers, such as number of full-time equivalent staff or work programmes. There were no changes in cost accounting policies since the date of the last audited financial statements.

Non-departmental costs

All non-departmental costs are direct costs.

Statement of Budgeted and Actual Expenses Incurred Against Appropriation for the year ended 30 June 2026

Annual appropriation for Vote Social Investment

Actual 2025 $000	Approved appropriation 2025 $000		Actual 2026 $000	Approved appropriation 2026 $000
		Departmental Output Expenses		
-	-	Identifying and Coordinating Social Investment Opportunities	4,968	5000
12,512	14,168	Supporting Implementation of a Social Investment Approach	16,616	21,128
12,512	**14,168**	**Total departmental output expenses**	21,584	26,128
		Multi-Category appropriation		
		Delivering Social Investment Outcomes MCA		
		Departmental		
-	-	Commissioning for Social Investment Outcomes	4,956	5,000
		Non-departmental		
-	-	Delivering Social Investment Initiatives for Priority Cohorts	5,739	16,000
-	**-**	**Total multi-category expenses**	**10,695**	**21,000**
12,512	**14,168**	**Total annual and permanent appropriations**	**32,279**	**47,128**

Reconciliation between expenditure in financial statements and appropriation statements

Actual 2025 $000		Actual 2026 $000
12,512	Total expenses in Departmental statement of comprehensive revenue and expenses	26,540
-	Total expenses in Schedule of Non-departmental expenses	6,558
12,512	**Total expenses as reported in financial statements**	**33,098**
-	Total Departmental capital expenditure	-
-	Total non-departmental capital expenditure	-
-	Other reconciling item	(819)
12,512	**Total annual and permanent appropriations**	**32,279**

Changes in appropriation structure

SIA's appropriation structure has evolved as the Agency has moved from establishment to delivery. In 2024/25, the Agency operated under a single departmental appropriation titled *supporting the implementation of a social investment approach*.

During 2025/26, the Agency's appropriation structure expanded to reflect our growing role in delivering the Government's social investment approach. In addition to the existing appropriation titled *supporting implementation of a social investment approach*, two new departmental appropriations were established which are titled *identifying and coordinating social investment opportunities* and *commissioning for social investment outcomes*. A non-departmental appropriation was also introduced, titled *delivering social investment initiatives for priority cohorts*. These changes enhance transparency by distinguishing between the Agency's policy, investment, commissioning and funding functions, and supporting its transition from establishment to implementation.

Statement of expenses and capital expenditure incurred without or in excess of appropriation or other authority for the year ended 30 June 2026

SIA has no expenses or capital expenditure incurred without or in excess of appropriation or other authority for the year ended 30 June 2026 (2024/25: $nil).

Expenses and capital expenditure incurred in excess of appropriation

Nil. (2024/25: $nil)

Statement of capital expenditure incurred without or outside scope or period of appropriation

Nil. (2024/25: $nil)

Statement of departmental capital injections for the year ended 30 June 2026

The Ministry has not received any capital injections during the year without, or in excess of, authority. (2024/25: $nil)

Departmental financial statements

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2026

2025 Actual $000		Notes	2026 Actual $000	2026 Unaudited Budget $000	2027 Unaudited Forecast $000
	Revenue				
13,752	Revenue Crown	2	29,804	29,804	27,452
412	Revenue other	2	165	1,324	200
14,164	**Total revenue**		**29,969**	**31,128**	**27,652**
	Expenditure				
9,037	Personnel Costs	3	15,135	15,972	18,090
3,475	Other operating expenses	4	11,405	15,156	9,562
12,512	**Total expenditure**		**26,540**	**31,128**	**27,652**
1,652	**Net surplus/ (deficit)**		**3,429**	-	-
1,652	**Total comprehensive revenue**		**3,429**	-	-

Explanations of significant variances against the original 2025/26 budget are set out in Note 13.
The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2026

2025 Actual $000		Notes	2026 Actual $000	2026 Unaudited Budget $000	2027 Unaudited Forecast $000
	Assets				
	Current Assets				
3,044	Cash and cash equivalents		2,133	4,235	6,868
1,220	Debtor Crown		5,694	-	-
31	Debtor and other receivables	5	13	123	-
365	Prepayments		53	814	50
4,660	**Total current assets**		**7,893**	**5,172**	**6,918**
	Liabilities				
	Current Liabilities				
2,359	Creditors and other payables	6	3,066	3,985	5,725
54	Revenue in advance		62	120	52
1,652	Return of operating surplus	7	3,429	-	-
592	Employee Entitlements	8	1,304	1,067	1,141
4,657	**Total current liabilities**		**7,861**	**5,172**	**6,918**
	Non-current liabilities				
3	Employee Entitlements	8	32	-	-
3	**Total non-current liabilities**		**32**	**-**	**-**
4,660	**Total Liabilities**		**7,893**	**5,172**	**6,918**
-	**Net Assets**		**-**	**-**	**-**
-	**Equity**		**-**	**-**	**-**
-	**Total Equity**	**9**	**-**	**-**	**-**

Explanations of significant variances against the original 2025/26 budget are set out in Note 13.
The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2026

2025 Actual $000		Notes	2026 Actual $000	2026 Unaudited Budget $000	2027 Unaudited Forecast $000
-	**Balance as at 1 July**				
1,652	Total comprehensive revenue and expense		3,429	-	-
	Owner transactions				
61	Transfer of balance from SWA to SIA		-	-	-
-	Capital injections		-	-	-
-	Capital withdrawals		-	-	-
(1,713)	Return of operating surplus to Crown	7	(3,429)	-	-
-	**Balance as at 30 June**		-	-	-

Explanations of significant variances against the original 2025/26 budget are set out in Note 13.
The accompanying notes form part of these financial statements.

Statement of Cashflows for the year ended 30 June 2026

2025 Actual $000		Notes	2026 Actual $000	2026 Unaudited Budget $000	2027 Unaudited Forecast $000
	Cashflows from operating activities				
14,595	Receipts from the Crown		25,338	31,128	31,452
746	Receipts from other revenue		183	174	-
(4,430)	Payments to suppliers		(10,386)	(16,150)	(18,413)
(7,963)	Payments to employees		(14,394)	(8,664)	(13,039)
1,717	**Net cash flows from operating activities**		**741**	**2,843**	**2,470**
	Cashflows from financing activities				
(61)	Repayment of operating surplus		(1,652)	(1,652)	2,265
-	Capital (withdrawal)/ injection		-		
(61)	**Net cashflows from financing activities**		**(1,652)**	**(1,652)**	**2,265**
1,656	**Net (decrease)/ increase in cash and cash equivalents**		**(911)**	**1,191**	**4,735**
1,388	**Cash and cash equivalents transferred from SWA**		**-**	**-**	**-**
-	Cash and cash equivalents at the beginning of the year		3,044	3,044	2,133
3,044	**Cash and cash equivalents at the end of the year**		**2,133**	**4,235**	**6,868**

Explanations of significant variances against the original 2025/26 budget are set out in Note 13.
The accompanying notes form part of these financial statements.

Reconciliation of the net surplus to net cash flows from operating activities

2025 Actual $000		2026 Actual $000
1,652	**Net surplus/(deficit)**	**3,429**
	Add/(less) non-cash items	
-	**Total non-cash items**	-
	Add/(Less) movements in statement of financial position items	
	Add/(less) working capital movements	
(1,220)	(Increase)/decrease in Debtor Crown	(4,474)
(31)	(Increase)/decrease in Debtors and other receivables	18
(365)	(Increase)/decrease in prepayments	312
19	Increase/(decrease) in Accounts payable	25
1,061	Increase / (decrease) in Accrued Expenses	270
547	Increase / (decrease) in GST Payable	412
54	Increase / (decrease) in Income in Advance	8
-	Increase/(decrease) in employee entitlements	741
65	**Net movements in working capital items**	**(2,688)**
65	**Total net movement in statement of financial position items**	**(2,688)**
1,717	**Net cash flows from operating activities**	**741**

Statement of Commitments as at 30 June 2026

Capital commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into as at balance date. Information on non-cancellable capital and lease commitments are reported in the statement of commitments.

SIA has no capital commitments (30 June 2025: nil).

Non-cancellable operating lease commitments

The lease commitment is based on the Co-location Agreement which provides SIA with an allocation of office space and related services at 1 Bowen Street, Wellington as primarily determined by its headcount. For financial reporting purposes, the Co-Location Agreement has been treated as an operating lease. The monthly lease expense is reviewed annually based on SIA's headcount and an estimate of the landlord's operating and building costs. SIA is committed to the ongoing participation in the Co-location Agreement for the initial lease term of 15 years. SIA may request to exit the arrangement at any time during the lease term, if its continued participation is reasonably impracticable due to a material business change affecting its operations and/or funding. The lease commitment as disclosed has been calculated using the current monthly lease expense based on the lease term of 15 years.

There are no restrictions placed on SIA by any of its leasing arrangements.

2025 Actual $000		2026 Actual $000
969	Not later than one year	1,059
4,009	Later than one year and not later than 5 years	4,453
11,528	5 years or more	11,409
16,506	**Total non-cancellable operating lease commitments**	**16,922**
16,506	**Total Commitments**	**16,922**

Statement of Contingent Liabilities and Contingent Assets as at 30 June 2026

Unquantifiable or quantifiable contingent liabilities

There are no unquantifiable or quantifiable contingent liabilities as at 30 June 2026 (30 June 2025: nil).

Contingent assets

SIA has no contingent assets as at 30 June 2026 (30 June 2025: nil).

Notes to the financial statements for the year ended 30 June 2026

1. Statement of accounting policies

Reporting entity

The Social Investment Agency (SIA) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing SIA's operations includes the Public Finance Act 1989 (PFA), the Public Service Act 2020. SIA's ultimate parent is the New Zealand Crown.

In addition, SIA has reported separately on Crown activities that it administers in the non-departmental statements and schedules on pages 54 to 60.

As a public service agency, the primary objective of SIA is to provide services to the public rather than making a financial return. As such, the agency has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes and complying with generally accepted accounting practice (GAAP).

The financial statements of SIA are for the year ended 30 June 2026. The financial statements were authorised for issue by the Chief Executive of SIA on 30 September 2026.

Basis of preparation

The Financial Statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the reporting period.

Statement of Compliance

The financial statements of SIA have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand GAAP, Treasury Instructions, and Treasury Circulars.

The financial statements have been prepared in accordance with and comply with Tier 1 PBE Accounting Standards as applied by public sector entities.

Presentation currency and rounding

We present the financial statements in New Zealand dollars and round all values to the nearest thousand dollars ($000). The functional currency of SIA is New Zealand dollars. The related party transaction disclosures are rounded to the nearest dollar.

Comparatives

All comparative amounts are consistent with those included in the previous year's financial statements.

New or amended standards adopted

No new accounting standards have been adopted in the year, which have had a material impact on the preparation of these financial statements.

Other changes in accounting policies

There have been no other changes in SIA's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

No new accounting standards have been issued but are not yet effective and have not been early adopted, which are considered likely to have a material impact on these financial statements when adopted in future years.

Summary of significant accounting policies

Significant accounting policies are included in the notes that they relate to.

Foreign currency transactions

Foreign currency transactions (including those that forward foreign exchange contracts are held for) are translated into New Zealand dollars (the functional currency) using the spot exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents include cash on hand; deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Income tax

SIA is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue (IR) is included as part of the receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Measurement base

The Departmental Financial Statements and Schedules have been prepared on an accrual basis. Under the accrual basis of accounting, transactions and events are recognised when they occur, rather than when cash is received or paid. As a result, expenditure, assets, liabilities, revenue, and commitments are recognised in the period to which they relate.

Critical accounting estimates and assumptions

In preparing these financial statements, SIA has made estimates and assumptions about the future. These estimates and assumptions might differ from the subsequent actual results. SIA continually evaluates estimates and assumptions, which are based on historical experience and other factors, including expectations of future events that SIA believes 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 in respect of measuring long service leave.

Budget and forecast figures

Significant Assumptions used in preparing forecast information

Basis of the budget and forecast figures

The 2026 budget figures are for the year ended 30 June 2026 and were published in the 2024/25 Annual Report. They are consistent with SIA's best estimate financial information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2025/26.

The 2027 forecast figures are for the year ending 30 June 2027 and are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2026/27.

The forecast financial statements have been prepared as required by the Public Finance Act to communicate forecast financial information for accountability purposes. The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2027 forecast figures have been prepared in accordance with and comply with *PBE FRS 42 Prospective Financial Statements*.

Significant assumptions used in preparing the forecast financial information

The 2026/27 forecast reflects SIA's functions, strategic priorities, appropriations, and operating environment and are based on several assumptions about what might occur during 2026/27. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised. The main assumptions used are:

- The Agency's expanded role in delivering and administering the Social Investment Fund and its associated investment pathways,
- forecast personnel costs are based on the approved organisational structure, expected recruitment profile and anticipated remuneration changes. Remuneration rates are based on current salary costs, adjusted for anticipated remuneration changes,
- SIA does not own or expect to own any land or buildings,
- estimated year-end information for 2025/26 was used as the opening position for the 2026/27 forecasts,
- the actual financial results achieved for 30 June 2027 are likely to vary from the forecasts presented, and the variations might be material,
- the forecast is based on the 2025/26 budget approved the SIA's Executive Leadership Team on 26 August 2025. There have been no significant changes or events that would have a material effect on these forecasts.

The actual financial results achieved for the year ending 30 June 2027 are likely to vary from the forecast information presented, and the variations may be material. Since the approval of the forecasts, there have been no significant changes or events that would have a material effect on the forecasts.

2. Revenue

Accounting Policy

The specific accounting policies for significant revenue items are explained below.

Revenue Crown

Revenue from the Crown is measured based on SIA's funding entitlement for the reporting period as reported in the Departmental Financial Statements. Parliament establishes the funding entitlement when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, SIA can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Other Revenue

Recovery from Data Analytics Platform

Revenue from the Data Analytics Platform is recognised as revenue when an agreement is reached and revenue is assigned to the financial year or years covered by the agreement.

Breakdown of other revenue

2025 Actual $000		2026 Actual $000
412	Data Analytics Platform	165
412	**Total other revenue**	**165**

3. Personnel Costs

Accounting Policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide a service.

Superannuation schemes define contribution schemes

Employee contributions to the State Sector Retirement Savings Scheme and KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs

2025 Actual $000		2026 Actual $000
7,987	Salaries	13,544
222	Superannuation	405
127	Leave	209
72	ACC Costs	134
629	Other Personnel Costs	843
9,037	**Total Personnel Costs**	**15,135**

4. Other Expenses

Accounting Policy

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight–line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Other expenses

Other expenses are recognised as goods and services are received.

Breakdown of other expenses

2025 Actual $000		2026 Actual $000
	Fees for services as provided by The Audit Office	
120	Audit of the financial statements and service performance information	137
	Other Assurance services	
-	Assurance over the tender processes for New Investment and Contract Consolidation funding pathways	20
120	**Total fees for services provided by The Audit Office**	**157**
435	Other operating expenses	647
99	Travel	227
341	Legal fees	541
445	Rental and operating lease costs	1,125
1,276	Contractors and consultants	2,332
61	Other professional fees	1,035
698	IT costs	5,341
3,475	**Total expenditure**	**11,405**

5. Debtors and other receivables

Accounting Policy

Short-term receivables are recorded at the amount due. As of 30 June 2026, SIA's only debtors are other government departments. SIA have assessed the expected credit losses model, and the expected credit losses are Nil.

Breakdown of debtors and receivables

2025 Actual $000		2026 Actual $000
31	Gross Receivables	13
31	**Net receivables**	**13**
	Receivables consist of	
31	Cost recovery for seconded staff	13
31	**Total receivables**	**13**

6. Creditors and other payables

Accounting Policy

Short-term payables are recorded at the amount payable.

2025 Actual $000		2026 Actual $000
	Payables and deferred revenue under exchange transactions	
51	Creditors	76
1,114	Accrued expenses	916
647	Payables to MSD	1,115
1,812	**Total payables and deferred revenue under exchange transactions**	**2,107**
	Payables and deferred revenue under non-exchange transactions	
547	GST Payable	959
547	**Total payables and deferred revenue under non-exchange transactions**	**959**
2,359	**Total payables and deferred revenue**	**3,066**

7. Return of operating surplus

Accounting Policy

SIA's obligation to return a portion of its operating surplus in accordance with the Public Finance Act 1989 is recognised at face value as it is required to be paid by 31 October of each year, per Treasury Instructions.

2025 Actual $000		2026 Actual $000
61	Accumulated surplus transferred from SWA	-
1,652	Net surplus for the year	3,429
-	Retained surplus	-
1,713	**Total return of operating surplus to the Crown**	**3,429**

8. Employee entitlements

Accounting Policy

Short-term employee entitlements

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

SIA recognises a liability and an expense for performance payments where it is contractually obliged to pay them or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Entitlements payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information,
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave and other long service leave entitlements expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

Breakdown of employee entitlements

2025 Actual $000		2026 Actual $000
	Current	
253	Salary accrual	784
339	Annual Leave	520
592	**Total current**	**1,304**
	Non-current	
3	Long service leave	32
3	**Total non-current**	**32**
595	**Total employee entitlements**	**1,336**

9. Equity

Accounting Policy

Equity is the Crown's investment in SIA and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds.

Capital Management

SIA's capital is its equity, which comprise taxpayers' funds. SIA manages its revenues, expenses, assets, liabilities and general financial dealings prudently and does not hold any capital as at 30 June 2026.

10. Related party transactions

Accounting Policy

SIA is a wholly owned entity of the Crown. The Government significantly influences the activities of SIA as well as being its major source of revenue.

Related parties exist when an entity or person(s) has the ability to significantly influence the financial and operating policies of the reporting entity. SIA has a related party relationship with its key management personnel.

Related party disclosures (except for key management personnel compensation) have not been disclosed for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect SIA would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

2025 Actual $000		2026 Actual $000
1,437,955	Remuneration	1,961,016
5	Full-time equivalent staff	5.19

The key management personnel remuneration disclosure includes the Chief Executive and Secretary for Social Investment and four other members of the Executive Leadership Team and those formally acting in these positions during the financial year on a full-time equivalent basis. The above key management personnel disclosure excludes the Minister of Social Investment. The Minister's remuneration and other benefits are not received only for her role as a member of key management personnel of the Agency. The Remuneration Authority sets the Minister's remuneration and other benefits under the Members of Parliament (Remuneration and Services) Act 2013, and they are paid under permanent legislative authority on behalf of the Crown by the Department of Internal Affairs, not by the Social Investment Agency.

No other related party transactions have been incurred in the year (2024/25: None).

11. Financial Instruments

Financial Instrument Categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

2025 Actual $000		2026 Actual $000
	Financial assets measured at amortised cost	
3,044	Cash and cash equivalents	2,133
31	Receivables (excluding tax receivables)	13
3,075	**Total Financial assets measured at amortised cost**	**2,146**
	Financial Liabilities measured at amortised cost	
2,359	Payables (excluding income in advance and tax payments)	3,365
2,359	**Total Financial Liabilities measured at amortised cost**	**3,365**

Financial Instrument risks

SIA's activities expose it to a variety of financial instrument risks, including, credit risk, and liquidity risk. SIA has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow it to enter into any transactions that are speculative in nature.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to SIA, causing SIA to incur a loss.

In the normal course of its business, credit risk arises from receivables, deposits with banks and derivative financial instrument assets.

SIA is permitted to deposit funds only with Westpac (Standard & Poor's credit rating of AA-), a registered bank with high credit rating.

SIA does not enter into foreign exchange forward contracts.

SIA's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables (refer Note 5). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that SIA will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, SIA closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. SIA maintains a target level of available cash to meet liquidity requirements.

As at 30 June 2026, the expected cash outflows from payables maturing within six months is $75,614 (2025: $51,313). These amounts are the contractual undiscounted cash flows.

12. Events after balance date

No significant events that may impact on the results have occurred between year-end and the signing of these financial statements.

13. Explanation of major variances against budget

Statement of Comprehensive Revenue and Expense

Other Revenue

Other revenue was $1.159 million lower than budget, primarily because fewer organisations than anticipated used the Agency's data and analytics services during the year.

Personnel costs

Personnel costs were $0.837 million lower than budget, primarily due to the timing of recruitment to planned positions. As at 30 June 2026, SIA's workforce was 88.1 FTE, resulting in lower personnel costs than originally anticipated.

Other Operating expenses

Other operating expenses were $3.751 million lower than budget, primarily because expenditure on planned IT, professional services, and other establishment activities was not fully incurred by 30 June 2026. This reflected differences between the timing and delivery of these activities and the assumptions applied when the original budget was prepared.

Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents were $2.102 million lower than budget, primarily because $5.694 million of Crown funding recognised at year-end had not yet been drawn down in cash and was recorded as Debtor Crown. This was partly offset by lower-than-budgeted expenditure during the year.

Debtor Crown

Debtor Crown was $5.694 million lower than budget, reflecting lower-than-anticipated operating expenditure and fewer supplier obligations outstanding at 30 June 2026. The closing balance nevertheless included accrued expenditure and GST payable relating to goods and services received before year-end but not yet settled.

Creditors and other payables

Creditors and other payables were $0.919 million higher than budget, primarily due to higher year-end accruals and GST payable. These balances reflect expenditure incurred before 30 June 2026 that remained unpaid or had not yet been invoiced at year-end.

Employee entitlements

Total employee entitlements were $0.269 million higher than budget, reflecting higher accrued annual leave and other employee obligations at 30 June 2026. The increase is also consistent with workforce growth during the year and the resulting increase in accumulated employee entitlements.

Statement of Cashflows

Receipts from the Crown

Receipts from the Crown were $5.790 million lower than budget because a portion of Crown funding recognised as revenue, including the related GST, had not been drawn down in cash by 30 June 2026. This contributed to the $5.694 million Debtor Crown balance recognised at year-end.

Payments to suppliers

Actual cash paid was lower than budget by $5.764 million, primarily due to lower-than-anticipated expenditure on planned IT, professional services and establishment activities during the year.

Payments to employees

Payments to employees were $5.730 million higher than budget, reflecting workforce growth during 2025/26 and the resulting increase in payroll costs.

Non-departmental statements and schedules

for the year ended 30 June 2026

The following non-departmental statements and schedules record the revenue, capital receipts, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts that SIA manages on behalf of the Crown.

Schedule of Non-departmental Expenses for the year ended 30 June 2026

2025 Actual $000		Notes	2026 Actual $000	2026 Budget $000	2026 Supps $000	2027 Unaudited Forecast $000
-	Payments to providers (non-departmental)	2	5,739	13,913	13,913	50,798
-	Other operating costs		-	-	-	-
-	Goods and Services tax expense		819	2,087	2,087	7,620
-	**Total non-departmental expenditure**		**6,558**	**16,000**	**16,000**	**58,418**

Explanations of major variances against budget are provided in Note 6.

Schedule of Non-departmental Revenue and Capital Receipts for the year ended 30 June 2026

SIA on behalf of the Crown has no non-departmental revenue or capital receipts.

Schedule of Non-departmental Assets and Liabilities as at 30 June 2026

2025 Actual $000		Notes	2026 Actual $000	2026 Budget $000	2026 Supps $000	2027 Unaudited Forecast $000
	ASSETS					
-	Cash and cash equivalents		1,635	76	76	2,355
-	Debtors and other receivables		-	-	-	-
-	Prepayments		-	1,155	1,155	1,243
-	**Total non-departmental assets**		**1,635**	**1,231**	**1,231**	**3,598**
	LIABILITIES					
-	Creditors and other payables	3	1,542	76	76	720
-	**Total non-departmental liabilities**		**1,542**	**76**	**76**	**720**

Explanations of major variances against budget are provided in Note 6.

The accompanying notes form part of these schedules.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2026.

Schedule of Non-departmental Commitments

There are no non-departmental commitments as at 30 June 2026.

Schedule of Non-departmental Contingent Liabilities and Contingent Assets

There are no non-departmental contingent liabilities and contingent assets as at 30 June 2026.

Notes to the Non-Departmental Statements and Schedules

1. Statement of Accounting Policies

Reporting Entity

These non-departmental statements and schedules present financial information on public funds managed by SIA on behalf of the Crown.

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2026. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2026.

Basis of Preparation

The non-departmental statements and schedules have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurements and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with NZ GAAP, applying Tier 1 PBE Accounting Standards, as appropriate for public benefit entities in the public sector.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated. The functional currency of SIA is New Zealand dollars.

New or amended standards adopted

No new accounting standards were adopted during the year that had a material impact on the financial statements.

Other changes in accounting policies

There have been no other changes in accounting policies since the last audited non-departmental statements and schedules.

Comparatives

The current reporting period, 2025/26, represents the first year of non-departmental financial disclosures for the Social Investment Agency. As a result, no comparative figures have been presented in respect of prior periods.

Standards issued and not yet effective and not early adopted

No new accounting standards have been issued but are not yet effective and have not been early adopted, which are considered likely to have a material impact on these financial statements when adopted in future years.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Payment to providers

SIA makes payments to service providers for the delivery of contracted services in accordance with approved contracts and funding agreements. These payments relate to services delivered to achieve specified outputs for which the Agency is responsible.

Payments are recognised as expenditure in the period in which the related services are delivered by the provider. Where payments are made in advance of services being delivered, the amounts are recognised as prepayments and reported as assets until the services are provided. Expenditure is measured at the amount of consideration paid or payable and is allocated to the relevant output class.

Payments are subject to contractual terms and internal controls designed to support compliance with public sector accountability requirements.

Cash and cash equivalents

Cash and cash equivalents include funds held in bank accounts administered by SIA.

Goods and services tax

Items in the non-departmental statements and schedules are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense in the schedule of non-departmental expenses and is eliminated against GST revenue on consolidation of the Financial Statements of the Government.

Social Investment Fund

The Social Investment Fund (the Fund) is a central component of the Government's social investment approach which is administered by SIA. The Fund was announced as part of Budget 2025 and commenced operation on 1 July 2025. The Fund provides a dedicated mechanism to apply social investment principles consistently across social sector expenditure.

The purpose of the Social Investment Fund is to improve social outcomes for priority populations by investing in initiatives that demonstrate measurable impact, supported by robust data and evidence.

The Fund aims to:

- Invest earlier and more effectively in individuals, whānau, and communities at risk of poor long-term outcomes,
- shift government commissioning toward outcomes-based contracts, with a strong focus on measurable improvements in people's lives,
- test, strengthen, and scale interventions that demonstrate effectiveness, supported by built-in evaluation and learning,
- improve value for money and reduce fragmentation across the social sector by consolidating or redesigning existing funding arrangements where appropriate.

The Fund is delivered through multiple pathways, including new investment, contract consolidation, community-led commissioning, and co-investment approaches, enabling flexibility in how social outcomes are achieved.

Detailed information can be found on SIA's website.

Budget and forecast figures

Basis of the budget and forecast figures

As 2025/26 was SIA's first year of the Social Investment Fund, there are no previous annual reports with budget figures for non-departmental for that year. However, SIA submitted its estimated year-end results to Treasury as part of the Supplementary Estimates process.

The 2027 forecast figures are for the year ending 30 June 2027 and are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2026/27. The non-departmental forecast figures also incorporate decisions Ministers have made since BEFU was finalised. These are as follows:

Post-BEFU SIF Ministerial decisions – from 2026/27	Amount ($000)
Vote transfers for Contract Consolidation – Investments that meet social investment grade standards	20,515
Vote transfer for Contract Consolidation – Investments being made as part of transition arrangements to support a shift to contracting that better reflects a social investment approach	808
Vote Change – Delivering Social Investment Initiatives – Community-led Commissioning	2,300
Rephase Social Investment Fund – Expense and capital transfer from 25/26 to outyears – Investments that meet social investment grade standards	3,000
Vote Change – Preventing children and adults entering care	6,250

The forecast figures for 30 June 2027 have been prepared in accordance with, and comply with, *PBE FRS 42: Prospective Financial Statements.*

The forecast financial statements have been prepared as required by the Public Finance Act to communicate forecast financial information for accountability purposes. The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

2. Social Investment Fund activity

The Social Investment Agency administers funding appropriated to the Social Investment Fund on behalf of the Crown. The Fund supports initiatives that seek to improve outcomes for priority population groups through evidence-based social investment approaches.

During the year ended 30 June 2026, non-departmental expenditure of $5.739 million was incurred in delivering approved Social Investment Fund initiatives. The expenditure reflects costs incurred under funding agreements approved through the Fund and includes payments to contracted service providers, together with year-end accruals and payables relating to services delivered and obligations incurred as at 30 June 2026.

A summary of payments relating to the 2025/26 financial year is set out below:

Investment Pathway	Number of Initiatives	Payments made in 2025/26 ($000)
New Investment (Round Zero)	3	4,838
New Investment (Round One)	3	901
Total		**5,739**

Future Commitments

As at 30 June 2026, the Social Investment Agency had approved contractual and funding commitments relating to Social Investment Fund initiatives that extend beyond the current financial year. These commitments arise from funding decisions approved under the Fund's investment pathways and represent future obligations of the Crown. The table below provides a summary of approved and contractually signed funding commitments by investment pathway.

Investment Pathway	2027 ($000)	2028 ($000)	2029 ($000)	2030 ($000)	2031 ($000)
New Investment (Round Zero)	4,760	5,099	4,052	8	-
New Investment (Round One)	8,225	10,080	10,503	10,551	2,857
Contract Consolidation	21,454	21,874	22,366	22,869	959
Community-led Commissioning (Discovery & design phase)	2,779	-	-	-	-
Total	**37,218**	**37,053**	**36,921**	**33,428**	**3,816**

3. Creditors and Other Payables

2025 Actual $000		2026 Actual $000
	Payables under non-exchange transactions	
-	Payables	819
-	Accrued expenses	723
-	**Total Creditors and Other Payables**	**1,542**

4. Financial instrument information and risks

2025 Actual $000		2026 Actual $000
	Financial assets measured at amortised cost	
-	Cash and cash equivalents	1,635
-	Receivables (excluding tax receivables)	-
-	**Total Financial assets measured at amortised cost**	**1,635**
	Financial Liabilities measured at amortised cost	
-	Payables	1,542
-	**Total Financial Liabilities measured at amortised cost**	**1,542**

Credit Risk

Credit risk is the risk that a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from funds held with banks and receivables.

Funds must be deposited with Westpac, a registered bank. Westpac bank has a high credit rating of AA– (Standard and Poor's credit rating). For its other financial instruments, SIA does not have significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that SIA will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, SIA closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. SIA maintains a target level of available cash to meet liquidity requirements.

5. Events after balance date

Subsequent to balance date, a Vote Transfer agreement approved by the relevant Ministers transferred $21.39 million to Vote Social Investment to support the implementation of the Social Investment Fund's Contract Consolidation Pathway, including funding arrangements with 12 organisations. The Agency also launched an Expression of Interest process for the Community-led Commissioning Pathway and drew down $2.3 million to support the design and development of a potential community-led commissioning model.

These are non-adjusting event as it relates to conditions arising after balance date and does not have a material impact on the financial position as at 30 June 2026 or the results for the year then ended.

There have been no other significant events after the balance date.

6. Explanation of major variances against budget

Schedule of Non-departmental Expenses

Payments to providers (non-departmental)

Payments to providers were $8.174 million lower than budget, primarily due to the timing of Social Investment Fund investment activity. A number of funded initiatives commenced later than anticipated during 2025/26 with some funding only commencing in 2026/27, resulting in lower provider payments than originally budgeted. The variance reflects the timing of expenditure and delivery of initiatives rather than a reduction in approved funding commitments.

Schedule of Non-departmental Assets and Liabilities

Cash and cash equivalents

Cash and cash equivalents were $1.559 million higher than budget as a result of lower-than-anticipated provider payments during 2025/26. Consequently, funding held for Social Investment Fund initiatives remained unspent at year-end pending future programme delivery and payment milestones.

Prepayments

Prepayments were $1.155 million lower than budget because no provider payments met the criteria for recognition as prepaid expenditure at 30 June 2026. The three Round Zero payments weren't made until July 2026 owing to timing of the invoices.

Creditors and Other payables

Creditors and other payables were $1.466 million higher than budget, reflecting amounts payable to providers and accrued expenditure associated with Social Investment Fund activities at 30 June 2026. The variance primarily relates to the timing of expenditure recognition and settlement of liabilities at year-end for three Round Zero and two Round One New investment providers.

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the Social Investment Agency's annual report for the year ended 30 June 2026

The Auditor-General is the auditor of the Social Investment Agency ('SIA'). The Auditor-General has appointed me, Anthony Heffernan, using the staff and resources of The Audit Office, to carry out the audit of the information required to be audited on his behalf.

Opinion

We have audited:

- The financial statements of SIA that comprise the statement of financial position, statement of commitments, and statement of contingent assets and contingent liabilities as at 30 June 2026, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information on pages 36 to 53.
- The end-of-year performance information for appropriations of SIA for the year ended 30 June 2026 on pages 25 to 33.
- The statements of expenses and capital expenditure of SIA for the year ended 30 June 2026 on pages 34 to 35.
- The schedules of non-departmental activities managed by SIA on behalf of the Crown, that comprises the schedules of assets, liabilities, commitments, contingent assets, and contingent liabilities as at 30 June 2026, the schedules of expenses and revenue for the year ended 30 June 2026, and the notes to the schedules that include accounting policies and other explanatory information on pages 54 to 60.

In our opinion:

- The financial statements of SIA present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Standards.

- The end-of-year performance information for each appropriation for the year ended 30 June 2026 is appropriate and meaningful and prepared in accordance with SIA's measurement bases or evaluation methods and Public Benefit Entity Standards, and presents fairly, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred.
- The statements of expenses and capital expenditure have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- The schedules of non-departmental activities which are managed by SIA on behalf of the Crown have been prepared, in all material respects, in accordance with the Treasury Instructions.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the information to be audited* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of SIA for preparing financial statements and end-of-year performance information for appropriations that are fairly presented and comply with Public Benefit Entity Standards and legislative requirements.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of end of year performance information for an appropriation that is appropriate and meaningful; and
- the preparation of end-of-year performance information for an appropriation in accordance with SIA's measurement bases or evaluation methods and Public Benefit Entity Standards and legislative requirements.

The Chief Executive is responsible on behalf of SIA for preparing Statements of expenses and capital expenditure, schedules of non-departmental activities managed by SIA on behalf of the Crown in accordance with the Public Finance Act 1989 and Treasury Instructions.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of SIA for assessing SIA's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of SIA, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audit, our procedures are limited to checking that the information agrees to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2026. For performance information for appropriations, we agree any changes from the performance measures and standards in the Estimates to the Supplementary Estimates. For the forecast financial information for the year ending 30 June 2027, our procedures are limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2027.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SIA's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.

- In respect of the end-of-year performance information for appropriations, we:

    - obtain an understanding of the process applied by SIA to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods and evaluate whether these present an appropriate and meaningful assessment of SIA's service performance.

    - evaluate whether the end-of-year performance information for appropriations is prepared in accordance with SIA's measurement bases or evaluation methods, in accordance with Public Benefit Entity Standards.

- We evaluate whether the statements of expenses and capital expenditure and schedules of non-departmental activities have been prepared in accordance with legislative requirements.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SIA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SIA to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of SIA in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities 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 the Social Investment Agency.

Anthony Heffernan
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
30 September 2026

Social Investment Agency
Toi Hau Tāngata

New Zealand Government
Te Kāwanatanga o Aotearoa