



Social Investment Agency
Toi Hau Tāngata

E.118

Annual Report

2024–25

Te Kāwanatanga o Aotearoa
New Zealand Government



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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,

I am pleased to present the Social Investment Agency's annual report for the year ended 30 June 2025. Since our establishment as a new central agency on 1 July 2024, we have made significant progress in implementing a social investment approach to improve people's lives.



I began my role in November 2024. At the time we were developing the tools for social investment and listening to, and reflecting on, feedback from stakeholders, iwi and interested parties. At our Social

Investment Hui in November 2024, we heard from over 100 community, non-government organisations, and iwi representatives. The overall theme was that government could do much better in how it selects, contracts, and monitors funding for social services. I want to be clear that social investment doesn't work without the depth of knowledge and insights from our social sector and the communities they work with.

This hui coincided with the first meeting of the Social Investment Board, an advisory board to the Minister for Social Investment. We are grateful to the chair, Graham Scott, and board members for their expertise and ongoing support for our work programme.

On 15 May 2025 the Minister announced a \$275 million boost to Vote Social Investment, including \$190 million for the Social Investment Fund, which will make carefully targeted investments to improve the lives of New Zealanders. This announcement included three initiatives that will be funded in partnership with Autism New Zealand, Ka Puta Ka Ora Emerge Aotearoa, and Te Tihi o Ruahine.

Over time, we can expect to see significant funding reprioritised from current social services to the Social Investment Fund, as communities and organisations establish new ways of working with government.

We have continued to provide policy advice to our Minister, supported many agencies with data and analytics work, and ensured our operations as a public service agency. We have also designed our agency's operating model, recruited the people we need, and moved into new premises.

Thank you to our stakeholders and partners for their support and enthusiasm for our new way of working.

Looking ahead, we're clear about what we need to do. The Social Investment Fund opened in August 2025, starting with new investments and contract consolidation pathways. We will continue building evidence about what works, influencing across the system, and working with partners to improve outcomes for New Zealanders.

Finally, I acknowledge our staff for their contribution and dedication to designing a better system for our social services. I am optimistic about the future and the difference that our agency can make for families/whānau, iwi and communities.

Ngā mihi,



Andrew Coster

**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 2025 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 2026 and its operations for the year ending on that date.



Andrew Coster

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

Dated: 30 September 2025

Section 1: Progress against our Strategic Intentions

This section sets out our strategic framework and key achievements in 2024/25.

Who we are and what we do

Every year, the government invests more than \$70 billion into social services. While well-intentioned, we are not seeing the outcomes we want for all New Zealanders, with many New Zealanders with complex social needs continuing to have very difficult lives.

Social investment

Social investment is about driving better outcomes from the investments made in social services, particularly for our most vulnerable people. It involves using data, evidence, and analytics to understand the value from investments, including what works for whom, where and when; and using that understanding to drive better outcomes for people. It is:

- **A way of allocating resources** – using data and evidence to prioritise resources where the impact and value is highest. This is particularly important for our most vulnerable people, whānau and communities with high and complex needs.
- **A way of investing in services** – establishing outcomes-based contracts that allow community organisations to innovate and adapt the support they provide.
- **A way of delivering services** – a people-focused outcomes approach which actively monitors and adjusts interventions as required as opposed to a service provision (output) approach.

The Social Investment Agency

The Social Investment Agency (SIA) was established on 1 July 2024 to provide leadership across the social services system to implement the social investment approach. Our Strategic Intentions 2024/25 – 2028/29 sets out our strategic direction which is summarised in the strategic framework overleaf. It sets out our purpose, outcomes, strategic objectives, our strategic priorities for our first 12-18 months, and our values. It acknowledges that we are at the beginning of our journey and has a strong focus on building the foundations from which to develop and grow. As we learn about what works, our goals, approach, and measures will evolve.

During our first year of operation, our mandate expanded significantly following Cabinet decisions in April 2025. Our next Strategic Intentions document will reflect this expanded role, incorporating both our system stewardship responsibilities and our direct investment and commissioning functions through the Social Investment Fund. More information on the Cabinet decisions can be found here: www.sia.govt.nz/publications-library.

This annual report provides an assessment of our progress in our first year.

What we're here to achieve

Vision for social investment

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

Our mission

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

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

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

Our values

Tāngata

Manawa Māui

Taunakitanga

Puaretanga

Progressing our outcomes in 2024/25

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 2024/25

In 2024/25 we made good progress in this area. As a new central agency, SIA's role is to support the implementation of social investment across the public service. SIA has 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. SIA has supported other agencies in their social investment approach with guidance, standards, outcomes contracting and commissioning support, evaluation models, and data and analytics.

Reviews of social sector spending

SIA, in coordination with the Executive Board for the Elimination of Family Violence and Sexual Violence and the Child Wellbeing and Poverty Reduction Group (Ministry of Social Development), undertook impact reviews across two portfolio areas of social sector spend – the first 2,000 days of a child's life, and family violence and sexual violence. We examined 113 different programmes or supports for the first 2,000 Days and 54 programmes or supports as part of the Family Violence and Sexual Violence portfolio to understand their current impact on outcomes and suggest how the effectiveness of this spend might be improved by responsible agencies.

We began testing automated tools to analyse government contracts as part of our mandate to conduct spending reviews. Starting in March 2025, we tested these tools with community organisations to understand what services are being purchased, from whom, and for what intended outcomes. These tools use AI and automation to extract key information from contracts - values, dates, performance measures, terms and conditions – and can identify patterns across thousands of contracts that would be impractical to analyse manually. This capability is ready to test with government agencies, helping us understand where funding might be shifted to higher-value investments.

Provision of investment advice and priority cohorts

During the year, we provided support and advice ahead of Budget 25 including analysis on potential priority populations. This informed investment priorities for the Social Investment Fund. We also provided analysis and advice on a range of social sector issues, including Ministry of Health work on Attention Deficit and Hyperactivity Disorder, evaluation of attendance services for the Education Review Office, and data, evidence and insights, to support Aroturuki Tamariki (Independent Children's Monitor) reporting on outcomes for Māori.

Development of the Value and Impact Measurement Standards

SIA developed draft Value and Impact Measurement Standards (VIMS) to guide agencies on approaches to measuring the value and impact of social services. The VIMS create a common language for what good impact and value measurement looks like in practice, so that we can lift standards across government to aid understanding of the value of social outcomes delivered. SIA has used the standards when working with other agencies to apply the social investment approach and to understand the impact of current social sector spend. While the standards are draft, further work is planned in the next financial year to promote and embed them in social sector agency practice.

Working with iwi

SIA has supported iwi with several data requests, including:

- **Te Hiku** – we provided timely data and insights, particularly around housing, health, education, and employment, to support the delivery of the Te Oranga ō Te Hiku (Wellbeing) report. This report provides a baseline picture of the current state of social development to enable and inform decision making and investment for their people and their rohe.
- **Te Nehenehenui** – we helped by sourcing data to support their strategic objectives of the Punga stage (five-year-focus) of their long term Te Kawau Rukuroa 2050 strategy.
- **Toitū Tairāwhiti** – we provided data on young mothers and pēpi and the profiles of five iwi within the Tairāwhiti region.

Data and evidence to support social investment

Data and evidence are critical to making social investment work. Throughout 2024/25, we continued providing tools and infrastructure while testing new methods in partnership with community organisations and iwi. We advised Ministers on infrastructure requirements, partnered to understand what organisations need to implement social investment, made public information more accessible, and

developed platforms for better analysis. Our work spans both supporting organisations partnering through the Social Investment Fund and building capabilities that benefit the wider social sector.

Data and analytics platform

We continued developing our data and analytics platform to support safe and secure data storage and evidence-based decision making. During 2024/25, we provided platform capabilities to five partner agencies: Aroturuki Tamariki Independent Children's Monitor, Executive Board for the Elimination of Family Violence and Sexual Violence, the Department of the Prime Minister and Cabinet, the Ministry for Ethnic Communities, and Whaikaha, Ministry of Disabled People.

This shared infrastructure gives agencies secure data storage, analytics tools, and AI search capabilities. By building once and sharing widely, we're creating efficiencies across government while maintaining high security standards. The platform includes cataloguing and metadata tools that make data easier to find and reuse.

The platform has been populated with regional and sub-regional wellbeing indicators, sourcing data from multiple areas to create a standardised repository for richer insights that haven't been accessible before.

Building analytical capability across the IDI community

We continued producing analytical tools and reusable codes for researchers who have access to Statistics New Zealand's Integrated Data Infrastructure (IDI). This work aims to lift the analytic capacity and capability of the IDI community while transparently sharing our methods.

These tools help researchers ensure high-quality outputs and support an efficient and timely checking service. We also continued to share and publish the code for all our indicators and definitions online for researchers to reuse. This work builds collective capability across the research community.

Social Investment Hui

The Minister for Social Investment, Hon Nicola Willis, and SIA hosted a Social Investment Hui on 15 November 2024. The hui brought together community organisations, iwi leaders, and community organisations with a keen interest in social investment.

The hui showcased experts who had implemented similar initiatives to social investment. It included reports from iwi and community organisations sharing their perspectives on social investment and a general discussion on the issues that underpin

social investment. Discussion groups provided input on components of social investment, including: relationships, programmes and outcome-based solutions, data, government commissioning, system change and investment, and the role of SIA. As one participant said, “We have to empower people to achieve transformational change, we need to be unlocking people’s potential.”

More information about this hui can be found here: www.sia.govt.nz/assets/Publications/reports/Social-Investment-Hui-Report-November-2024.pdf.



Social Investment Board establishment and support

The Social Investment Board (the Board) held its first meeting in November 2024 and meets monthly (on average). The Board provides independent advice and assurance to the Minister for Social Investment, and guidance to SIA, on the implementation of social investment. The Board is chaired by Dr Graham Scott, and its members are David Woods, Debbie Sorensen,

Helen Leahy, Julie Nelson, Laura Black, Mike Williams, Katie Murray, and Hon Te Ururoa Flavell. SIA provides the secretariat to the Board which is paid in line with the Cabinet Fees Framework. The Chair can claim up to \$800 per day, with a cap of 8 days per month. A Board member can claim up to \$520 per day with a cap of 5 days per month.

Measuring our progress in 2024/25

As a new agency, the way we measure our performance and success will evolve over time. We discuss this in more detail in the section on how we assess our performance on pages 24 to 26. This outcome is about supporting earlier and more effective investment in social services through the provision of advice, data and analytics that support informed decision making. Our measures this year focus on the quality of our advice, the satisfaction of Ministers with our support for them, as well as improving the amount and quality of data available in the IDI to support a social investment approach.

Performance Measure	2024/25 Target	Performance Standard	2024/25 Result	Achieved
The policy and analytical advice provided by the Social Investment Agency enables decision making informed by data and evidence.	New measure	Quality of policy advice out of a possible 5*	3.35	✓ See discussion on pages 23-26
Social Investment Ministers have trust and confidence in the advice we provide.	New measure	Overall satisfaction out of a possible 5*	4.85	✓ See discussion on pages 23-26
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 measure	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.	13 new datasets and 18 updated/modified datasets added in the IDI	✓ See discussion on pages 23-26
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.	New measure	Board established	Board established in November 2024	✓
	New measure	Average overall satisfaction score out of a possible 5	3.8	✓ See commentary below

Social Investment Board

The Social Investment Board was established during the year and held its first meeting in November 2024. A survey of the Board members sought information about their satisfaction with the support provided by SIA. Responses from the members who responded were averaged to determine the overall score out of five.

Outcome 2: Better outcomes for vulnerable people

The way we deliver, commission, and scale up successful social services allows us to achieve outcomes, invest better, 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 2024/25

In 2024/25 we made progress on this outcome setting up the Social Investment Fund and working with others to learn what taking a new approach looks like and what it will take to make it successful.

Setting up the Social Investment Fund

SIA developed the enabling infrastructure to establish the Social Investment Fund during the second half of the financial year and Social Investment Fund Ministers set the priority outcomes and settings for the Fund in June 2025. This enabled the Fund to be opened to applications in August 2025. The Fund is designed to:

- enable the social sector and other partners to work differently with government to improve the lives of New Zealanders;
- deliver the right services to people at the right time; and
- use data to improve the impact of government investment in social services.

Data partnerships with community organisations

We established data partnerships with community organisations to test and learn together about what support is needed in communities and how well current services reach individuals and whānau. Through these partnerships, we're exploring how sharing data responsibly can help organisations better serve their communities while maintaining privacy and building trust.

Working with community organisations, we tested the end-to-end process for how the Social Investment Fund will operate. We specified what outcomes would be measured under social investment outcomes contracts, then worked backwards to identify what data would be required to assess whether organisations achieved the specified social impacts. With Stats NZ, we tested extracting data from their systems and integrating them into the IDI, created standard analytical approaches for joining datasets, and developed reporting dashboards that could be shared back with community organisations.

This work helps us understand both the practical needs of organisations partnering through the fund and what data support the wider social sector needs to implement social investment. These partnerships go beyond providing data - they're about building capability and supporting community aspirations. The lessons learned inform not just how we implement the Social Investment Fund, but how we can support social investment adoption across the entire sector.

Measuring our progress in 2024/25

As a new agency, the way we measure our performance and success will evolve over time. We discuss this in more detail in the section on how we assess our performance on pages 24 to 26. This outcome is about testing, learning, and adopting new ways of commissioning and delivering in the social sector so that we invest better and drive greater impact. Our measures this year focus on the establishment of new outcomes-focused commissioning models and the establishment of the new Social Investment Fund to test new ways of working and adopt what we learn in the social sector.

Performance Measure	2024/25 Target	Performance Standard	2024/25 Result	Achieved
The Social Investment Agency designs and establishes a Social Investment Fund.	New measure	Establishment of the fund is underway	Establishment underway	✓ See commentary below
The Social Investment Agency establishes a model for contracting for outcomes.	New measure	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	✓ See commentary below

Social Investment Fund

As at 30 June 2025, the establishment of the Social Investment Fund (SIF) was well underway. The institutional arrangements, and technical and financial infrastructure required to operate the fund were clearly defined and establishment was in progress as at that date. This enabled the fund to open in late August 2025.

Establishment of model contracts

Three contracts were initiated by 30 June 2025. Demonstration initiatives will provide tangible examples of the social investment approach in practice. In this case, 'initiated' refers to identifying priority outcomes, selecting providers, and commencing negotiations on new outcomes-based agreements, data sharing arrangements, and impact analysis and reporting. More information on demonstration initiatives can be found here: www.sia.govt.nz/social-investment-fund/demonstration-initiatives.

Section 2: Assessment of operations and performance

Our key work programmes, services and activities are set out in Section One of this annual report on pages 6 to 14. Additionally, we report against our performance on our appropriation on pages 26 to 28. 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

We supported the Department of the Prime Minister and Cabinet (DPMC) to establish and implement nine Government targets focused on achieving improved results in health, education, law and order, work, housing, and the environment. Delivery of the targets is the responsibility of a lead minister and lead public service agency chief executives, working in partnership with other ministers and their agencies. Our work on the targets involved data analysis in the IDI and drawing from our previous work to inform ministerial decision making and prioritisation. Our contribution provided a deeper understanding of the different populations impacted by the targets and the extent to which they overlap. We also analysed geographic disparities in performance against the targets and gave advice on what it would take to meet the targets. DPMC provides quarterly updates on the targets to Cabinet and the public.

Other Government and ministerial priorities

Social investment is a priority for the Government. During the year, we provided advice to the Minister for Social Investment and to Cabinet on ways to change the system to deliver better outcomes for New Zealanders from our investment in social services. The first paper, Paper 1 System change to support social investment, sought agreement to a first phase of changes to public management and funding systems to support

social investment. This included the development of a new integrated commissioning approach and the establishment of the Social Investment Fund through which to deliver this integrated commissioning model. The second paper, Paper 2 Implementing social investment commissioning, set out the plan to deliver the proposed system changes, and to devolve decisions around commissioning from the Social Investment Fund to regional and community commissioners over time.

To support the approach set out in these papers we have supported Social Investment Ministers and the Social Investment Fund Ministers Group which provides oversight of the Social Investment Fund.

Significant Budget decisions from Budget 2024 and Budget 2025

Through Budget 2024, SIA 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 2024/25 on pages 6-14
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 2024/25 on pages 6-14
Delivering social investment outcomes.	Budget 25	Improved social outcomes for New Zealanders through social investment initiatives.	Progressing our outcomes 2024/25 on pages 6 to 14

Baseline savings

The SIA was not required to find baseline savings in 2024/25.

Reduction in expenditure on contractors and consultants

As a new agency, the SIA did not have a contractor and consultant budget in 2023/24 or 2022/23 against which to compare our spend in 2024/25. Our spend on contractors and consultants in 2024/25 was \$1.276m. This is 14% of total agency workforce expenditure in this year.

As we were in our establishment phase, contractors and consultants were required to fill capacity gaps while SIA established its permanent staffing and to provide short-term specialist capability. SIA is mindful of the Government's expectations to reduce the use of contractors and consultants. SIA has some remaining establishment functions to complete for which contractors and consultants are likely to be needed. Once establishment activities are completed the use of these resources is forecast to decrease.

Treaty settlements

In December 2022, He Korowai Whakamana was approved by Cabinet as a framework to achieve oversight and enhance accountability for the Crown's Treaty settlement commitments. From 2023/2024, agencies must report on the status of its Treaty settlement commitments.

SIA is committed to giving effect to the Treaty through genuine engagement and partnership. Since its establishment, SIA has engaged with a number of iwi, attended the National Iwi Chairs Forum (NICF) and worked proactively and responsively to requests from iwi or iwi-affiliated organisations on data and insights.

SIA has one formal partnership agreement with Te Nehenehenui Trust and provided data support towards their workforce planning. In April 2025, we entered into the Raukawa Crown Accord and agreed to work with Raukawa on integrating its 16 social service contracts.

We report against our actions through the Iwi-Crown Accords Process.

Reducing our emissions and embedding sustainable practices

SIA is committed to upholding the Government’s environmental aims, including through carbon measurement, reporting and reduction. As 2024/25 is year one for SIA, it is also the base year for measuring carbon emissions. As we gather and prepare data on carbon emitted in the course of our work, it forms the baseline against which our future emissions will be compared relative to the reduction targets we set. It will also enable us to assess future patterns and trends.

We received Toitū carbonreduce certification in August 2025 and the figures in this report were externally verified by Toitū in September 2025.

Total annual emissions and their source 2024/25

In 2024/25, we emitted 69,544 tCO₂-e (tonnes of carbon dioxide equivalent). The table below shows our annual emissions by scope. This shows that emissions related to energy use and transportation make up a bulk (95%) of our emissions.

Category	Scope	2024/25	
		Emissions (kgs/carbon)	%
1. Direct emissions	1	0	0
2. Indirect emissions from imported energy	2	12,378	18
3. Indirect emissions from transportation	3	53,403	77
4. Indirect emissions from products and services used by organisation	3	3,763	5
5. Indirect emissions from products and services from the organisation	3	0	0
6. Indirect emissions from other sources	3	0	0
Total Gross Emissions		69,544	100%

Total emissions by activity

The table below show emissions activity in our baseline year of 2024/25. It shows that a majority of our emissions come from travel (including commuting) and the energy needed to operate our office accommodation.

Source	2024/25	
	Amount	%
Accommodation	963	1
Air Travel	20,982	30
Commuting	29,650	43
Electricity	3,205	5
Natural Gas	9,697	14
Wastewater	2,550	4
Working from home	410	1
Waste to landfill	396	1
Water supply	293	0
Taxis	286	0
Cars for business purposes	1,112	2
Total Gross Emissions	69,544	100%

Emissions intensity

SIA measures emissions intensity by FTE and expenditure. Figures for our baseline year of 2024/25 are shown in the table below.

GHG emissions per KPI	Unit	2024/25
Total gross emissions per FTE	tCO ₂ -e per FTE per annum	1.297
Total grows emission per operating expenditure	tCO ₂ -e per \$million	0.0056

Emissions reduction target

SIA has developed a Carbon emissions inventory and reduction plan 2025. This was published in September 2025 and is available to the public on SIA’s website. That plan details SIA’s carbon reduction goals, which are pragmatic, achievable and realistic while still being ambitious. They are supported by strategies and targets for reducing our carbon 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.

SIA has identified the following three carbon reduction activities:

- reducing emissions from staff commuting
- reducing our air travel
- eliminating gas use

Reduction measure	Base year result	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

Case studies: Social investment in action

Demonstration initiatives for the Social Investment Fund

During the 2024/25 year, SIA selected three initiatives as demonstration initiatives for the Social Investment Fund to provide tangible examples of the social investment approach. They will enable commissioners to test new outcomes-based agreements, data sharing approaches and protocols, and impact analysis and reporting, before scaling these approaches from August 2025.

He Piringa Whare – Te Tihi o Ruahine

An alliance of nine hapū, iwi and Māori organisations and providers supporting over 130 families at a time with warmth, creativity, and determination – delivering a wraparound service that support whānau aspirations for – stable housing, education, training and employment, and many others beside. This investment is testing a wraparound family support service that empowers families to overcome a range of challenges to achieve their goals and enables them to play an active part in developing local family wellbeing initiatives. It will also help reshape how local public services are delivered so that they work better for all families.

Early years support – Autism New Zealand

Early identification and support for whānau and educators to understand the needs of autistic children and children showing signs of autism. The programme will provide support for around 200 (or 50 per year) children. Whānau receive intensive support with workshops, home visits and coaching to learn ways to support their child. Educators and other professionals in the child's education setting are also provided training and support. There is on-going support from age two for at home and in early childhood education, including transition to school and building life skills. This investment will test evaluation of cutting-edge identification and support services for families of young children showing early signs of autism. If successful, this initiative could change the support for hundreds of families.

Multi-Systemic Therapy for youth – Ka Puta Ka Ora Emerge Aotearoa

Multi-Systemic Therapy (MST) is an evidence-based, family-driven intervention focused on reducing a young person's anti-social or problematic behaviour. The behaviours addressed might include truancy, substance use, criminal offending, or violence at home or in the community. MST therapists work with families several times each week for 12-20 weeks. Support can be delivered in people's homes, at their school or in community spaces. Outside of the therapists' visits, the service ensures someone from the team is available on call 24 hours a day, seven days a week.

Multi-Systemic Therapy aims to:

- create long-term sustainable changes to improve family relationships
- decrease a young person's alcohol or other substance use
- improve a young person's education, job or training opportunities
- involve youth in positive activities
- address offending behaviour and reduce the risk of youth entering the justice system.

This investment will test robust evaluation of the impact of MST across multiple outcomes, including reduction in youth offending. This scheme will act as a benchmark.

Section Three: Organisation health and capability

Overview

As a new central agency charged with leading change across a complex system, we need the people and ways of working that catalyse and empower collective action among others.

We have developed new plans, systems and processes to implement social investment, achieve our objectives, and meet our fiscal responsibilities.

We regularly measure and report on our capability and performance through public documents. We are committed to developing the capability of our agency, and of the wider public service, to take a social investment approach to their allocation of social sector funding and resources.

During the year we have focused on the following areas:

- **Our performance** – developing ways of working, quality assurance and keeping our organisation safe and sustainable.
- **Our people** – creating the capable and agile workforce we need to implement social investment.
- **Our environment** – equipping employees with the right tools, technology and systems to enable us to be informed in our decision making and to service our partners and stakeholders.
- **Our workplace** – moving into Te Iho, a modern flexible workplace, and also creating an inclusive, respectful and positive working environment.
- **Carbon neutral reporting** - working to achieve a small carbon footprint and having a positive environmental impact. This is reported in section two on pages 17 and 18.

Our performance

As our agency has grown, we have established new ways of working to plan projects, allocate resources, and review progress against our goals and projects.

We have led projects across the agency, enabling greater engagement across work areas and breaking down any potential silos.

We carried out two organisational reviews to ensure we had the right structure and functions to deliver on our strategic goals.

Following our expanded mandate in April 2025, we strengthened our corporate foundations to meet the requirements of a central agency. We established a transformation office to coordinate our change programme and created Director roles for Enabling Services, Finance, and Transformation to provide strategic leadership. We also strengthened our governance and risk management capabilities. These changes ensure we have the infrastructure to support both current operations and future growth, helping us meet accountability requirements while managing the Social Investment Fund.

The second organisation review focused on the senior leadership of the organisation, ensuring we have the right leaders over functional areas and particularly ensuring a split between our role as a central agency, investment strategy development, and the operations of the Social Investment Fund. Both reviews were completed in June 2025.

These changes led to the establishment of three teams, each led by a Deputy Chief Executive:

- System Performance and Investment Advice;
- Investment and Commissioning; and
- Transformation, Technology and Enabling Services.

These teams are supported by the Office of the Secretary for Social Investment.

Our people

As we grow into our role as a central agency, our capabilities have evolved in both depth and breadth. We have expanded our capacity across key areas, including economics, policy analysis, data science, data systems, and analytics. Work is also underway to build capability in commissioning, risk and assurance, and enabling technology, including AI. We have established a transformation office to strengthen how we plan, organise, and report our work.

This investment supports our role as a central agency and strengthens how we work with community organisations. Our workforce is growing accordingly and will continue to grow as we scale to meet our commitments.

52 permanent and fixed-term employees (as of 30 June 2025)



Gender*

30.8%

Male



69.2%

Female

Ethnicity**

80.5%

European

14.6%

Māori

9.8%

Asian

* No other gender was disclosed by our employees.

** We have not reported percentages that are low to protect our people's privacy.

We are committed to creating a high-performing workplace where everyone feels valued, respected, and can bring their whole selves to work. We believe that investing in our people is fundamental to delivering on our role in the social investment model and making a meaningful difference for whānau, families, and communities.

We are focused on building a supportive environment that enables people to perform at their best, supports ongoing development, and fosters a high-performing culture. Our goal is to be known as a great place to work, and as an organisation that grows talent.

To build this culture, we are focused on:

- **High-performing culture** – fostering engagement, pride, and productivity in our work.
- **Workforce capability** – identifying and developing the skills we need for future success.
- **Growing Māori capability** – improving our capability to work with iwi / Māori organisations.
- **Diversity and inclusion** – embracing diverse perspectives, people, and practices.

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. Just as importantly, we need 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.

Our diversity and inclusion working group, Tātou, led a refresh and implementation of our Diversity, Equity, and Inclusion Plan (DEI Plan) in November 2024. This plan sets out our commitment to meeting the Public Service Kia Toipoto Action Plan, the Papa Pounamu priority areas, and the four-point plans for rainbow people and tāngata whaikaha Māori and disabled people. Tātou-led initiatives to grow awareness and connect and engage our people, such as Pink Shirt Day, Matariki, Light it Orange, and a number of events to encourage connection as our numbers grow.

As a small agency, we do not meet the threshold to report on pay gaps, in accordance with the guidance from Stats NZ on measuring organisational pay gaps. Because of this, we use other information, such as our workforce profile, trends, people data, and recruitment statistics, to measure impact.

Māori Crown Relations capability

Te Aho Kura – Māori Cultural Capability Plan 2023-2026

Te Aho Kura is our bespoke Māori Cultural Capability Plan introduced in 2019 in response to the State Sector Act Reform: Te Ao Tūmatanui – strengthening the Māori/Crown relationship. The name, Te Aho Kura, translates to ‘the special thread’ in reference to weaving.

Te Aho Kura aims to weave its three core values: Mātauranga (cultural knowledge and skills), Manaakitanga (empathy and understanding), and Mahitahi (effective partnership) throughout the entire agency.

The delivery and reporting of Te Aho Kura are guided by the Whāinga Amorangi plan, now sitting with Te Puni Kōkiri as part of the transfer of functions from Te Arawhiti. Whāinga Amorangi is designed to lift the Māori/Crown relations capability of the public service.

Te Aho Kura primarily focuses on building employee knowledge and capability in te reo Māori, New Zealand History/Treaty of Waitangi, Tikanga/Kawa, Engagement with Māori, and how we apply these to our work. In 2024/25, SIA prioritised engagement with Māori, creating tools and resources to empower iwi organisations and support their data needs for strategic planning and service delivery. We continued initiatives such as weekly waiata sessions, using and applying tikanga, and supporting employees with a suite of online courses focused on Te Ao Māori.

Our environment

Our tools and technology

Our agency needs to have the right tools, technology, and systems to enable us to be informed in our decision-making and service our partners and stakeholders.

During the year, SIA had five partners on our data and analytics platform. These are Aroturuki Tamariki Independent Children’s Monitor, The Centre for Family Violence and Sexual Violence Prevention, the Department of the Prime Minister and Cabinet, the Ministry for Ethnic Communities, and Whaikaha, Ministry of Disabled People. SIA worked closely with these agencies on establishing effective data and analytics capacity. The data and analytics platform is a cloud-

based platform, built on Microsoft Azure and designed specifically for government needs. The platform has cataloguing and metadata tools to make it easier to find and reuse data, and authorised users can access a range of analytics tools.

We also explored new ways of working with Artificial Intelligence (AI) and generative tools in our work, particularly to bring new tools to our data and systems analysis. We developed a policy for AI use and testing tools and techniques in a secure environment. As our agency develops, we will continue to build the technology required to support our business processes, including incorporating the secure and transparent use of AI.

Health, safety and wellbeing

SIA continued to prioritise the health, safety and wellbeing of its people and visitors. As well as health and safety representatives, SIA has an active health and safety committee that meets every six weeks to consider a range of health, safety and wellbeing issues that matter to our people. Since moving into our new premises at Te Iho, we are also represented on the Te Iho Health and Safety Committee.

We support our people to have a meaningful work/life balance, to proactively look after their physical and mental wellbeing, to increase their sense of belonging through employee-led networks, and to seek professional support through our employee assistance programme.

Our workplace

In May 2025, SIA moved into Te Iho, formerly known as Bowen House. Te Iho is a modern, flexible workplace, housing ten government departments. SIA shares a range of assets and services with other agencies, including modern meeting rooms and conference facilities. The new premises will enable SIA to have more flexibility as it continues to grow and allows for more collaboration with other agencies.

The lease for SIA’s previous premises, at 117 Lambton Quay, was assigned to the Social Workers Registration Board Kāhui Whakamana Tauwhiro.

Section Four: Our performance reporting

Statement of service performance and judgements

Our performance information on pages 11, 14, 26 and 27 has been prepared in accordance with *PBE FRS 48: Service Performance Reporting*, which requires us to provide information that is useful in assessing our performance in relation to our strategic intentions and achievement of the outcomes we are seeking.

In preparing the service performance information for the period, SIA has made a number of judgments about what information to present. This statement outlines the significant judgements (decisions) that SIA has used in preparing and selecting service performance information. These judgements are based on an assessment of the most appropriate and meaningful information for readers assessing performance against the agency's outcomes, strategic objectives, and strategic priorities and to fairly represent the nature of the agency's activities. Decisions about the service performance information to present were made by Executive Leadership Team members in consultation with Ministers when our appropriation was created.

The judgements that had the most significant effect on the non-financial information presented related to the selection of information about the SIA's Strategic Intentions and related activities during the period. For some activities there is not a quantitative value that can be used to measure the effectiveness of that activity. In those instances, judgement is applied to identify measures that provide readers of the annual report with relevant information. This includes the use of case studies where appropriate

Within the SIA service performance measures, the following involve the most significant judgements.

Quality of policy advice

A key role of SIA is the provision of policy advice to inform decision making. 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. SIA contracts 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. As a new agency we did not set a target for the quality of our advice in 2024/25 so have assessed our performance against the public-sector target of 3 in this annual report. For 2025/26 we will set a target for this measure. We have used the following judgements when reporting these results. 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 2024/25 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 2024/25 we compare ourselves to the public-sector average in order to make a judgement about our performance on this measure.

Satisfaction measures

It is important for the SIA to understand how ministers view our advice and other services we provide. Combined with the quality of advice measure, this helps the SIA determine where improvements can be made.

Satisfaction is measured through administration of DPMC's Ministerial Policy Satisfaction a survey to Ministers. 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,

as a new agency we did not set a target for this measure in 2024/25. A score of over 3 out of 5 is considered to be achieved as it meets an overall standard of mostly. For 2025/26 we will set a target for this measure.

Judgements made on our other strategic priority and appropriation measures

The methodology and judgements used for our other strategic priority and appropriation measures in 2024/25 are shown in the tables below.

Strategic priority measures

Priority	Measure	Indicator	Methodology	How we assess whether we achieved our target
Establish SIA's role as a central agency and system lead.	The policy and analytical advice provided by SIA enables decision making informed by data and evidence.	Quality of policy advice out of a possible 5	Discussed above	Achieved - a score of 3 or more
	Social Investment Ministers have trust and confidence in the advice we provide.	Overall satisfaction out of a possible 5.	This indicator is calculated as the average score provided across the four areas in the survey instrument: General Satisfaction, Quality of policy advice, Confidence in policy advice, and Trust in officials.	Achieved - a score of 3 or more
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.

Priority	Measure	Indicator	Methodology	How we assess whether we achieved our target
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.
Invest to improve data and evidence infrastructure	SIA 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.	The number of datasets added or updated calculated by selecting which rows are identified in the closeout report as “of value to social investment”, and then de-duplicating where multiple rows indicate different elements within the same collection.	Achieved-new and updated datasets of social investment interest added. Not achieved-no new or updated datasets of social investment interest added.
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. Their scores are averaged to determine the result.	In the absence of a target, we will apply judgement in assessing performance.

Appropriation measures

Measure	Indicator	Methodology	How we assess whether we achieved our target
The policy and analytical advice provided by SIA enables decision making informed by data and evidence.	Quality of policy advice out of a possible 5.	As in the table above.	As in the table above.
Social Investment Ministers have trust and confidence in the advice we provide.	Overall satisfaction out of a possible 5.	As in the table above.	As in the table above.
SIA invests to improve the volume quality of data and evidence available to funders, providers, and decision makers to enable social investment.	New data will be added in the IDI.	As in the table above.	As in the table above.

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 we achieved

Performance Measure	2024/25 Target	Performance Standard	2024/25 Result	Achieved
The policy and analytical advice provided by the Social Investment Agency enables decision making informed by data and evidence.	New measure	Quality of policy advice out of a possible 5	3.35 85% of papers assessed scored 3 or higher	✓
Social Investment Ministers have trust and confidence in the advice we provide.	New measure	Overall satisfaction out of a possible 5*.	4.85	✓
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 measure	New data will be added in the IDI.	31 new or updated data sets added to the IDI	✓

What was intended to be achieved with this appropriation?

The SIA was established on 1 July 2024 to provide leadership to the social investment approach. Our purpose is to shift the system using data and evidence, so that the system invests earlier and more effectively to improve the lives of New Zealanders. In 2024/25 we aimed to deliver products and services that progressed achievement of two outcomes earlier and more effectively investment supported by data and evidence, and better outcomes for vulnerable people.

Why these measures were chosen

These performance measures were selected as they are core to SIA's 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.

Did we achieve our measures?

As a new agency, this is the first year that we are using these measures to assess our performance. As a result, formal baselines and targets are still being developed. In the absence of established targets, we have applied judgement in assessing performance drawing using available data to help us do this. The judgments that we've applied are discussed on pages 26 and 27. We provide further information about our performance on these measures below.

Policy quality

The mean score in 2024/25 was 3.35 out of 5 which is a on par with last year's score. This year 85% of papers scored 3 (acceptable) or higher. This is similar to last year and below the all-agency average of 98%. This year we had more high-scoring papers than last year with 25% of the papers scored 4 (good) or higher, a bit below the all-agency average of 31%. The increased variability this year reflects the change that is happening as we move from being the Social Wellbeing Agency to the Social Investment Agency and as the nature of the work changes. Staying steady in this environment is an achievement, however our goal is to lift the quality of our advice.

Ministerial satisfaction

In May 2024, a Cabinet paper titled "Accelerating Social Investment" established a Social Investment Ministers group to work with the Minister for Social Investment to power up the social investment approach. When SIA published its Strategic Intentions in December 2024, the intent was to survey the Ministers in this group. However, the Social Investment Ministers group did not meet during the last half of the financial year. As a result, only the Minister for Social Investment received and completed a survey.

IDI data

Increasing the data available in the IDI is an important part of SIA's strategy as it enables better analysis of social sector issues and impacts which underpins a social investment approach. Adding data to the IDI is led by Stats NZ. This was a joint project by Stats NZ and SIA aimed at improving the volume and quality of data available to support the social investment approach. During the year, Stats NZ added 13 new data collections to the IDI and updated a further 18.

How much it cost

	2023/24 Actual \$000	2024/25 Actual \$000	2024/25 Budget \$000	2024/25 Supp Estimates \$000
Revenue Crown	–	13,752	6,252	13,752
Revenue Other	–	412	–	416
Total Revenue	–	14,164	6,252	14,168
Expenses	–	12,512	6,252	14,168
Net Surplus/(Deficit)	–	1,652	–	–

This appropriation increased by \$7.916m to \$14.168m for 2024/25 due to funding drawn down from a tagged contingency established at Budget 2024. This funding was for establishing the agency's new functions.

We underspent by \$1.652m due to timing delays in setting up the Social Investment Fund.

Section Five: Our financials

Appropriation statement

The following statement reports information about the expenses incurred against appropriation for the year ended 30 June 2025. This is prepared on a GST exclusive basis.

Statement of Budgeted and Actual Expenses Incurred Against Appropriation for the year ended 30 June 2025

Annual appropriation for Vote Social Investment

	Expenditure before remeasurements 2025 \$000	Remeasurements 2025 \$000	Expenditure after remeasurements 2025 \$000	Approved appropriation 2025 \$000	Location of end-of- year performance information*
Departmental Output Expenses					
Supporting Implementation of a Social Investment Approach	12,512	–	12,512	14,168	1
Balances as at 30 June	12,512	–	12,512	14,168	

* The numbers in this column represent where end-of-year performance information has been reported for the Supporting Implementation of a Social Investment Approach appropriation which SIA administers. SIA had no remeasurements in the 2024/25 financial year. Details of expenditure against the approved appropriation can be found in the Statement of Comprehensive Revenue and Expense and accompanying Notes to the Financial Statements.

Statement of expenses and capital expenditure incurred without or in excess of appropriation or other authority for the year ended 30 June 2025

SIA has no expenses or capital expenditure incurred without or in excess of appropriation or other authority for the year ended 30 June 2025.

Expenses and capital expenditure incurred in excess of appropriation

Nil.

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

Nil.

Statement of departmental capital injections for the year ended 30 June 2025

In October 2024 Ministers approved \$1.5m of capital funding for SIA and then a further \$441,000 in March 2025. SIA has not drawn down any of this funding and it therefore remains with the Crown so has not been included in SIA's 2024/25 financial statements. Should some or all of that funding be drawn down in the future, it will be recognised in SIA's financial statements at that time.

Departmental financial statements

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2025

	Notes	2025 Actual \$000	2025 Unaudited Budget \$000	2025 Unaudited Revised Budget \$000	2026 Unaudited Forecast \$000
Revenue					
Revenue Crown	2	13,752	6,252	13,752	40,652
Revenue other	2	412	–	416	–
Total revenue		14,164	6,252	14,168	40,652
Expenditure					
Personnel Costs	3	9,037	5,353	9,205	18,1691
Other Operating expenses	4	3,475	899	4,963	6,305
Payments to providers (non-departmental)		–	–	–	14,944
Total expenditure		12,512	6,252	14,168	39,418
Net surplus/(deficit)		1,652	–	–	1,234
Total comprehensive revenue		1,652	–	–	1,234

Explanations of significant variances against the original 2024/25 budget are set out in Note 13.
The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2025

	Notes	2025 Actual \$000	2025 Unaudited Budget \$000	2025 Unaudited Revised Budget \$000	2026 Unaudited Forecast \$000
Assets					
Current Assets					
Cash and cash equivalents		3,044	–	–	5,053
Debtor Crown		1,220	–	–	2,025
Debtor and other receivables	5	31	–	–	51
Prepayments		365	–	–	606
Total current assets		4,660	–	–	7,735
Liabilities					
Current Liabilities					
Creditors and other payables	6	2,359	–	–	5,609
Revenue – advance		54	–	–	81
Return of operating surplus	7	1,652	–	–	1,234
Employee entitlements	8	592	–	–	811
Total current liabilities		4,657	–	–	7,735
Non-current Liabilities					
Employee entitlements	8	3	–	–	–
Total non-current liabilities		3	–	–	–
Total liabilities		4,660	–	–	7,735
Net assets		–	–	–	–
Equity		–	–	–	–
Total Equity	9	–	–	–	–

Explanations of significant variances against the original 2024/25 budget are set out in Note 13.
The accompanying notes form part of these financial statements.

As SIA was established on 1 July 2024 the 2025 Budgets did not include Statement of Financial Position figures.
These will be included for the 2025/26 financial year and included in the 2025/26 annual report.

Statement of Changes in Equity for the year ended 30 June 2025

	Notes	2025 Actual \$000	2025 Unaudited Budget \$000	2025 Unaudited Revised Budget \$000	2026 Unaudited Forecast \$000
Balance as at 1 July		–	–	–	–
Total comprehensive revenue and expense		1,652	–	–	–
Owner Transactions					
Transfer of balance from SWA to SIA	9	61	–	–	–
Capital injections		–	1,941	1,941	–
Capital withdrawals		–	–	–	–
Return of operating surplus to the Crown	7	(1,713)			
Total revenue		–	1,941	1,941	–

Explanations of significant variances against the original 2024/25 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 2025

	Notes	2025 Actual \$000	2025 Unaudited Budget \$000	2025 Unaudited Revised Budget \$000	2026 Unaudited Forecast \$000
Cashflows from operating activities					
Receipts from the Crown		14,595	6,252	15,815	40,652
Receipts from other revenue		746	–	478	–
Payments to suppliers		(4,430)	(800)	(6,461)	(21,249)
Payments to employees		(7,963)	(5,311)	(8,863)	(18,169)
Goods and Services Tax (net)		(1,231)	(141)	(969)	–
Net cash flows from operating activities		1,717	–	–	1,234
Cashflows from financing activities					
Repayment of operating surplus		(61)	–	–	–
Capital (withdrawal)/injection		–	–	–	–
Net cashflows from financing activities		(61)	–	–	–
Net (decrease)/increase in cash and cash equivalents		1,656	–	–	1,234
Cash and cash equivalents transferred from SWA		1,388	–	–	3,819
Cash and cash equivalents at the end of the year	9	3,044	–	–	5,053

Explanations of significant variances against the original 2024/25 budget are set out in Note 13.
The accompanying notes form part of these financial statements.

Statement of Commitments as at 30 June 2025

Capital commitments

SIA has no capital commitments as at balance date.

Operating leases

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 this lease arrangement.

The not later than one year figure in the table below includes the first-year cost of SIA's new premises at 1 Bowen Street, Wellington and the lease cost for SIA's previous premises at 117 Lambton Quay, Wellington. From 21 July 2025 the Lambton Quay lease was reassigned to another agency and SIA's obligations ended.

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

The accompanying notes form part of these financial statements.

Statement of Contingent Liabilities and Contingent Assets as at 30 June 2025

Unquantifiable or quantifiable contingent liabilities

There are no unquantifiable or quantifiable contingent liabilities as at 30 June 2025.

Contingent assets

SIA has no contingent assets as at 30 June 2025.

The accompanying notes form part of these financial statements.

Notes to financial statements for the year ended 30 June 2025

1. Statement of accounting policies

Reporting entity

The Social Investment Agency (SIA) was established on 1 July 2024 under Public Service (Social Investment Agency) Order 2024. Under this order it was established as a New Zealand 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, and the Public Service Act 2020. SIA's ultimate parent is the New Zealand Crown.

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 ending 30 June 2025 and the Chief Executive approved them for issue on 30 September 2025. The forecast Financial Statements are for the year ending 30 June 2026. There are no actuals for the 2024 year as SIA commenced operations on 1 July 2025.

Basis of preparation

The Financial Statements and Schedules 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 have been prepared in accordance with and comply with PBE Standards Reduced Disclosure Regime (RDR). The department is eligible and has elected to apply the PBE Standards RDR because its expenses are less than \$33 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

SIA has complied with the Public Finance Act 1989.

Functional and presentation currency

The Departmental Financial Statements and Schedules are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of SIA is New Zealand dollars. The related party transaction disclosure around Key Management Personnel compensation is an exception to the rounding to the nearest dollar.

New or amended standards adopted

SIA has applied consistent accounting policies throughout the year.

Changes in accounting policies

SIA has applied consistent accounting policies throughout the year.

Summary of significant accounting policies

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand; deposits held at call with banks.

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 actual cost basis.

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.

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

As 2024/25 was SIA's first year there are no previous annual reports with budget figures for that year. However, SIA submitted its estimated year-end results to Treasury as part of the Supplementary Estimates process. The Budget, Revised Budget and Forecast figures are based on different funding amounts which is why the dollar values in the financial statements for each of these categories vary. The funding changes are as follows:

- Revised Budget compared to Budget: In October 2024 Ministers agreed to provide SIA with an additional \$7.5m in 2024/25 and \$8.4m in 2025/26 and outyears. This money had been set aside in Budget 24 to fund activities the Government had mandated for the agency.
- 2025/26 Forecast compared to Revised Budget: In Budget 25 SIA received a further \$10m per year from 2025/26 onwards to coordinate social investment activity and to run the new Social Investment Fund. Government also provided \$16m per year for the Social Investment Fund to purchase services to support priority cohorts using a social investment approach. These new funding streams have their own separate appropriations, and SIA will report on these in the 2025/26 annual report.

The 2025/26 forecast reflects SIA's purpose and activities and are based on several assumptions about what might occur during 2025/26. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations and the amount and purpose of the new appropriated funding that has been allocated to the Agency. The main assumptions used are that:

- The Agency's activities and output expectations will be consistent with those specified by Government when it established the Agency as well as those contained in the scope of the new appropriations outlined above.
- Forecast personnel costs are based on up to 114 staff, recognising that not all will be in place at 1 July 2025. 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 2024/25 was used as the opening position for the 2025/26 forecasts.
- The actual financial results achieved for 30 June 2026 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 Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures. Although SIA regularly updates its forecasts, it will not publish updated forecast financial statements for the year ending 30 June 2026. However, the forecasts provided to Treasury in the 2025/26 Supplementary Estimates will be included in SIA's 2025/26 annual report.

The 30 June 2026 forecast figures have been prepared in accordance and comply with PBE FRS 42 *Prospective Financial Statements*.

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 will continually evaluate estimates and assumptions which are based on historical experience and other factors, including expectations of future events. This includes the estimated lease costs outlined in the Statement of Commitments and in Note 4.

Capital Management

SIA's capital is in 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 2025.

2. Revenue

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
Data Analytics Platform	412
Total other and departmental revenue	412

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
Salaries	7,987
Superannuation	222
Leave	127
ACC Costs	72
Other Personnel Costs	629
Total Personnel Costs	9,037

4. Other Expenses

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
Fees to Audit New Zealand for audit of financial statements	120
Other operating expenses	435
Travel	99
Legal fees	341
Rental and operating lease costs	445
Contractors and consultants	1,276
Other professional fees	61
IT costs	698
Total expenditure	3,475

The financial statements and service performance information for the year ended 30 June 2025 have been audited by Audit New Zealand on behalf of the Auditor-General. The fees paid to Audit New Zealand relates to the cost of delivery of these audit services. The Independent Auditors Report can be found after the notes to the financial statements.

5. Debtors and other receivables

Short-term receivables are recorded at the amount due. As of 30 June 2025, 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
Gross receivables	31
Net receivables	31
Receivables consist of	
Cost recovery for seconded staff	31
Total receivables	31

6. Payables and deferred revenue

Short-term payables are recorded at the amount payable.

	2025 Actual \$000
Payables and deferred revenue under exchange transactions	
Creditors	51
Accrued expenses	1,761
Total payables and deferred revenue under exchange transactions	1,812
Payables and deferred revenue under non-exchange transactions	
GST payable	547
Total payables and deferred revenue under non-exchange transactions	547
Total payables and deferred revenue	2,359

7. Return of operating surplus

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
Accumulated surplus transferred from SWA (Note 9)	61
Net surplus for year	1,652
Retained surplus	–
Total return of operating surplus to the Crown	1,713

8. Employee entitlements

Critical accounting estimates and assumptions

Short-term employee entitlements

Employee entitlements that SIA expects to be settled within 12 months of balance date are measured at nominal values 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

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement leave 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
Current Portion	
Salary accrual	253
Annual leave	339
Total current employee entitlement liabilities	592
Non-current Portion	
Long service leave	3
Total non-current employee entitlement liabilities	3
Total employee entitlements	595

9. Equity

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.

On 30 June 2024 the Social Wellbeing Agency was disestablished, its balances, mostly comprising of staff entitlement and cash were transferred to the Social Investment Agency on 1 July 2025. This resulted in a fiscal neutral adjustment in equity. These balances are as follows:

	2025 Actual \$000
Assets	
Cash and cash equivalents	1,388
Debtors and other receivables	54
Prepayments	24
Total assets	1,465
Liabilities	
Creditors and other payables	896
Revenue in advance	92
Employee entitlements	416
Total liabilities	1,404
Net assets represented by SWA accumulated surplus	61

10. Related party transactions

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.

SIA is a wholly owned entity of the Crown.

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.

Related party transactions required to be disclosed

Key management personnel compensation

	2025 Actual \$
Remuneration	1,437,955
Full-time equivalent staff	5

With the establishment of the Social Investment Agency there have been a number of changes to the key management personnel. This was due to the transfer of roles of key management personnel from the Social Wellbeing Agency to the Social Investment Agency, and the resulting activities which were necessary to move to a structure that would suit the work the SIA needed to undertake.

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.

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
Financial assets measured at amortised cost	
Cash and cash equivalents	3,044
Receivables (excluding tax receivables)	31
Total Financial assets measured at amortised cost	3,075
Financial Liabilities measured at amortised cost	
Payables (excluding income in advance and tax payments)	2,359
Total Financial Liabilities measured at amortised cost	2,359

Financial Instrument risks

SIA's activities expose it to a variety of financial instrument risks, including market risk, 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.

12. Events after balance date

As outlined in note 1, SIA received an additional \$16m from 2025/26 onwards for the new Social Investment Fund. That Fund has now opened and, as at the date the 2024/25 financial statements were approved, three contracts had been signed with community-based providers. More contracts are expected to be signed in the coming months, and we will provide more information on this in our 2025/26 annual report.

13. Explanation of major variances against budget

Statement of Comprehensive Revenue and Expense

Revenue Crown

As outlined in Note 1, SIA received additional funding in the 2024/25 and 2025/26 financial years. This meant that the expenses that SIA's original budget were based on differ from those presented in the 2024/25 Revised Budget and in the 2025/26 Forecast. The additional funding received in the 2024/25 financial year was used to establish SIA as a stand-alone department and to establish the new Social Investment Fund.

Personnel Costs

The costs for establishing SIA as a stand-alone department were mainly additional staff which is why the actual personnel cost increased from \$5.187m in the budget to an actual 2024/25 cost of \$9.037m.

Other Operating expenses

There were additional operating costs associated with establishing SIA as a new stand-alone entity, including contractors and consultants. These were used to design SIA's structure and to provide capacity while staff were appointed. Furthermore, contractors and consultants were engaged to help design the Social Investment Fund. The additional funding received in the 2025/26 financial year will be used to coordinate social investment activity and to run the Social Investment Fund.

Statement of Financial Position and Statement of Cashflows

As SIA was established on 1 July 2024, the 2025 Budget and Revised Budget did not include Statement of Financial Position and Cashflows figures. These will be included for the 2025/26 financial year and included in the 2025/26 annual report. Some of the Cashflow figures were able to be derived from the balance sheet.

Independent auditor's report

To the readers of the Social Investment Agency's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of the Social Investment Agency (the 'Department'). The Auditor-General has appointed me, Anthony Heffernan, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- The annual financial statements of the Department that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, 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 30 to 44.
- The end-of-year performance information for appropriations of the Department for the year ended 30 June 2025 on pages 23 to 28.
- The statements of expenses and capital expenditure of the Department for the year ended 30 June 2025 on pages 29.

Opinion

In our opinion:

- The annual financial statements of the Department:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- The end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects:
 - what has been achieved with each 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; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- 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.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

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 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 and Secretary for Social Investment for the information to be audited

The Chief Executive and Secretary for Social Investment (the 'Chief Executive') is responsible on behalf of the Department for preparing:

- Annual financial statements that fairly present the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of-year performance information for appropriations that:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents what has been achieved with the appropriation;
 - fairly presents 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; and
 - complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Department, that are prepared in accordance with section 45A of the Public Finance Act 1989.

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 the Department for assessing the Department's ability to continue as a going concern.

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 audited, our procedures were limited to checking that the information agreed to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025 when available. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information submitted to Treasury by the Department as part of the Supplementary Estimates process.

We did not evaluate the security and controls over the electronic publication of the information we audited.

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 the Department'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.
- We evaluate whether the end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents what has been achieved with the appropriation.
- We evaluate whether the statements of expenses and capital expenditure 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.
- 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.

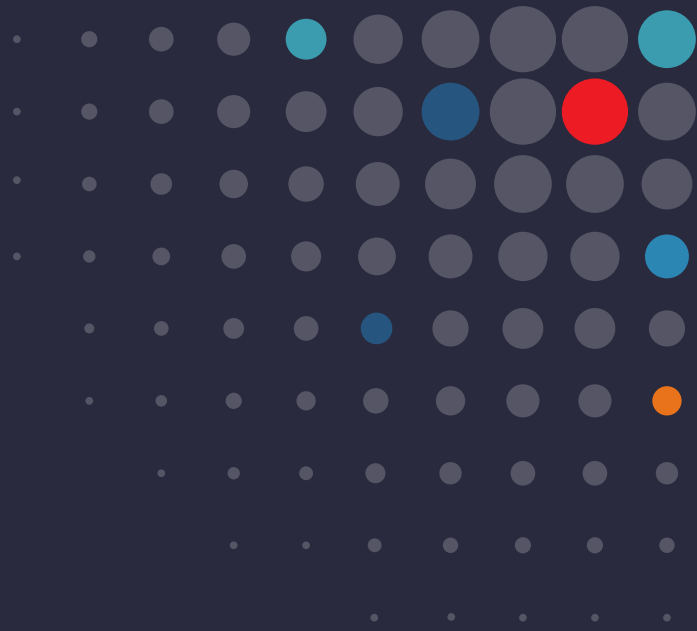
Independence

We are independent of the Department in accordance with the independence requirements of 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) 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 Department.



New Zealand
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



Social Investment Agency
Toi Hau Tāngata

Te Kāwanatanga o Aotearoa
New Zealand Government