Attachment 2

Customer Outcomes:

1. Implementation of the TMF has contributed to the following outcomes for our customers:

    - **There are 3,249 less tenants in rent arrears**, and 84% of the remaining 6,270 debtors are reducing their debt.
    - **The average amount of debt owed per customer has fallen** from over $2000 to under $1,100.
    - **Tenants are getting out of debt much faster** - 72% of debtors with working arrangements will pay off their debt within one year compared with 48% previously. Note some of the reduction in debt is due to tenancies being terminated and the debt moving accounts.
    - **Serious incidents of disruptive behaviour have steadily reduced** from 538 in December 2024 to 420 in December 2025.
    - **More tenants report feeling safer in their homes** rising from 75.8% in March 2024 to 89.7% in December 2025, and tenants feel safer in their communities, rising from 68.9% in March 2024 to 79% in December 2025.
    - **Use of formal tools is helping create desired behaviour change**. In most cases a s55A first notice creates desired behaviour change, only 3% of s55A notices issued are third (final) notices.
    - **Some customers have not changed their behaviour resulting** in 324 tenancy terminations between 1 July 2024 and 30 June 2025, 76 of these were for rent arrears and 69 for disruptive behaviour. Termination numbers were in the range of what was expected, however terminations for abandonment and non-occupancy reportedly increased more than anticipated from an average of 6 per month to 7.2 per month.
    - **32.7% of the terminations had children in the home** and 258 children were impacted.
    - **There has been no change in the proportion of terminations where the primary tenant identifies as Māori or Pasifika** since introducing the TMF.

Operational Delivery:

2. The new approach has been well received by frontline and this is contributing to improvement in our performance measures:

    - **Total rent arrears have reduced from $19 million in June 2024 to $4.7 million in January 2026**. This included Kāinga Ora forgiving $7.4m of rent debt.
    - **Kāinga Ora is acting faster** to prevent issues from escalating:

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    - over 99% of disruptive behaviour incidents have a decision within 15 working days.
    - the average time to resolve a disruptive behaviour incident has halved, from 21 to 10 days.
    - we contact 85% of customers within one week when a rent payment is missed.
- **We have increased use of formal tools**, issuing over 300 notices per month for disruptive behaviour, compared with under 50 previously.
- **Tenant satisfaction has increased** from 70.9% in March 2024 to 87.5% in December 2025. Overall satisfaction with Housing Support Manager also rose from 76.3% in March 2024 to 81.5% in June 2025. While these improvements cannot be directly attributed to the TMF and related policies, it demonstrates that the changes have not negatively impacted tenant satisfaction.
- **Frontline has welcomed having clearer direction** and the ability to use the range of tools to effectively manage customer behaviour. This is making a difference in the way they work with complex and challenging customers and helping drive behaviour change.
- **There are some differences in how the TMF is being implemented** operationally partly due to:
    - regions starting in different places:
        - some started with higher volumes and amounts of debt
        - some had a lot more customers over 12 weeks that did not meet the criteria for debt forgiveness
    - differences in approach:
        - some areas using more s40 warning notices while others are going directly to s55A notices for disruptive behaviour
        - some areas using more discretion to delay starting termination actions, considering individual circumstances/hardship
        - some areas want to take formal action based on frequency of going into debt (including debt below 21 days)

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