

# *Vote Housing*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Building and Construction (M9),  
Minister of Housing (M37)

ADMINISTERING DEPARTMENT: Department of Building and Housing

MINISTER RESPONSIBLE FOR DEPARTMENT OF BUILDING AND HOUSING: Minister for Building  
and Construction

## Overview of the Vote

The Minister for Building and Construction is responsible for appropriations in the Vote for the 2008/09 financial year covering the following:

- A total of just over \$17 million on delivering regulatory and control services for the building industry under the Building Act 2004 and related consumer information.
- A total of nearly \$10 million on developing, implementing and maintaining registration and licensing regimes for building practitioners and electrical workers.
- A total of just over \$5 million on providing sector and regulatory policy advice on the building and housing sector in New Zealand, and providing purchase and performance monitoring advice to Government in relation to Housing New Zealand Corporation (HNZC).
- A total of nearly \$22 million on providing services under the Residential Tenancies Act 1986, including advice and guidance, dispute resolution and the administration of residential tenancy bond monies.
- A total of just under \$17 million on providing assessment and dispute resolution services under the Weathertight Homes Resolution Services Act 2006.
- A total of just over \$8 million on departmental capital expenditure.

The Minister of Housing is responsible for appropriations in the Vote for the 2008/09 financial year covering the following:

- A total of nearly \$15 million on purchasing housing support services.
- A total of just over \$2 million on the purchase of housing policy advice from Housing New Zealand Corporation.
- A total of nearly \$10 million for the management of Crown owned properties.
- A total of just over \$11 million on housing assistance payments.
- A total of just over \$496 million on Income Related Rent (IRR) subsidies to Housing New Zealand Corporation.
- A total of \$5 million on the community housing rent relief programme.
- A total of just over \$2 million on increase in provision for doubtful debts on IRR Debt.
- A total of just over \$295 million on capital expenditure.

Details of these appropriations are set out in Parts 2-6 for Vote Housing in the Information Supporting the Estimates of Appropriations.

# Details of Appropriations

## Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Building Regulation and Control (M9)</b> To provide regulatory and control services for the building industry under the Building Act 2004 and related consumer information.	14,428	14,328	17,461
<b>Occupational Licensing (M9)</b> Developing, implementing and maintaining registration and licensing regimes for building practitioners and electrical workers.	10,226	10,226	9,501
<b>Purchase and Monitoring Advice - Housing New Zealand Corporation (M37)</b> Provision of purchase and performance monitoring advice to Government in relation to HNZC.	533	533	633
<b>Residential Tenancy Services (M9)</b> Administration of residential tenancies bond monies (including collecting and repaying bond monies, managing and investing bond monies), provision of information, advice and dispute resolution services to tenants and landlords in relation to residential tenancies as required by Residential Tenancies Act 1986.	20,173	19,848	21,589
<b>Sector and Regulatory Policy (M9)</b> To provide sector and regulatory policy advice on the building and housing sector.	5,144	4,677	4,562
<b>Weathertight Homes Resolution Service (M9)</b> To provide owners of dwellinghouses affected by the leaky building syndrome with information and access to speedy, flexible and cost-effective procedures for assessment and resolution of claims relating to those buildings.	20,877	20,877	16,815
<b>Building Act 2004 Implementation (M9)</b> To provide funding for the implementation of the Building Act 2004.	3,296	3,296	-
<b>Total Departmental Output Expenses</b>	74,677	73,785	70,561
<b>Non-Departmental Output Expenses</b>			
<b>Contracted Housing Support Services (M37)</b> Purchase of education, support, capacity building and other services from third-party providers, by HNZC, to support target groups into improved housing outcomes including the Government's housing response in NECBOP areas.	11,571	11,571	3,446
<b>HNZC Housing Support Services (M37)</b> Purchase of housing related services from HNZC including capacity building with third sector providers, home ownership initiatives, Community Renewal and Healthy Housing.	13,936	13,936	11,194
<b>Housing Policy Advice (M37)</b> Purchase of housing policy advice, research and evaluation from HNZC.	2,419	2,419	2,376
<b>Management of Crown Properties held under the Housing Act 1955 (M37)</b> This appropriation is limited to the administration and management of Crown owned properties held under the Housing Act 1955.	1,247	1,247	9,672
<b>Total Non-Departmental Output Expenses</b>	29,173	29,173	26,688

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Benefits and Other Unrequited Expenses</b>			
<b>Housing Assistance (M37)</b> Payments made to HNZC and other mortgage providers to compensate for the difference between the cost of funds and rate at which funds are lent and provide write-offs for loans.	9,740	9,740	11,118
<b>Income Related Rental Subsidy (M37)</b> Subsidy provided to HNZC to compensate for the difference between assessed income-related and market rentals.	463,363	463,363	496,038
<b>Total Benefits and Other Unrequited Expenses</b>	473,103	473,103	507,156
<b>Borrowing Expenses</b>			
<b>Debt Servicing - Housing Agency Account PLA (M37)</b> Borrowing expenses authorised by section 60(1)(b) of the Public Finance Act, incurred in respect of loans made to the Crown for the purposes of the Housing Act 1955.	3,989	3,989	-
<b>Total Borrowing Expenses</b>	3,989	3,989	-
<b>Non-Departmental Other Expenses</b>			
<b>Community Housing Rent Relief Programme (M37)</b> Contestable rent relief fund for service provider tenants of Community Group Housing properties who face difficulties in meeting rental payments.	4,000	3,500	5,000
<b>Increase in Debt Provision (M37)</b> Increase in provision for doubtful debts on Income Related Rents Crown Debt.	1,807	1,807	2,251
<b>Total Non-Departmental Other Expenses</b>	5,807	5,307	7,251
<b>Departmental Capital Expenditure</b>			
<b>Department of Building and Housing - Capital Expenditure PLA (M9)</b> This appropriation is limited to the purchase or development of assets by and for the use of the Department of Building and Housing, as authorised by section 24(1) of the Public Finance Act 1989	3,280	2,080	8,138
<b>Total Departmental Capital Expenditure</b>	3,280	2,080	8,138
<b>Non-Departmental Capital Expenditure</b>			
<b>Acquisition and Development of properties under the Housing Act 1955 (M37)</b> This appropriation is limited to acquiring, developing and modernising properties under the Housing Act 1955.	11,945	11,945	7,764
<b>Acquisition and Improvement of Housing New Zealand Corporation state houses (M37)</b> This appropriation is limited to debt or equity in Housing New Zealand Corporation to acquire, modernise or reconfigure Housing New Zealand state houses.	-	-	84,390
<b>Loans to support Homeownership (M37)</b> This appropriation is limited to debt or equity in Housing New Zealand Corporation to provide loans to households to help them achieve or sustain home ownership.	-	-	19,969
<b>Loans to support Social Housing (M37)</b> This appropriation is limited to debt or equity in Housing New Zealand Corporation to provide loans to housing providers for the acquisition and development of social housing.	-	-	12,000

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt (M37)</b> This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited debt.	-	-	<b>170,970</b>
<b>Capital Injections to Housing New Zealand Corporation for Housing Activities (M37)</b> Capital injections (debt or equity) to HNZC to give effect to Government policy decisions around stock acquisition, modernisation and other housing interventions.	102,417	102,417	-
<b>Housing New Zealand Corporation - Loans to Refinance Third Party Debt (M37)</b> Funding to cover the refinancing of HNZC's third party debt with Crown Debt.	131,187	131,187	-
<b>Housing New Zealand Corporation (HNZC) - Loans to Refinance Crown Debt (M37)</b> Capital injections to HNZC for housing activities, for the purpose of HNZC financing net new lending and the purchase and development of community houses.	40,000	40,000	-
<b>Housing New Zealand Limited (HNZL) - Loans to Refinance Crown Debt (M37)</b> Capital injections to HNZL for housing activities, for the purpose of refinancing HNZL's debt portfolio.	50,000	50,000	-
<b>Total Non-Departmental Capital Expenditure</b>	<b>335,549</b>	<b>335,549</b>	<b>295,093</b>
<b>Total Annual and Permanent Appropriations</b>	<b>925,578</b>	<b>922,986</b>	<b>914,887</b>

# Details of Projected Movements in Departmental Net Assets

## Department of Building and Housing

Details of Net Asset Schedule	Estimated Actual 2007/08 \$000	Projected 2008/09 \$000	Explanation of Projected Movements in 2008/09
Opening Balance	11,220	11,480	
Capital Injections	5,086	8,528	To fund a projected deficit in the Occupational Licensing: Building Practitioners memorandum account (\$2.736 million), a capital injection to fund essential infrastructure assets (\$459,000), a capital expenditure transfer from 2007/08 into 2008/09 relating to essential infrastructure assets (\$4.389 million), a new capital injection to fund the development of the a new Electrical Workers Registration system (\$944,000).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(4,826)	(2,736)	
Other Movements	-	1,643	Projected deficit for 2007/08.
Closing Balance	11,480	18,915	