

# *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 2009/10 financial year covering the following:

- A total of just over \$16 million on delivering regulatory and control services for the building industry under the Building Act 2004 and related consumer information.
- A total of just over \$11 million on developing, implementing and maintaining registration and licensing regimes for building practitioners and electrical workers.
- A total of just over \$4 million on providing sector and regulatory policy advice on the building and housing sector in New Zealand.
- A total of just over \$14 million on providing assessment and dispute resolution services under the Weathertight Homes Resolution Services Act 2006.
- A total of just under \$5 million on departmental capital expenditure.

The Minister of Housing is responsible for appropriations in the Vote for the 2009/10 financial year covering the following:

- A total of just under \$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 \$1 million on providing purchase and performance monitoring advice to Government in relation to Housing New Zealand Corporation (HNZC).
- A total of just under \$22 million on purchasing housing support services.
- A total of \$85 million on state house upgrades, comprising of \$20 million operating and \$65 million capital.
- A total of just under \$3 million on the purchase of housing policy advice from Housing New Zealand Corporation.
- A total of just over \$1 million for the management of Crown owned properties.
- A total of just under \$3 million on housing assistance payments.
- A total of just over \$540 million on Income Related Rent (IRR) subsidies to Housing New Zealand Corporation.
- A total of just under \$5 million on the community housing rent relief programme.
- A total of just under \$3 million on increase in provision for doubtful debts on IRR Debt.
- A total of just over \$13 million for Wellington City Council Social Housing Assistance.
- A total of just over \$394 million on capital expenditure, which includes debt refinancing of just under \$235 million and \$5 million for Māori Demonstration Partnerships.

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	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Building Regulation and Control (M9)</b> This appropriation is limited to activities associated with the setting of performance standards for buildings and the design and delivery of regulatory schemes and other initiatives to help ensure those standards are met.	18,470	17,598	16,339
<b>Occupational Licensing (M9)</b> This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers.	9,511	8,694	11,025
<b>Performance Monitoring and Advice - Housing New Zealand Corporation (M37)</b> This appropriation is limited to the provision of advice to Ministers arising from the monitoring of Housing New Zealand Corporation's current and expected performance.	673	662	641
<b>Residential Tenancy and Unit Title Services (M37)</b> This appropriation is limited to the provision of residential tenancy and unit title dispute resolution services, information, education, and advice; administration and investment of residential tenancy bond monies; provision of administrative support to the State Housing Appeals Authority.	21,458	20,686	21,616
<b>Sector and Regulatory Policy (M9)</b> This appropriation is limited to the provision of policy advice on the adequacy, efficiency and effectiveness of the building and housing sector in New Zealand; advice on the regulatory framework for the sector; monitoring, analysing and providing information on the sector; and evaluating the effectiveness of the sector and statutory boards.	5,469	5,061	4,237
<b>Weathertight Homes Resolution Service (M9)</b> This appropriation is limited to assessing the eligibility of weathertight homes claims; independent technical assessment of claims; claim management until resolution and the provision of dispute resolution services.	17,044	15,109	14,227
<b>Total Departmental Output Expenses</b>	72,625	67,810	68,085
<b>Non-Departmental Output Expenses</b>			
<b>Contracted Housing Support Services (M37)</b> This appropriation is limited to the purchase of education, support and other services from third-party and iwi providers, by Housing New Zealand Corporation, to support target groups into improved housing outcomes.	2,641	2,641	9,400
<b>HNZC Housing Support Services (M37)</b> This appropriation is limited to the purchase of housing related services from Housing New Zealand Corporation including home ownership initiatives, the Housing Innovation Fund and Healthy Housing.	7,713	6,673	12,293
<b>HNZC State House Upgrades (M37)</b> This appropriation is limited to the upgrading of Housing New Zealand Corporation State Houses to improve the safety, security, function and amenity value to a standard suitable for social housing purposes.	22,000	22,000	20,000
<b>Housing Policy Advice (M37)</b> Purchase of housing policy advice, research and evaluation from HNZC.	2,554	2,554	2,640

Titles and Scopes of Appropriations by Appropriation Type	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Non-Departmental Output Expenses - cont'd</b>			
<a href="#">Management of Crown Properties held under the Housing Act 1955 (M37)</a> This appropriation is limited to the administration and management of Crown owned properties held under the Housing Act 1955.	1,468	1,440	<b>1,246</b>
<b>Total Non-Departmental Output Expenses</b>	36,376	35,308	45,579
<b>Benefits and Other Unrequited Expenses</b>			
<a href="#">Housing Assistance (M37)</a> 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.	9,291	9,171	<b>2,742</b>
<a href="#">Income Related Rental Subsidy (M37)</a> Subsidy provided to HNZC to compensate for the difference between assessed income-related and market rentals.	504,442	501,383	<b>540,291</b>
<b>Total Benefits and Other Unrequited Expenses</b>	513,733	510,554	543,033
<b>Non-Departmental Other Expenses</b>			
<a href="#">Community Housing Rent Relief Programme (M37)</a> This appropriation is limited to provision of a rent relief fund for service provider tenants of Community Group Housing properties who face difficulties in meeting rental payments.	4,500	3,800	<b>4,500</b>
<a href="#">Increase in Debt Provision (M37)</a> Increase in provision for doubtful debts on Income Related Rents Crown Debt.	2,251	2,251	<b>2,744</b>
<a href="#">Wellington City Council Social Housing Assistance (M37)</a> This appropriation is limited to assisting the Wellington City Council upgrade its social housing portfolio under the terms of a Deed of Grant entered into between the Crown, Housing New Zealand Corporation and the Council.	7,500	7,500	<b>13,500</b>
<b>Total Non-Departmental Other Expenses</b>	14,251	13,551	20,744
<b>Departmental Capital Expenditure</b>			
<a href="#">Department of Building and Housing - Capital Expenditure PLA (M9)</a> 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.	7,890	7,890	4,771
<b>Total Departmental Capital Expenditure</b>	7,890	7,890	4,771
<b>Non-Departmental Capital Expenditure</b>			
<a href="#">Acquisition and Development of properties under the Housing Act 1955 (M37)</a> This appropriation is limited to acquiring, developing and modernising properties under the Housing Act 1955.	8,948	6,595	<b>17,717</b>
<a href="#">Acquisition and Improvement of Housing New Zealand Corporation state houses (M37)</a> This appropriation is limited to debt or equity in Housing New Zealand Corporation to acquire, modernise or reconfigure Housing New Zealand Corporation state houses.	87,241	79,700	<b>115,800</b>
<a href="#">Capital Injections to Housing New Zealand Corporation for Housing Activities (M37)</a> Capital injections (debt or equity) to HNZC to give effect to Government policy decisions around stock acquisition, modernisation and other housing interventions.	-	-	<b>620</b>
<a href="#">Loans to support Homeownership (M37)</a> 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.	9,563	7,563	<b>6,000</b>

Titles and Scopes of Appropriations by Appropriation Type	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Loans to support Social and Affordable Housing (M37)</b> This appropriation is limited to the provision of loans to housing providers to increase the supply of housing for those on low to moderate income with diverse needs.	-	-	<b>20,000</b>
<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.	170,970	170,970	<b>234,642</b>
<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	12,000	-
<b>Total Non-Departmental Capital Expenditure</b>	288,722	276,828	394,779
<b>Total Annual and Permanent Appropriations</b>	933,597	911,941	1,076,991

# Details of Projected Movements in Departmental Net Assets

## Department of Building and Housing

Details of Net Asset Schedule	2008/09 Estimated Actual \$000	2009/10 Projected \$000	Explanation of Projected Movements in 2009/10
Opening Balance	11,480	21,348	
Capital Injections	10,681	922	To fund a projected deficit in the Occupational Licensing: Building Practitioners memorandum account (\$297,000) and a capital injection to fund the development of a new Electrical Workers Registration system (\$625,000).
Capital Withdrawals	-	(1,677)	Proposed repayment of previous contributions to fund the Occupational Licensing: Building Practitioners memorandum account. This repayment is dependent on take up of the scheme and policy work is underway which may impact the timing of take up.
Surplus to be Retained (Deficit Incurred)	(813)	(331)	
Other Movements	-	-	
<b>Closing Balance</b>	<b>21,348</b>	<b>20,262</b>	