

Vote Housing

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

Details of Appropriations

Details of Annual and Permanent Appropriations

| Titles and Scopes of Appropriations by Appropriation Type | 2009/10 | | |
|---|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Departmental Output Expenses | | | |
| Building Regulation and Control (M9) 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. | 16,339 | 221 | 16,560 |
| Occupational Licensing (M9) This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers. | 11,025 | (2,867) | 8,158 |
| Performance Monitoring and Advice - Housing New Zealand Corporation (M37) 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. | 641 | 750 | 1,391 |
| Residential Tenancy and Unit Title Services (M37) 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. | 21,616 | 606 | 22,222 |
| Sector and Regulatory Policy (M9) 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. | 4,237 | 500 | 4,737 |
| Weathertight Homes Resolution Service (M9) 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. | 14,227 | 1,048 | 15,275 |
| Total Departmental Output Expenses | 68,085 | 258 | 68,343 |
| Non-Departmental Output Expenses | | | |
| Contracted Housing Support Services (M37) 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. | 9,400 | 766 | 10,166 |
| HNZC Housing Support Services (M37) 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. | 12,293 | 2,700 | 14,993 |
| HNZC State House Upgrades (M37) 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. | 20,000 | - | 20,000 |

| | 2009/10 | | |
|---|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Titles and Scopes of Appropriations by Appropriation Type | | | |
| Housing Policy Advice (M37) | 2,640 | - | 2,640 |
| Purchase of housing policy advice, research and evaluation from HNZC. | | | |
| Management of Crown Properties held under the Housing Act 1955 (M37) | 1,246 | 50 | 1,296 |
| This appropriation is limited to the administration and management of Crown owned properties held under the Housing Act 1955. | | | |
| Total Non-Departmental Output Expenses | 45,579 | 3,516 | 49,095 |
| Benefits and Other Unrequited Expenses | | | |
| Housing Assistance (M37) | 2,742 | (1,927) | 815 |
| 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. | | | |
| Income Related Rental Subsidy (M37) | 540,291 | (12,440) | 527,851 |
| Subsidy provided to HNZC to compensate for the difference between assessed income-related and market rentals. | | | |
| Total Benefits and Other Unrequited Expenses | 543,033 | (14,367) | 528,666 |
| Non-Departmental Other Expenses | | | |
| Community Housing Rent Relief Programme (M37) | 4,500 | (700) | 3,800 |
| 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. | | | |
| Housing Innovation Fund Grants (M37) | - | 8,700 | 8,700 |
| This appropriation is limited to the provision of grants to housing providers to increase the supply of housing for those on low to moderate income with diverse needs. | | | |
| Housing Innovation Fund Loan Impairments (M37) | - | 5,535 | 5,535 |
| This appropriation is limited to the impairment of term loans made to housing providers to increase the supply of housing for those on low to moderate income with diverse needs. | | | |
| Increase in Debt Provision (M37) | 2,744 | 1,481 | 4,225 |
| Increase in provision for doubtful debts on Income Related Rents Crown Debt. | | | |
| Wellington City Council Social Housing Assistance (M37) | 13,500 | - | 13,500 |
| 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. | | | |
| Total Non-Departmental Other Expenses | 20,744 | 15,016 | 35,760 |
| Departmental Capital Expenditure | | | |
| Department of Building and Housing - Capital Expenditure PLA (M9) | 4,771 | 755 | 5,526 |
| 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. | | | |
| Total Departmental Capital Expenditure | 4,771 | 755 | 5,526 |

| Titles and Scopes of Appropriations by Appropriation Type | 2009/10 | | |
|---|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Non-Departmental Capital Expenditure | | | |
| Acquisition and Development of properties under the Housing Act 1955 (M37) This appropriation is limited to acquiring, developing and modernising properties under the Housing Act 1955. | 17,717 | 2,584 | 20,301 |
| Acquisition and Improvement of Housing New Zealand Corporation state houses (M37) This appropriation is limited to debt or equity in Housing New Zealand Corporation to acquire, modernise or reconfigure Housing New Zealand Corporation state houses. | 115,800 | 4,810 | 120,610 |
| Capital Injections to Housing New Zealand Corporation for Housing Activities (M37) Capital injections (debt or equity) to HNZC to give effect to Government policy decisions around stock acquisition, modernisation and other housing interventions. | 620 | - | 620 |
| Loans to support Homeownership (M37) 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. | 6,000 | (5,300) | 700 |
| Loans to support Social and Affordable Housing (M37) 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. | 20,000 | (8,700) | 11,300 |
| Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt (M37) This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited debt. | 234,642 | - | 234,642 |
| Total Non-Departmental Capital Expenditure | 394,779 | (6,606) | 388,173 |
| Total Annual and Permanent Appropriations | 1,076,991 | (1,428) | 1,075,563 |

Details of Projected Movements in Departmental Net Assets

Department of Building and Housing

| Details of Net Asset Schedule | 2009/10 Main Estimates Projections \$000 | 2009/10 Supplementary Estimates Projections \$000 | Explanation of Projected Movements in 2009/10 |
|---|---|---|---|
| Opening Balance | 21,348 | 17,272 | Supplementary Estimates opening balance reflects the audited results as at 30 June 2009. |
| Capital Injections | 922 | 2,689 | To fund a projected deficit in the Occupational Licensing: Building Practitioners memorandum account (\$2.013 million), the National Multi Use Approvals memorandum account (\$51,000) and a capital injection to fund the development of a new Electrical Workers Registration system (\$625,000). |
| Capital Withdrawals | (1,677) | - | |
| Surplus to be Retained (Deficit Incurred) | (331) | (2,064) | Repayment of the injection for the Occupational Licensing: Building Practitioners and National Multi Use Approvals memorandum accounts. |
| Other Movements | - | - | |
| Closing Balance | 20,262 | 17,897 | |