

VOTE *Housing*

Housing

Overview

Appropriations sought for Vote Housing in 2000/01 total \$13.930 million. This is to be spent providing services to tenants and landlords.

The Ministry expects to collect \$5.5 million revenue from interest on the Residential Tenancies Trust Account, and \$840,000 revenue from fees for the Dispute Resolution Service.

Details of how the appropriations are to be applied appear in Parts B1, C and D of this Vote.

Terms and Definitions Used

HCNZ Housing Corporation of New Zealand

Footnotes

Note 1 Not applicable as Crown revenue is not appropriated.

Note 2 Appropriations are stated GST inclusive (where applicable).

Housing

VOTE MINISTER: Minister of Housing

ADMINISTERING DEPARTMENT: Ministry of Housing

The Minister of Housing is the Responsible Minister for the Ministry of Housing

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote Housing

Contribution of Outputs to the Government Outcomes

The Ministry's outputs contribute to the Government's outcome of administering the Residential Tenancies Act 1986, which protects the rights of landlords and tenants, as follows:

- Output class Administration of Residential Tenancies Bond Monies - by making safe lodgement, efficient investment and lawful refund of tenancy bond monies
- Output class Residential Tenancies Information and Advice and Dispute Resolution - by providing effective and impartial advice, and provision of mediation and dispute-resolution services to landlords and tenants.

Contribution to the Government's Key Goals

Through delivering services to protect the rights of landlords and tenants equitably and efficiently, the Ministry will:

- contribute to restoring trust in Government and provide strong social services
- contribute to closing the gaps for Māori and Pacific people in health, education, employment and housing.

Part A2 - Trends in Vote Housing

The Ministry of Housing was established on 1 July 1992 and administers Vote Housing.

Output Class Appropriations

Appropriations for Vote Housing output classes amounted to \$15.31 million in 1995/96, and \$14.767 million in 1996/97; in 1999/2000 they are estimated to amount to \$12.82 million; and in 2000/01 they are forecast to amount to \$13.93 million.

From 1995/96 there was a decrease in output class D1 (Administration of Residential Tenancies Bond Monies), following a determination from Inland Revenue that it should be considered GST exempt from 1 July 1995.

In 1998/99 the appropriation for output class D2 (Residential Tenancies Information and Advice and Dispute Resolution) was increased, reflecting increased Tenancy Tribunal workload. However, the introduction of fees for applications to the Tenancy Tribunal since October 1998 ensured that the cost of this increase would ultimately be met by third parties and not the Crown.

The reduction in output class appropriations in 1999/2000 reflects the transfer from 1 January 1999 of the housing policy advice function (formerly output class D1) to the Social Policy Agency in the Department of Social Welfare.

Other Appropriations

From 1993/94 to 1999/2000 Vote Housing has included a Benefits and Other Unrequited Expenses appropriation "Housing Assistance". This represents payments for:

- the continuation of appropriations funded through Housing Corporation of New Zealand (HCNZ) prior to 1993/94 (including interest payments on Home Start Loans, Building Suspensory Loans and reimbursement for the Home Owner Savings Scheme)
- commitments entered into to facilitate the sale of mortgages (generally to allow the existing mortgage conditions to be retained by providing interest make-up payments to purchasers of HCNZ mortgages)
- new programmes administered on the Crown's behalf by HCNZ where the client's interest rate is below the current prime rate (including interest payments on Home Buy Suspensory Loans).

Over time this appropriation has decreased significantly: from \$13.116 million in 1993/94 and \$7.743 million in 1994/95, Housing Assistance expenses are forecast to amount to just \$700,000 in 1999/2000. This reduction reflects the repayment of existing loans and a downward trend in interest payments over the period more than offsetting new loans.

In 2000/01 the Housing Assistance appropriation is being transferred to Vote Social Services.

In 1995/96 Vote Housing funded a one-off \$10.412 million settlement between the Crown and the Ngati Whatua o Orakei Trust Board for a claim relating to preferential access to state housing in Orakei. This transaction also involved the Crown purchasing 103 houses in Orakei at a cost of \$9 million (partly offset by a \$5.735 million capital receipt from the Ngati Whatua o Orakei Trust Board).

In 1998/99 Vote Housing included a Departmental Other Expense appropriation of \$801,000 for transitional costs, including redundancies, relating to the transfer of the housing policy advice function from the Ministry to the then Department of Social Welfare.

Trends in Vote Housing - Summary of Appropriations and Crown Revenue

Types of Appropriation	1995/96	1996/97	1997/98	1998/99	1999/2000		2000/01 Appropriations to be Used				Total \$000
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000	
Operating Flows											
Classes of Outputs to be Supplied	15,310	14,767	14,775	14,261	13,712	12,820	13,930	-	-	-	13,930
Benefits and Other Unrequited Expenses	5,132	4,828	2,323	712	700	700	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Other Expenses	10,412	-	-	-	-	-	-	-	-	-	-
Capital Flows											
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	9,000	-	-	-	-	-	N/A	N/A	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-
Total Appropriations	39,854	19,595	17,098	14,973	14,412	13,520	13,930	-	-	-	13,930
Total Crown Revenue and Receipts (see note 1)	5,735	-	-	-	-	-	N/A	N/A	N/A	N/A	-

Part B - Statement of Appropriations

Part B1 - Details of 2000/01 Appropriations (see note 2)

Appropriations	1999/2000			2000/01			Description of 2000/01 Appropriations
	Vote		Estimated Actual	Vote		Other \$000	
	Annual \$000	Other \$000	Annual \$000	Annual \$000	Other \$000		
Departmental Output Classes (Mode B Gross)							
D1 Administration of Residential Tenancies Bond Monies	3,401	-	3,142	3,401	-	-	Administration of residential tenancies bond monies, including collecting and repaying bond monies as required by the Residential Tenancies Act 1986, and managing and investing bond monies.
D2 Residential Tenancies Information and Advice and Dispute Resolution	10,311	-	9,678	10,529	-	-	Provision of information and advice and the provision of mediation and dispute-resolution services to tenants and landlords in relation to residential tenancies, as required by the Residential Tenancies Act 1986.
Total Appropriations for Departmental Output Classes (Mode B Gross)	13,712	-	12,820	13,930	-	-	Refer to Part C1 for a full description.
Benefits and Other Unrequited Expenses							
Housing Assistance	700	-	700	-	-	-	Payments made to HCNZ and other mortgage providers to cover the difference between the cost of funds borrowed and the rate at which funds are lent. From 1 July 2000, this expense item will be appropriated under Vote Social Services.
Total Appropriations for Benefits and Other Unrequited Expenses	700	-	700	-	-	-	
Total Appropriations	14,412	-	13,520	13,930	-	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Performance measures for these output classes are shown in the “Service Performance Objectives” section of the Ministry’s “Departmental Forecast Report – 2000”.

Output Class D1 - Administration of Residential Tenancies Bond Monies

This output class involves the efficient, effective and impartial administration of residential tenancies bond monies. This includes:

- ensuring bond monies are lodged with the Ministry, as required under the Residential Tenancies Act 1986
- managing, investing and repaying bond monies as required under the Act
- providing information in relation to lodgements and refunds of bond monies
- providing information on market rents to the Tenancy Tribunal and other interested parties.

Output Class D2 – Residential Tenancies Information and Advice and Dispute Resolution

This output class involves the provision of information and advice primarily relating to the Residential Tenancies Act 1986, and the provision of mediation and dispute resolution services to tenants and landlords in relation to residential tenancies. In particular, this output class involves:

- responding to enquiries from both tenants and landlords about tenancy matters
- providing a public education programme on the requirements of both tenant and landlord in relation to tenancy issues
- investigating alleged breaches of the Residential Tenancies Act
- providing information and advice on specific residential tenancy disputes and mediation between the parties
- administration of the Tenancy Tribunal.

Part D - Explanation of Appropriations for Other Operating Flows

Part D1 - Benefits and Other Unrequited Expenses

Information about this appropriation is provided in Part B1.

Part D2 - Borrowing Expenses

There is no appropriation for Part D2.

Part D3 - Other Expenses

There is no appropriation for Part D3.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

There is no appropriation for Part E1.

Part E2 - Purchase or Development of Capital Assets by the Crown

There is no appropriation for Part E2.

Part E3 - Repayment of Debt

There is no appropriation for Part E3.

