

# *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 2012/13 financial year covering the following:

- a total of just over \$77 million for departmental output expenses including policy advice, ministerial servicing, performance and monitoring, delivering regulatory and control services for the building industry under the Building Act 2004 and related consumer information, maintaining registration and licensing regimes for building practitioners and electrical workers, and providing assessment and dispute resolution services under the Weathertight Homes Resolution Services Act 2006 and the administration of the Weathertight Financial Assistance Package
- a total of just over \$1 million for other expenses, and
- a total of just over \$1 million on departmental capital expenditure.

The Minister of Housing is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

- a total of just over \$29 million for departmental output expenses including co-ordinating and managing the Department's response programme to the Canterbury earthquake, providing services relating to residential tenancies and unit titles, and the operations of the social housing unit
- a total of just under \$650 million for non-departmental output expenses including \$626 million on the income-related rent subsidy for eligible Housing New Zealand Corporation tenants
- a total of just under \$15 million for benefits and other unrequited expenses
- a total of just under \$82 million for other expenses, and
- a total of just under \$167 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	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<i>Canterbury Earthquakes: Building and Housing Assistance (M37)</i>	-	-	2,505
This appropriation is limited to the co-ordination, management and delivery of the overall Departmental response programme, and the delivery of accommodation matching and placement services to people displaced by the Canterbury earthquakes.			
<i>Policy Advice and Related Outputs MCOA (M9)</i>	-	-	10,488
<i>MCOA - Building and Construction Ministerial Servicing</i>	-	-	297
This output class is limited to the provision of support, information and services to the Minister for Building and Construction to enable the Minister to discharge their portfolio responsibilities (other than policy decision making).			
<i>MCOA - Building and Construction Policy</i>	-	-	2,678
This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision making by Ministers on government policy matters relating to Building and Construction.			
<i>MCOA - Housing Policy Advice</i>	-	-	6,866
This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision making by Ministers on government policy matters relating to Housing.			
<i>MCOA - Housing, Ministerial Servicing and Performance and Monitoring</i>	-	-	647
This output class is limited to the provision of support, information and services to the Minister of Housing to enable the Minister to discharge their portfolio responsibilities (other than policy decision making).			
<i>Social Housing Unit (M37)</i>	2,500	2,500	2,650
This appropriation is limited to the administration costs of the Social Housing Unit.			
<i>Weathertight Services (M9)</i>	18,662	18,662	35,715
This appropriation is limited to assessing the eligibility of weathertight homes claims; independent technical assessment of claims, including reports on actual and probable damage with estimated costs of repair; administration of the financial assistance package; claim management until repair or claim lodged with the Weathertight Tribunal; provision of mediation services; and advice, information and education to support more informed consumer decisions.			
<i>Canterbury Earthquakes: Arranging and Managing Emergency and Temporary Accommodation (M37)</i>	3,802	3,802	-
This appropriation is limited to the expenses incurred in arranging and managing accommodation for people displaced by the Canterbury earthquakes and co-ordination and management of the overall Departmental response programme.			
<i>Housing, Building and Construction Policy Advice (M9)</i>	9,445	9,445	-
This appropriation is limited to the provision of policy advice to improve the performance of the building and housing sector; develop an effective social housing market; improve the efficiency and adequacy of support for people in housing need; monitor and provide information on sector trends and outcomes, and provide advice on the membership and effectiveness of statutory boards.			
<i>Performance Monitoring and Advice - Social Housing (M37)</i>	794	794	-
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, and the monitoring of housing grants provided to Wellington City Council.			
<b>Total Departmental Output Expenses</b>	<b>35,203</b>	<b>35,203</b>	<b>51,358</b>

Titles and Scopes of Appropriations by Appropriation Type	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Non-Departmental Output Expenses</b>			
<i>Canterbury Earthquakes: Emergency and Temporary Accommodation (M37)</i> This appropriation is limited to operating expenses incurred on emergency and temporary accommodation for people displaced by the Canterbury earthquakes.	16,845	7,500	9,352
<i>HNZC Housing Support Services (M37)</i> 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.	15,383	15,383	12,566
<i>Management of Crown Properties held under the Housing Act 1955 (M37)</i> This appropriation is limited to the administration and management of Crown owned properties held under the Housing Act 1955.	1,395	1,395	1,395
<i>Purchase of Housing and Related Services for Tenants Paying Income Related Rent (M37)</i> This appropriation is limited to the purchase of housing and related services delivered by Housing New Zealand Corporation to individuals who are eligible for an income related rent, assessed as the difference in price between the amounts of market rents for the housing provided by the Corporation and the income related rents charged.	588,888	588,888	626,482
<i>Contracted Housing Support Services (M37)</i> 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.	1,410	1,410	-
<b>Total Non-Departmental Output Expenses</b>	623,921	614,576	649,795
<b>Benefits and Other Unrequited Expenses</b>			
<i>Housing Assistance (M37)</i> 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.	1,554	1,554	1,585
<i>KiwiSaver Deposit Subsidy (M37)</i> To enable the provision of the KiwiSaver deposit subsidy for people who meet the required eligibility criteria.	10,626	10,626	13,000
<b>Total Benefits and Other Unrequited Expenses</b>	12,180	12,180	14,585
<b>Non-Departmental Other Expenses</b>			
<i>Community Housing Rent Relief Programme (M37)</i> 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.	4,150	4,150	4,127
<i>Increase in Debt Provision (M37)</i> Increase in provision for doubtful debts on Income Related Rents Crown Debt.	8,000	8,000	8,000
<i>Payments in respect of the Weathertight Services Loan Guarantees PLA (M9)</i> This appropriation is limited to the payments to banks under the Weathertight Services Financial Assistance Package: Loan Guarantee scheme as authorised under section 65ZG of the Public Finance Act 1989.	30	30	400
<i>Unwind of Discount Rate used in the Present Value Calculation of Direct Payments under the Weathertight Homes Financial Assistance Package. (M9)</i> This appropriation is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the Weathertight Homes Financial Assistance Package liability as the liability nears settlement.	1,100	1,100	700

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<i>Wellington City Council Social Housing Assistance (M37)</i> 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.	43,500	43,500	35,000
<i>Social Housing Fund (M37)</i> This appropriation is limited to the purchasing of services from, or providing support to, third party providers of social and/or affordable housing services.	37,350	37,350	-
<b>Total Non-Departmental Other Expenses</b>	94,130	94,130	48,227
<b>Departmental Capital Expenditure</b>			
<i>Department of Building and Housing - Capital Expenditure PLA (M9)</i> 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.	4,084	600	1,099
<b>Total Departmental Capital Expenditure</b>	4,084	600	1,099
<b>Non-Departmental Capital Expenditure</b>			
<i>Acquisition and Development of properties under the Housing Act 1955 (M37)</i> This appropriation is limited to acquiring, developing and modernising properties under the Housing Act 1955.	12,573	12,573	10,000
<i>Acquisition and Improvement of Housing New Zealand Corporation state houses (M37)</i> This appropriation is limited to debt or equity in Housing New Zealand Corporation to acquire, modernise or reconfigure Housing New Zealand Corporation state houses.	9,300	9,300	5,800
<i>Capital Injections to Housing New Zealand Corporation for Housing Activities (M37)</i> Capital injections (debt or equity) to HNZC to give effect to Government policy decisions around stock acquisition, modernisation and other housing interventions.	27	27	27
<i>Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt (M37)</i> This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited debt.	175,496	175,496	150,862
<i>Canterbury Earthquake: Acquisition of Emergency and Temporary Accommodation (M37)</i> This appropriation is limited to capital expenditure incurred on emergency and temporary accommodation for people displaced by the Canterbury earthquakes.	18,946	12,000	-
<b>Total Non-Departmental Capital Expenditure</b>	216,342	209,396	166,689
<b>Total Annual and Permanent Appropriations</b>	985,860	966,085	931,753

## Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000	
<b>Departmental Output Expenses</b>			
<b><i>Building Regulation and Control (M9)</i></b>	Original Appropriation	46,898	
<p>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.</p> <p>Commences: 1 July 2010</p> <p>Expires: 30 June 2013</p>	Adjustments to 2010/11	2,965	
	Adjustments for 2011/12	9,900	
	Adjusted Appropriation	59,763	
	Actual to 2010/11 Year End	16,111	
	Estimated Actual for 2011/12	21,332	
	Estimated Actual for 2012/13	22,320	
	Estimated Appropriation Remaining	-	
	<b><i>Occupational Licensing (M9)</i></b>	Original Appropriation	27,341
	<p>This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers.</p> <p>Commences: 1 July 2010</p> <p>Expires: 30 June 2013</p>	Adjustments to 2010/11	-
Adjustments for 2011/12		(43)	
Adjusted Appropriation		27,298	
Actual to 2010/11 Year End		8,701	
Estimated Actual for 2011/12		9,966	
Estimated Actual for 2012/13		8,631	
Estimated Appropriation Remaining		-	
<b><i>Residential Tenancy and Unit Title Services (M37)</i></b>		Original Appropriation	66,550
<p>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.</p> <p>Commences: 1 July 2010</p> <p>Expires: 30 June 2013</p>		Adjustments to 2010/11	830
	Adjustments for 2011/12	(246)	
	Adjusted Appropriation	67,134	
	Actual to 2010/11 Year End	20,946	
	Estimated Actual for 2011/12	22,328	
	Estimated Actual for 2012/13	23,860	
	Estimated Appropriation Remaining	-	

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Other Expenses</b>		
<i>Social Housing Fund (M37)</i>	Original Appropriation	104,100
This appropriation is limited to the purchasing of services from, or providing support to, third party providers of social and/or affordable housing services.	Adjustments to 2010/11	-
	Adjustments for 2011/12	-
Commences: 1 July 2012	Adjusted Appropriation	104,100
Expires: 30 June 2015	Actual to 2010/11 Year End	-
	Estimated Actual for 2011/12	-
	Estimated Actual for 2012/13	34,000
	Estimated Appropriation Remaining	70,100
<i>Weathertight Services: Guarantee Fee Subsidy (M9)</i>	Original Appropriation	13,520
This appropriation is limited to the expense reflecting the guarantee fee subsidy under the Weathertight Services Financial Assistance Package: Loan Guarantee scheme.	Adjustments to 2010/11	-
	Adjustments for 2011/12	(100)
Commences: 1 July 2010	Adjusted Appropriation	13,420
Expires: 30 June 2015	Actual to 2010/11 Year End	-
	Estimated Actual for 2011/12	200
	Estimated Actual for 2012/13	2,700
	Estimated Appropriation Remaining	10,520

# Details of Projected Movements in Departmental Net Assets

## Department of Building and Housing

Details of Net Asset Schedule	2011/12 Estimated Actual \$000	2012/13 Projected \$000	Explanation of Projected Movements in 2012/13
Opening Balance	16,309	10,083	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(6,226)	(6,774)	The large reductions in Net Assets reflect the planned use of the Memorandum Account surpluses to fund earthquake related technical investigations and the impact of operating the Multi Year Appropriations that are funded from third party revenue sources. These reductions should recover in future financial years.
Other Movements	-	-	
<b>Closing Balance</b>	<b>10,083</b>	<b>3,309</b>	