

# *Performance Information for Appropriations*

## *Vote Housing*

---

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

ADMINISTERING DEPARTMENT: Ministry of Business, Innovation and Employment

MINISTER RESPONSIBLE FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:  
Minister for Economic Development

## Part 1 - Summary of the Vote

### Part 1.1 - Overview of the Vote

The Minister for Building and Construction is responsible for appropriations in the Vote for the 2013/14 financial year covering the following:

- a total of just over \$67 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, and
- a total of just over \$9 million for other expenses.

The Minister of Housing is responsible for appropriations in the Vote for the 2013/14 financial year covering the following:

- a total of just over \$33 million for departmental output expenses including coordinating and managing the Ministry's response programme to the Canterbury earthquakes, providing services relating to residential tenancies and unit titles and the operations of the social housing unit
- a total of just over \$686 million for non-departmental output expenses including \$662 million on the income-related rent subsidy for eligible Housing New Zealand Corporation (HNZC) tenants
- a total of just over \$20 million for benefits and other unrequited expenses
- a total of just under \$78 million for other expenses, and
- a total of just over \$218 million on capital expenditure.

Details of these appropriations are set out in Parts 2-6 below.

### Part 1.2 - High-Level Objectives of the Vote

#### Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Build a more competitive and productive economy Rebuild Christchurch Deliver better public services	More productive and internationally competitive businesses Increased opportunities for all New Zealanders to participate in the economy	Building Regulation and Control Canterbury Earthquakes: Building and Housing Assistance Occupational Licensing Policy Advice and Related Outputs MCOA Residential Tenancy and Unit Title Services Social Housing Unit Special Housing Areas Weathertight Services

Note - The Government Priorities are also referred to as the Government Goals.

The Ministry of Business, Innovation and Employment Statement of Intent 2013-2016 discusses the link between the Ministers' priorities, and the Ministry's outputs and outcomes in more detail.

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14			2014/15	2015/16	2016/17
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	101,873	106,542	646,458	686,585	769,341	750,355	100,708	686,181	786,889	799,627	831,664	861,217
Benefits and Other Unrequited Expenses	512,392	522,339	4,310	10,956	17,309	17,309	N/A	20,496	20,496	23,277	23,393	23,507
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	12,695	29,170	619,363	88,838	125,959	125,959	-	86,934	86,934	89,039	36,156	17,663
Capital Expenditure	281,729	386,031	195,242	199,835	191,704	191,704	-	218,038	218,038	179,701	148,162	281,578
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>908,689</b>	<b>1,044,082</b>	<b>1,465,373</b>	<b>986,214</b>	<b>1,104,313</b>	<b>1,085,327</b>	<b>100,708</b>	<b>1,011,649</b>	<b>1,112,357</b>	<b>1,091,644</b>	<b>1,039,375</b>	<b>1,183,965</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	110,386	182,575	177,810	176,597	185,805	185,805	N/A	196,100	196,100	198,420	191,000	191,000
Capital Receipts	-	-	-	252	1,516	1,516	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>110,386</b>	<b>182,575</b>	<b>177,810</b>	<b>176,849</b>	<b>187,321</b>	<b>187,321</b>	<b>N/A</b>	<b>196,100</b>	<b>196,100</b>	<b>198,420</b>	<b>191,000</b>	<b>191,000</b>

## New Policy Initiatives

Policy Initiative	Appropriation	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Future Monitoring of the Housing New Zealand Corporation	<b>Policy Advice and Related Outputs MCOA Housing, Ministerial Servicing and Performance and Monitoring</b> Departmental Output Expenses	(377)	(647)	(647)	(647)	(647)
Community Group Housing	<b>Weathertight Services</b> Departmental Output Expenses	(890)	(534)	-	-	-
	<b>HNZC Housing Support Services</b> Non-Departmental Output Expenses	890	5,193	-	-	-
Extension of Income-Related Rent Subsidy to Approved Community Housing Providers	<b>Weathertight Services</b> Departmental Output Expenses	-	(2,900)	(6,000)	(11,200)	(6,500)
	<b>Income Related Rent Subsidy for Community Housing Providers</b> Non-Departmental Output Expenses	-	2,900	6,000	8,600	9,100
Special Housing Areas	<b>Special Housing Areas</b> Departmental Output Expenses	-	4,200	5,000	5,000	2,500
Kāinga Whenua - Infrastructure Grant	<b>HNZC Housing Support Services</b> Non-Departmental Output Expenses	-	3,000	3,000	3,000	3,000
KiwiSaver Administration Increased Costs	<b>Weathertight Services</b> Non-Departmental Output Expense	(75)	(300)	-	-	-
	<b>HNZC Housing Support Services</b> Non-Departmental Output Expenses	75	300	-	-	-
Reviewable Tenancies Policy for HNZC Tenants	<b>Purchase of Housing and Related Services for Tenants Paying Income Related Rent</b> Non-Departmental Output Expenses	-	-	-	11,400	35,400

## Analysis of Significant Trends

### *Output Expenses*

The significant increase in 2010/11 was in relation to the reclassification of the income related rent subsidy. The income related rental was the most significant appropriation and had grown from \$504 million in 2008/09 to a forecast of \$727 million in 2016/17.

### *Benefits and Other Unrequited Expenses*

The funding for Income Related Rent Subsidy was reclassified to non-departmental output expense in 2010/11. In 2010/12 the KiwiSaver Housing Deposit Subsidy was introduced and the increased trend reflects the uptake of this scheme.

### *Other Expenses*

The significant increase in 2010/11 was in relation to the Weathertight Financial Assistance Package of \$567 million. The decrease in 2015/16 reflects the decrease in the Weathertight Package and the cessation of funding to the Wellington City Council Housing Package which started in 2008/09.

### *Non-Departmental Capital Expenditure*

This is mainly due to the refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt appropriation for the roll over of existing Housing New Zealand Corporation loans. It peaks in 2013/14 at \$210.238 million and increases in outyears.

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcomes</b> More productive and internationally competitive businesses Increased opportunities for all New Zealanders to participate in the economy <b>Intermediate Outcomes</b> Safe, healthy and affordable homes and buildings Productive and successful people, communities and regions	Building Regulation and Control Canterbury Earthquakes: Building and Housing Assistance Occupational Licensing Policy Advice and Related Outputs MCOA Residential Tenancy and Unit Title Services Social Housing Unit Special Housing Areas Weathertight Services

For further information on the intended impacts, outcomes and objectives of departmental output expenses appropriations, please see the Ministry of Business, Innovation and Employment Statement of Intent 2013-2016.

#### Building Regulation and Control (M9)

##### *Scope of Appropriation*

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.

##### *Expenses and Revenue*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	17,965
Revenue from Crown	-	-	2,122
Revenue from Other	-	-	19,876

##### *Reasons for Change in Appropriation*

This appropriation is being established in 2013/14 and was previously a multi-year appropriation.

## Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Implementation of the Building Act Review recommendations</b>			
All advice to Ministers meets agreed timeframe and quality standards.	100%	100%	Discontinued
The satisfaction of the Minister of Housing with the policy advice service, as per the common satisfaction survey.	Replacement measure	Replacement measure	At least 70%
<b>Provide Information, Advice and Guidance</b> Provide information, advice and guidance to the building sector on regulatory schemes under the Building Act 2004.			
<i>Quality</i>			
Provide technical and regulatory advice, information and education on a range of schemes and services.	Updated measure	Updated measure	75% of users surveyed are satisfied with the advice, information and education received
<b>Product Assurance</b> Provide product assurance support, including administration of the product certification scheme.			
<i>Quality</i>			
Publish approved Product Certification Bodies and product certificates within 10 working days of receipt.	100%	100%	100%
<b>Investigate and Issue Determinations</b> Investigate and issue Determinations under the Building Act 2004. These are demand driven and the Ministry expects to complete approximately 135 Determinations per year.			
<i>Quality</i>			
Determinations successfully appealed.	Less than 2%	Less than 2%	Less than 2%
Determinations subject to clarification due to inadequate coverage of issues.	Less than 3%	Less than 2%	Less than 3%
<i>Timeliness</i>			
Determinations completed within the statutory timeframe (60 days) without agreement of the parties to extend timeframes.	100%	99%	100%
<b>MultiProof Service</b> Deliver MultiProof approvals of designs indicated to be replicated. These are demand driven and the Ministry expects to process approximately 200 MultiProof applications.			
<i>Quality</i>			
No declined applications appealed successfully to the District Court.	Achieved	Achieved	Achieved

*Memorandum Account*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Building Controls</b>			
Opening Balance at 1 July	10,748	10,748	5,984
Revenue	16,950	16,950	17,624
Expenses	(21,714)	(21,714)	(14,207)
<b>Transfers and Adjustments</b>			
Closing Balance at 30 June	5,984	5,984	9,401

The Ministry of Business, Innovation and Employment intends to undertake a fees review in 2013/14.

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>National Multi Use Approvals</b>			
Opening Balance at 1 July	(308)	(308)	(1,254)
Revenue	410	134	2,252
Expenses	(1,356)	(267)	(1,636)
<b>Transfers and Adjustments</b>			
Closing Balance at 30 June	(1,254)	(441)	(638)

The Ministry of Business, Innovation and Employment intends to undertake a fees review in 2013/14.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
<b>Current Government</b>						
Contribution to Efficiency Savings	2012/13	(100)	(100)	(100)	(100)	(100)
Set up National Multi Use Approval Memorandum Account	2009/10	1,356	1,636	1,636	1,636	1,636
<b>Previous Government</b>						
Implementation of Building Code Review	2008/09	995	995	995	995	995

**Canterbury Earthquakes: Building and Housing Assistance (M37)***Scope of Appropriation*

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.



## Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,902	4,902	4,170
Revenue from Crown	4,902	4,902	4,170
Revenue from Other	-	-	-

## Reasons for Change in Appropriation

The decreased appropriation reflects a decreased level of activity.

## Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Canterbury Earthquake Temporary Accommodation Service (CETAS)</b> Identify and manage the temporary accommodation needs for households displaced by the Canterbury earthquakes by working across agencies and communities to provide best fit solutions for communities.			
<b>Property Register</b>			
<i>Quality and Timeliness</i>			
An electronic current register of housing and temporary accommodation stock is available to associated agencies and households.	Updated measure	Updated measure	Available private market rental housing is accurate and current to within 30 days
An electronic current register of housing and temporary accommodation stock is available to associated agencies and households.	Updated measure	Updated measure	Available temporary village accommodation is accurate and current to within 24 hours
<b>Matching and Placement</b>			
<i>Quality</i>			
Surveyed clients (households and village residents) are satisfied with accommodation matching and placement services.	80% satisfaction rating	80% satisfaction rating	80% satisfaction rate
<b>Stakeholder engagement, advice and education</b>			
<i>Quantity</i>			
Quarterly communications/meetings with key stakeholders (landlords, property investors etc) are conducted.	Achieved	Achieved	Achieved

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Transfer funding from Canterbury Earthquakes: Arranging and Managing Emergency and Temporary Accommodation	2011/12	2,505	1,540	-	-	-

## Occupational Licensing (M9)

### Scope of Appropriation

This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers.

### Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	9,948
Revenue from Crown	-	-	-
Revenue from Other	-	-	9,526

### Reasons for Change in Appropriation

This appropriation is being established in 2013/14 and was previously a multi-year appropriation.

### Output Performance Measures and Standards

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
<b>Licensing of Building Practitioners</b>			
Administration and development of the occupational licensing scheme for building practitioners under the Building Act 2004 to increase competency in the building and construction sector.			
<i>Quantity</i>			
Relicensing building practitioners.	New measure	New measure	90% within five working days of a correctly completed relicensing application
Relicense existing practitioners.	15,000 practitioners relicensed	15,000 practitioners relicensed	21,000 practitioners relicensed
<i>Timeliness</i>			
License building practitioners.	Updated measure	Updated measure	95% of new license applications are processed within 35 working days of receipt of a correctly completed application
<i>Quality</i>			
Complaint Reports are complete within 40 working days from receipt of Board request.	New measure	New measure	80%

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Licensing of Electrical Workers</b>			
Administer the electrical occupational licensing requirements under the Electricity Act 1992 to increase competency in the sector.			
<i>Quality</i>			
Issue practising licenses for electrical workers.	24,000 practising licenses issued by 30 June 2013	24,000 practising licenses issued by 30 June 2013	24,000 practising licenses issued by 30 June 2014
<i>Timeliness</i>			
Register electrical workers and issue practising licenses.	Updated measure	Updated measure	95% within 10 working days of receipt of a correctly completed registration or licensing application
Conduct examinations of electrical workers and release results within six weeks from date of examination.	Updated measure	Updated measure	100% released within six weeks
Complaints against non-registered electrical workers: Period from the date a complaint is received by the Group and referred to the Registrar for decision on the action to be taken. Complaints against registered electrical workers: Period from the date a complaint is received by the Registrar to the date the investigators determination is made available to the Electrical Workers Registration Board.	Updated measure	Updated measure	85% within 12 weeks of receipt

### *Memorandum Account*

Occupational Licensing - Building Practitioners	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Opening Balance at 1 July	(15,673)	(15,327)	(15,695)
Revenue	7,700	5,780	5,780
Expenses	(4,676)	(6,148)	(6,178)
<b>Transfers and Adjustments</b>			
Closing Balance at 30 June	(12,649)	(15,695)	(16,093)

The Ministry of Business, Innovation and Employment intends to undertake a fees review in 2013/14.

Occupational Licensing - Electrical Workers	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Opening Balance at 1 July	3,862	3,862	4,573
Revenue	5,307	5,307	3,035
Expenses	(4,596)	(4,596)	(4,096)
<b>Transfers and Adjustments</b>			
Closing Balance at 30 June	4,573	4,573	3,512

Revised fees to be implemented following the fees review in 2012/13, which will bring the memorandum account in to balance within five to six years.

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Contribution to Efficiency Savings	2012/13	(43)	(43)	(43)	(43)	(43)
Electrical Workers Registration and Licensing System	2008/09	510	510	510	510	510

## Policy Advice and Related Outputs MCOA (M9)

### Scope of Appropriation

#### MCOA - Building and Construction Ministerial Servicing

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).

#### MCOA - Building and Construction Policy

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.

#### MCOA - Housing Policy Advice

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.

#### MCOA - Housing, Ministerial Servicing and Performance and Monitoring

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).

### Explanation for Use of Multi-Class Output Expense Appropriation

The output classes are grouped together because they relate to the provision of policy advice and related outputs such as Ministerial Servicing and Performance Monitoring by the Ministry of Business, Innovation and Employment.

### Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	11,311	11,311	9,711
MCOA - Building and Construction Ministerial Servicing	297	297	292
MCOA - Building and Construction Policy	2,678	2,678	2,631
MCOA - Housing Policy Advice	8,066	8,066	6,788
MCOA - Housing, Ministerial Servicing and Performance and Monitoring	270	270	-

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Revenue from Crown</b>	11,311	11,311	9,711
MCOA - Building and Construction Ministerial Servicing	297	297	292
MCOA - Building and Construction Policy	2,678	2,678	2,631
MCOA - Housing Policy Advice	8,066	8,066	6,788
MCOA - Housing, Ministerial Servicing and Performance and Monitoring	270	270	-
<b>Revenue from Other</b>	-	-	-
MCOA - Building and Construction Ministerial Servicing	-	-	-
MCOA - Building and Construction Policy	-	-	-
MCOA - Housing Policy Advice	-	-	-
MCOA - Housing, Ministerial Servicing and Performance and Monitoring	-	-	-

### *Reasons for Change in Appropriation*

The decreased appropriation is a result of a fiscally neutral adjustment (FNA) from departmental output expense Weathertight Services in 2012/13, and the transfer of the HNZC monitoring to Vote Finance.

### *Output Performance Measures and Standards*

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Policy Advice</b>			
Provide effective policy advice on building and housing to ensure issues are addressed for the New Zealand environment.			
<i>Quality</i>			
Provide access to quality and timely information to inform decision making demonstrated through independent assessment.	Average rating of papers by NZIER at least 7.5 (on a 1-10 scale)	Average rating of papers by NZIER at least 7.5 (on a 1-10 scale)	Discontinued
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.	Replacement measure	Replacement measure	At least an average of 73%
The total cost per hour of producing outputs.	New measure	New measure	At most \$155
Meet our quality standards for policy advice.	100%	100%	Discontinued
<b>Statutory Board Responsibilities</b>			
Advice on the efficient and effective regulation of trades and professions operating within the building and housing sector, including monitoring the effectiveness of statutory boards.			
<i>Quality</i>			
Board member appointments and reappointments within statutory guidelines and requirements.	Quality Board members appointed as required	Quality Board members appointed as required	Quality Board members appointed as required
<i>Timeliness</i>			
Advice on annual reports on performance.	Advice given to Ministers within one month of receipt of report	Advice given to Ministers within one month of receipt of report	Advice given to Ministers within one month of receipt of report

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Ministerial Services</b> This includes:			
<ul style="list-style-type: none"> <li>responses to 70 to 90 (forecast) parliamentary questions</li> <li>responses to 600 to 680 (forecast) ministerial correspondence items, and</li> <li>responses to 440 to 500 (forecast) Official Information Act 1982 and Privacy Act 1993 requests.</li> </ul>			
<i>Quality</i>			
Ministerial satisfaction assessed through regular feedback from Ministers.	Achieved	Achieved	Discontinued
The satisfaction of the Minister of Housing with the policy advice service, as per the common satisfaction survey.	Replacement measure	Replacement measure	At least 70%
Responses to Official Information Act 1982 and Privacy Act 1993 requests comply with legislation.	100%	100%	100%
<i>Timeliness</i>			
Responses to parliamentary questions and ministerial correspondence provided within the deadlines agreed with the Minister.	100%	95%	Discontinued
Responses to Official Information Act 1982 and Privacy Act 1993 requests provided within statutory deadlines.	100%	98.9%	Discontinued
Responses to Parliamentary Questions, Ministerial Correspondence and Ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.	Updated measure	Updated measure	95% or above

### *Conditions on Use of Appropriation*

Reference	Conditions
Quality standards for policy advice.	Refer to Conditions on Use of Appropriation noted under the Building Regulations and Control output expense

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Future Monitoring of the Housing New Zealand Corporation.	2012/13	(377)	(647)	(647)	(647)	(647)
Contribution to Efficiency Savings.	2012/13	(100)	(100)	(100)	(100)	(100)
Fund Social Housing Reform Programme and Policy advice capacity issues.	2011/12	3,050	3,050	1,000	-	-
Transfer funding from Sector Regulatory Policy.	2011/12	4,211	4,211	4,211	4,211	4,211
Transfer funding from Housing Policy.	2011/12	2,533	2,403	2,403	2,403	2,403

## Residential Tenancy and Unit Title Services (M37)

### *Scope of Appropriation*

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.

### *Expenses and Revenue*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	22,232
Revenue from Crown	-	-	-
Revenue from Other	-	-	18,655

### *Reasons for Change in Appropriation*

This appropriation is being established in 2013/14 and was previously a multi-year appropriation.

### *Output Performance Measures and Standards*

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Residential Tenancies Act and Unit Titles Act statutory functions</b>			
Manage bond lodgements, refunds and investment as required under the Residential Tenancies Act 1986 and over 53,000 tenancy tribunal applications. Provide advice, education and information and dispute resolution as required under the Unit Titles Act (UTA) 2010.			
<i>Quality</i>			
Clients are satisfied with departmental advice and information provided via a range of channels for Residential Tenancies Services (RTS), Boarding House Tenancies and Unit Titles.	Updated measure	Updated measure	70% of surveyed clients are satisfied or very satisfied
<i>Quality and Timeliness</i>			
Process in excess of 200,000 Bond Lodgements:			
<ul style="list-style-type: none"> <li>process bond lodgements within 10 business days with less than 1.5% error rate.</li> </ul>	Updated measure	Updated measure	95%
Process in excess of 200,000 Bond refunds:			
<ul style="list-style-type: none"> <li>process bond refunds within 2 business days with less than 1% error rate.</li> </ul>	Updated measure	Updated measure	95%
Internal Audit of building and housing related calls assessed are to the agreed standard.	Updated measure	Updated measure	85% or better

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Residential tenancy dispute resolution</b>			
<i>Quality</i>			
Maintain or improve overall satisfaction of the top 10 clients with the delivery of dispute resolution services (RTS and UTA). This includes the application process, Contact Centre advice, mediation and tribunal hearing processes.	Updated measure	Updated measure	80% satisfaction rate
Number of tenancy tribunal applications to the Service resolved using the first method of resolution applied.	60%	60%	60%
<b>Unit titles disputes</b>			
<i>Quality</i>			
Number of unit title applications to the Service resolved using the first method of resolution applied.	50%	86%	60%

### *Conditions on Use of Appropriation*

Reference	Conditions
Timeliness of hearings	The Ministry schedules hearings which are held within 30 working days of the application being made.
Quality of hearing decisions	Decisions are independently reviewed by the Principal Member or Deputy Principal Member of the Authority (quality concern will be reported monthly by the registrar).

### *Memorandum Account*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Unit Titles Act</b>			
Opening Balance at 1 July	-	-	100
Revenue	100	139	100
Expenses	-	(103)	(100)
<b>Transfers and Adjustments</b>			
Closing Balance at 30 June	100	36	100

This is a newly established memorandum account in 2012/13.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Contribution to Efficiency Savings	2012/13	(230)	(300)	(300)	(300)	(300)



## Social Housing Unit (M37)

### Scope of Appropriation

This appropriation is limited to the administration costs of the Social Housing Unit.

### Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,650	2,650	2,650
Revenue from Crown	2,650	2,650	2,650
Revenue from Other	-	-	-

### Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Contribute to growth in the supply of social and affordable housing through the provision of effective operational policy advice, and the efficient and effective delivery of the Social Housing Fund, stock transfer and sector development initiatives.			
<i>Quality</i>			
Process developed for allocating the Social Housing Fund and possible stock transfers.	Meets Government and probity requirements	Meets Government and probity requirements	Meets Government and probity requirements
Develop various engagement mechanisms with the non-government providers.	Guidelines and requirements met	Guidelines and requirements met	Guidelines and requirements met

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Establishment of the Social Housing activity.	2011/12	2,650	2,650	2,650	2,650	2,650

## Special Housing Areas (M37)

### *Scope of Appropriation*

This appropriation is limited to the provision of policy advice on the establishment of special housing areas, the negotiation of housing accords with local councils and the costs of providing resource consenting processes in special housing areas.

### *Expenses and Revenue*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	4,200
Revenue from Crown	-	-	2,200
Revenue from Other	-	-	2,000

### *Reasons for Change in Appropriation*

The new appropriation is required to support the increased policy role of the Ministry of Business, Innovation and Employment (MBIE). MBIE will provide advice on special housing areas, negotiate and monitor accords and may deliver resource consenting services in special housing areas.

### *Output Performance Measures and Standards*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Housing accord agreed with Auckland Council.	New measure	New measure	One
The satisfaction of the Minister of Housing with the policy advice service, as per the common satisfaction survey.	New measure	New measure	At least 70%

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Special Housing Areas	2013/14	-	4,200	5,000	5,000	2,500

## Weathertight Services (M9)

### *Scope of Appropriation*

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.

### *Expenses and Revenue*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	31,800	13,800	29,832
Revenue from Crown	31,800	13,800	29,832
Revenue from Other	113	113	113

### *Reasons for Change in Appropriation*

The decreased appropriation is the result of an FNA to reprioritise the original variance in the funding profile and the reprioritisation of funding across the departmental output expenses within the Vote.

### *Output Performance Measures and Standards*

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Claims Assessment, Management and Financial Assistance Package Administration</b>			
<i>Quality</i>			
Clients who have contacted the Ministry regarding weathertight issues are satisfied or very satisfied with the service provided.	Updated measure	Updated measure	75%
Assessments carried out for buildings affected by weathertight issues that meet the Ministry's technical quality standards.	100%	100%	100%
<i>Timeliness</i>			
The capability for the Financial Assistance Package is assessed within 80 working days of a new claim being accepted by the Ministry lodged on, or after 29 July 2011.	90% within 80 working days	90% within 80 working days	90% within 80 working days
Claimants request for Financial Assistance Package milestone payments are paid within 15 working days of receipt of request.	100%	99.2%	95%

### *Conditions on Use of Appropriation*

Reference	Conditions
<b>Quality standards for Assessment Reports</b>	
Consistent methodology	All assessments carried out according to the Ministry's methodology described in the Weathertight Services Operational Requirements and Guidelines for Assessors.
Report quality	Report contents and presentation meets the following standards: <ul style="list-style-type: none"> <li>• description of the approach to the investigations</li> <li>• full details of examinations and/or tests on the property</li> <li>• clear record of evidence</li> <li>• documented conclusions</li> <li>• sources and references stated</li> <li>• all qualifications in the opinion</li> <li>• full compliance with the Weathertight Homes Resolution Services Act 2006, and</li> <li>• quality assurance review of each report.</li> </ul>
Accessibility	Homeowners, the Tribunal and other respondents are able to use the report to easily identify the extent of weathertight damage, possible liable parties and likely costs of repair.
Financial Assistance Package	Refer the guidelines on administration of the Financial Assistance Package.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Extension of Income-Related Rent Subsidy to Approved Community Housing Providers	2013/14	-	(2,900)	(6,000)	(11,200)	(6,500)
Community Group Housing	2012/13	(890)	(534)	-	-	-
KiwiSaver Administration Increased Costs	2012/13	(75)	(300)	-	-	-
Contribution to Efficiency Savings	2012/13	(947)	(814)	(708)	(708)	(708)
Establish Weathertight Services	2010/11	36,575	35,575	33,575	33,575	33,575

## Part 2.2 - Non-Departmental Output Expenses

### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Support the Government response for disaster recovery in Canterbury	Canterbury Earthquakes: Emergency and Temporary Accommodation
Provide support for home ownership	HNZC Housing Support Services
Quality regulation of the housing market, including regulatory and non regulatory initiatives designed to increase the supply of affordable housing	Management of Crown properties held under the Housing Act 1955
More efficient use of state housing assets by better management of stock and better utilisation of resources	Income Related Rent Subsidy for Community Housing Providers Purchase of Housing and Related Services for Tenants Paying Income Related Rent

### Canterbury Earthquakes: Emergency and Temporary Accommodation (M37)

#### *Scope of Appropriation*

This appropriation is limited to operating expenses incurred on emergency and temporary accommodation for people displaced by the Canterbury earthquakes.

#### *Expenses*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,050	6,050	3,350

#### *Reasons for Change in Appropriation*

The decreased appropriation is a result of an FNA to departmental output expense Canterbury Earthquakes: Building and Housing Assistance.

#### *Output Performance Measures and Standards*

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Develop Rangers Park housing development as directed by Ministers to provide temporary accommodation to displaced residents.	Updated measure	Updated measure	40 homes completed by 1 December 2013

#### *Conditions on Use of Appropriation*

Reference	Conditions
Cabinet decision	Preference that, where possible, temporary accommodation modules be sourced domestically.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Agreement to establish Crown Owned Villages	2011/12	2,665	257	4,418	6,121	6,121
Response to Canterbury Earthquake	2010/11	6,697	4,161	-	-	-

### **HNZC Housing Support Services (M37)**

#### *Scope of Appropriation*

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.

#### *Expenses*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	13,558	13,558	16,309
Community Group Housing	8,090	8,090	7,593
Welcome Home Loan	4,300	4,300	4,300
KiwiSaver housing deposit subsidy - Administration	1,168	1,168	1,416
Kāinga Whenua - Infrastructure Grant	-	-	3,000

#### *Reasons for Change in Appropriation*

The increased appropriation is a result of the establishment of the Kāinga Whenua - Infrastructure Grant in 2013/14 and FNAs for Community Group Housing and KiwiSaver housing deposit subsidy administration.

#### *Output Performance Measures and Standards*

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The number of new loans underwritten through the Welcome Home Loan programme.	750-850	750-850	750-850
Contribute to the growth in development of housing on Māori land.	New measure	New measure	Process developed for allocating the Kāinga Whenua infrastructure grant that meet Government and probity requirements

### Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision updated by briefing notes to the Minister	Welcome Home loans are only available to applicants that meet income and credit criteria set by participating lenders and Housing New Zealand Corporation.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Kāinga Whenua - Infrastructure Grant	2013/14	-	3,000	3,000	3,000	3,000
Community Group Housing	2012/13	890	5,193	-	-	-
KiwiSaver Administration Increased Costs	2012/13	75	300	-	-	-
Funding of the Social Housing Reforms Programme	2011/12	300	(4,500)	(4,500)	(4,500)	(4,500)
Reprioritisation to Housing Building and Construction Policy Advice and MCOA Housing Policy Advice	2011/12	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Reprioritised to Social Housing Fund	2011/12	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)
Additional funding for Community Group Housing	2011/12	4,800	-	-	-	-
Additional funding for Community Group Housing	2010/11	2,400	2,400	2,400	2,400	2,400
Transfer from Shared Equity	2009/10	373	396	396	396	396
KiwiSaver Housing deposit subsidy	2009/10	1,289	1,289	1,289	1,289	1,289
Shared Equity Home Ownership Pilot	2008/09	(896)	(896)	(896)	(896)	(896)

### Income Related Rent Subsidy for Community Housing Providers (M37)

#### Scope of Appropriation

This appropriation is limited to the purchase of housing and related services delivered by approved Community Housing providers 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 approved Community Housing providers and the income related rents charged.

#### Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,900

#### Reasons for Change in Appropriation

The establishment of this appropriation is for the extension of Income Related Rent subsidy to approved Community Housing providers enabled by the Social Housing Reform Bill 2013.

*Output Performance Measures and Standards*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Correct Income Related Rent Subsidy assessments.	New measure	New measure	At least 95%

*Conditions on Use of Appropriation*

Reference	Conditions
Social Housing Reform Bill 2013	Assessments in accordance with the provisions of the Social Housing Reform Bill 2013 once enacted.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Extension of Income-Related Rent Subsidy to Approved Community Housing Providers	2013/14	-	2,900	6,000	8,600	9,100

**Management of Crown Properties held under the Housing Act 1955 (M37)***Scope of Appropriation*

This appropriation is limited to the administration and management of Crown owned properties held under the Housing Act 1955.

*Expenses*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,395	1,395	1,395
Hobsonville Urban Development	1,387	1,387	1,387
Other properties managed under the Housing Act 1955	8	8	8

*Output Performance Measures and Standards*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Development projects managed in accordance with the Annual Housing Agency Account work programme.	Milestones achieved	Milestones achieved	Milestones achieved



### Conditions on Use of Appropriation

Reference	Conditions
Housing Act 1995 (section 32)	Any money required to carry out works authorised under Part 1 of the Housing Act 1995 may be paid out of money appropriated by parliament for the purpose.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Hobsonville Urban Development	2008/09	1,387	1,387	1,387	1,387	1,387
Housing Agency Account excluding Hobsonville	2008/09	8	8	8	8	8

### Purchase of Housing and Related Services for Tenants Paying Income Related Rent (M37)

#### Scope of Appropriation

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.

#### Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	637,158	637,158	662,227

#### Reasons for Change in Appropriation

The increased appropriation is a result of the growth in market rent: changes in the portfolio and changes in tenants income.

#### Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Correct Income Related Rent assessments (for tenants with verified income).	At least 95%	Not achieved	At least 95%

### Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Income must be below a specified level to be eligible for this subsidy.
Legislation	In accordance with Housing Restructuring and Tenancy Matters Act 1992, Section 7 and 65.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Reviewable Tenancies Policy for HNZN Tenants	2015/16	-	-	-	11,400	35,400

### Summary of Service Providers for Non-Departmental Outputs

Provider	2012/13 Budgeted \$000	2012/13 Estimated Actual \$000	2013/14 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
<b>Department</b>					
Ministry of Business, Innovation and Employment					
<ul style="list-style-type: none"> <li>Canterbury Earthquake: Emergency and Temporary Accommodation</li> </ul>	6,050	6,050	3,350	Section 32 A Report	Ongoing
<b>Crown Entities</b>					
Housing New Zealand Corporation:					
<ul style="list-style-type: none"> <li>HNZC Housing support services</li> </ul>	13,558	13,558	16,309	HNZC Annual Report	Ongoing
<ul style="list-style-type: none"> <li>Management of Crown Properties under the Housing Act 1955</li> </ul>	1,395	1,395	1,395	HNZC Annual Report	Ongoing
<ul style="list-style-type: none"> <li>Purchase of Housing and Related Services for Tenants Paying Income Related Rent.</li> </ul>	637,158	637,158	662,227	HNZC Annual Report	Ongoing
Community Housing Providers					
<ul style="list-style-type: none"> <li>Income Related Rent Subsidy for Community Housing Providers</li> </ul>	-	-	2,900	Not required	Ongoing

The above table summarises funding to be allocated through Vote Housing to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

## Part 3 - Details for Benefits and Other Unrequited Expenses

### Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Quality regulation of the housing market, including regulatory and non regulatory initiatives designed to increase the supply of affordable housing	Housing Assistance KiwiSaver Deposit Subsidy

#### Housing Assistance (M37)

##### *Scope of Appropriation*

Payments made to HNZN 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.

##### *Expenses*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,510	1,510	1,495
Community Owned Rural Rental Housing Loans	373	373	359
KiwiBank Interest Subsidy	400	400	400
Other Subsidies and Loan Costs	737	737	736

##### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Legacy Loan Costs	2010/11	700	700	700	700	700
KiwiBank Interest Subsidy	2010/11	400	400	400	400	400

## KiwiSaver Deposit Subsidy (M37)

### *Scope of Appropriation*

To enable the provision of the KiwiSaver deposit subsidy for people who meet the required eligibility criteria.

### *Expenses*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,799	15,799	19,001

### *Reasons for Change in Appropriation*

The increased appropriation is a result of increased uptake in this scheme.

### *Conditions on Use of Appropriation*

Reference	Conditions
Cabinet Decisions	In April 2005, Cabinet agreed that home ownership assistance for first home buyers participating in KiwiSaver would include a deposit subsidy and first home withdrawal where savers can withdraw part or all of their savings and accumulated interest.
KiwiSaver Act 2006	First home withdrawal is provided for in the KiwiSaver Act 2006. It is administered by KiwiSaver scheme providers and allows KiwiSaver members to withdraw part or all of their savings (excluding the Government's contribution and tax credits) to put towards the purchase of a first home.
Cabinet Decisions	The Deposit subsidy is not provided for in legislation. Cabinet approved the deposit subsidy and high level design details outside the KiwiSaver Act 2006, because the Corporation is already authorised to administer suspensory loans under the Housing Corporation Act 1974.  Cabinet also delegated authority to the Corporation to apply Schedule 1 (Part 8) of the KiwiSaver Act 2006, where possible, to the deposit subsidy design. Schedule 1 provides, for example, a definition of what constitutes a first home buyer and the type of home that can be purchased.  The deposit subsidy design details were agreed by the Ministers of Finance and Housing through three reports submitted in June 2008, December 2008 and June 2009.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
KiwiSaver Housing Deposit Subsidy	2011/12	7,200	2,300	6,300	6,300	6,300
KiwiSaver Housing Deposit Subsidy	2010/11	5,800	10,700	6,700	6,700	6,700

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
More efficient use of state housing assets by better management of stock and better utilisation of resources	Community Housing Rent Relief Programme Increase in Debt Provision
Quality regulation of the housing market, including regulatory and non regulatory initiatives designed to increase the supply of affordable housing	Social Housing Fund Wellington City Council Social Housing Assistance
Get more leaky homes fixed, faster and more dispute resolved	Payments in respect of the Weathertight Services Loan Guarantees PLA Unwind of Discount Rate used in the Present Value Calculation of Direct Payments Weathertight Services: Guarantee Fee Subsidy

For further information on the intended impact, outcomes and objectives of the non-departmental other expenses appropriations, please see the Statement of Intent for Housing New Zealand Corporation.

#### Community Housing Rent Relief Programme (M37)

##### *Scope of Appropriation*

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.

##### *Expenses*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,127	4,127	4,104

##### *Expected Results*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Community Group tenancies assisted with rent relief.	650-700	650-700	650-700

##### *Conditions on Use of Appropriation*

Reference	Conditions
Ministerial agreement	<p>The Community Housing Rent Relief Programme provides rent support to community groups for residential supported living and family and welfare living. Rent support covers:</p> <ul style="list-style-type: none"> <li>70% of the shortfall between the rent charged by the HNZN and the income received by the providers for residential supported living, or</li> <li>90% for family and welfare living for people who require temporary accommodation and respite for people who need temporary support.</li> </ul>

## Increase in Debt Provision (M37)

### Scope of Appropriation

Increase in provision for doubtful debts on Income Related Rents Crown Debt.

### Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,000	8,000	8,000

## Payments in respect of the Weathertight Services Loan Guarantees PLA (M9)

### Scope of Appropriation

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.

### Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	400	400	900

### Reasons for Change in Appropriation

The increased appropriation is a result of an increasing number of loan failures as more claimants access the scheme over time.

### Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
No unnecessary delays in processing applications.	As per relationship agreement	Achieved	As per relationship agreement
Accuracy of payouts.	As per relationship agreement	Achieved	As per relationship agreement

## Conditions on Use of Appropriation

Reference	Conditions
Section 65ZG of the Public Finance Act 1989	Any money paid by the Crown under a guarantee or indemnity given under section 65ZD and any expenses incurred by the Crown in relation to the guarantee or indemnity may be incurred without further appropriation, and must be paid without further authority, than this section.

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Financial Assistance Package	2011/12	400	900	1,300	1,700	1,700

## Social Housing Fund (M37)

### Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Social Housing Fund (M37)</b>	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 2011/12	-
	Adjustments for 2012/13	35,188
Commences: 1 July 2012	Adjusted Appropriation	139,288
Expires: 30 June 2015	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	68,788
	Estimated Actual for 2013/14	37,500
	Estimated Appropriation Remaining	33,000

### Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Contribute to growth in the supply of social and affordable housing by non-government providers through allocation of the Social Housing Fund and through targeted stock transfers.	Process developed for allocating the Social Housing Fund and possible stock transfers that meet Government and probity requirements	Achieved	Process developed for allocating the Social Housing Fund and possible stock transfers that meet Government and probity requirements
Reported percentage increase in the number of social/affordable housing managed/owned by Non-government providers from the current base of 5,000 properties.	New measure	New measure	4% increase
Percentage of all new social and affordable housing delivered in areas of highest need, notably Auckland and Canterbury.	New measure	New measure	50%

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Social Housing Programme	2012/13	104,100	-	-	-	-

## Unwind of Discount Rate used in the Present Value Calculation of Direct Payments under the Weathertight Homes Financial Assistance Package. (M9)

### *Scope of Appropriation*

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.

### *Expenses*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,839	6,839	5,330

### *Reasons for Change in Appropriation*

The decreased appropriation is a result of updating the unwind of discount rate at June 2012.

### *Expected Results*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Present Value of the forecast claims under the Weathertight Financial Assistance Package is correctly reported in the Financial Statements of the Government.	Unqualified audit opinion	Achieved	Unqualified audit opinion

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Financial Assistance Package	2011/12	25,700	38,800	47,300	9,000	9,000



## Weathertight Services: Guarantee Fee Subsidy (M9)

### Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b><i>Weathertight Services: Guarantee Fee Subsidy (M9)</i></b> This appropriation is limited to the expense reflecting the guarantee fee subsidy under the Weathertight Services Financial Assistance Package: Loan Guarantee scheme.  Commences: 1 July 2010  Expires: 30 June 2015	Original Appropriation	13,520
	Adjustments to 2011/12	(100)
	Adjustments for 2012/13	-
	Adjusted Appropriation	13,420
	Actual to 2011/12 Year End	95
	Estimated Actual for 2012/13	2,805
	Estimated Actual for 2013/14	3,100
	Estimated Appropriation Remaining	7,420

### Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The revenue forgone on loss share arrangements with banks who are parties to the Weathertight Financial Assistance Package are correctly reported in the Financial Statements of the Government.	Unqualified audit opinion	Achieved	Unqualified audit opinion

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Financial Assistance Package	2010/11	2,700	3,100	7,420	-	-

## Wellington City Council Social Housing Assistance (M37)

### Scope of Appropriation

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.

### Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	35,000	35,000	28,000

### *Reasons for Change in Appropriation*

The decreased appropriation is consistent with the agreed payment schedule to the Wellington City Council for social housing assistance.

### *Expected Results*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Milestones in the work plan agreed under the Deed of Grant are met.	Milestones achieved	Milestones achieved	Milestones achieved

### *Conditions on Use of Appropriation*

Reference	Conditions
Deed of Grant	Use of funding complies with Deed of Grant.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
<b>Previous Government</b>						
Wellington City Council Upgrade of Social Housing	2008/09	35,000	28,000	32,000	20,000	20,000

### **Reporting Mechanisms**

Appropriation	Reporting Mechanism
Community Housing Rent Relief Programme	Annual Report of the Housing New Zealand Corporation
Payments in respect of the Weathertight Services Loan Guarantees	Annual Report of the Housing New Zealand Corporation
Unwind of Discount Rate used in the Present Value Calculation of Direct Payments under the Weathertight Homes Financial Assistance Package	Annual Report of the Housing New Zealand Corporation
Weathertight Services: Guarantee Fee Subsidy	Annual Report of the Housing New Zealand Corporation
Wellington City Council Social Housing Assistance	Section 32 Report

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.2 - Non-Departmental Capital Expenditure

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
More efficient use of state housing assets by better management of stock and better utilisation of resources	Acquisition and Improvement of Housing New Zealand Corporation State Houses Capital Injection to Housing New Zealand Corporation for Housing Activities Refinancing of Housing New Zealand Corporation and Housing New Zealand Ltd Debt
Quality regulation of the housing market, including regulatory and non regulatory initiatives designed to increase the supply of affordable housing	Acquisition and Development of Properties Under the Housing Act 1955 Acquisition and Improvement of Housing New Zealand Corporation State Houses

#### Acquisition and Development of properties under the Housing Act 1955 (M37)

##### *Scope of Appropriation*

This appropriation is limited to acquiring, developing and modernising properties under the Housing Act 1955.

##### *Capital Expenditure*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,998	14,998	2,000

##### *Reasons for Change in Appropriation*

The decreased appropriation is a result of the deferral of Hobsonville Urban development to 2013/14.

##### *Expected Results*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Hobsonville developments managed to the performance milestones set out in the Annual Hobsonville work programme.	Milestones achieved	Milestones achieved	Milestones achieved

##### *Conditions on Use of Appropriation*

Reference	Conditions
Housing Act 1955 Section 32	Any money required to carry out works authorised under Part 1 of the Housing Act 1955 may be paid out of money appropriated by Parliament for the purpose.

## Acquisition and Improvement of Housing New Zealand Corporation state houses (M37)

### Scope of Appropriation

This appropriation is limited to debt or equity in Housing New Zealand Corporation to acquire, modernise or reconfigure Housing New Zealand Corporation state houses.

### Capital Expenditure

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	8,300	8,300	5,800
Community Housing Standard Acquisitions	8,300	8,300	5,800

### Reasons for Change in Appropriation

The decreased appropriation is a result of a capital transfer from 2011/12 to 2012/13.

## Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt (M37)

### Scope of Appropriation

This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited debt.

### Expected Results

This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited debt.

### Capital Expenditure

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	150,862	150,862	210,238

### Reasons for Change in Appropriation

The change in appropriation reflects the funding required for facilities being renewed during the year.

### Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Refinancing will be according to the agreed policy	All	All	All

## Reporting Mechanisms

Appropriation	Reporting Mechanism
Acquisition and Development of Properties under the Housing Act 1955	Annual Report of Housing New Zealand Corporation
Acquisition and Improvement of Housing New Zealand Corporation State Houses	Annual Report of Housing New Zealand Corporation
Capital Injection to Housing New Zealand Corporation Housing Activities	Annual Report of Housing New Zealand Corporation
Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt	Annual Report of Housing New Zealand Corporation

The above table indicates the mechanisms to be used for reporting actual results for each non-departmental capital expenditure appropriation.