

# *Vote Building and Construction*

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APPROPRIATION MINISTER(S): Minister for Building and Construction (M9), Minister of Housing (M37), Minister for Greater Christchurch Regeneration (M85)

APPROPRIATION ADMINISTRATOR: Ministry of Business, Innovation and Employment

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

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

| Titles and Scopes of Appropriations by Appropriation Type   | 2019/20                      |   |                          |
|---|------------------------------|---|--------------------------|
|   | Estimates<br>Budget<br>\$000 | Supplementary<br>Estimates<br>Budget<br>\$000 | Total<br>Budget<br>\$000 |
| <b>Departmental Output Expenses</b>   |                              |   |                          |
| <b>Building Regulation and Control (M9)</b><br>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.   | 27,804                       | 14,100  | 41,904                   |
| <b>Insurance Claims Resolution (M85)</b><br>This appropriation is limited to the provision of residential insurance advisory, mediation and support services for homeowners affected by a disaster, natural or otherwise.   | 9,263                        | (741)   | 8,522                    |
| <b>Occupational Licensing (M9)</b><br>This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers.   | 11,629                       | 18  | 11,647                   |
| <b>Residential Advisory Services (M85)</b><br>This appropriation is limited to the provision of insurance-related broker and advisory services to homeowners affected by a civil emergency to support their residential rebuild.  | 14                           | (14)  | -                        |
| <b>Residential Tenancy and Unit Title Services (M37)</b><br>This appropriation is limited to residential tenancy and unit title dispute resolution services, information, education, advice and compliance and enforcement activities; administration and investment of residential tenancy bond monies; provision of administrative support to the State Housing Appeals Authority.  | 38,135                       | 2,652   | 40,787                   |
| <b>Weathertight Services (M9)</b><br>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. | 9,051                        | (1,310)                                       | 7,741                    |
| <b>Total Departmental Output Expenses</b>   | 95,896                       | 14,705  | 110,601                  |
| <b>Non-Departmental Other Expenses</b>  |                              |   |                          |
| <b>Payments in respect of the Weathertight Services Loan Guarantees PLA (M9)</b><br>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.   | 1,700                        | -   | 1,700                    |
| <b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Delivery and Administration of the Loan Scheme for Earthquake Prone Buildings (M9)</b><br>This appropriation is limited to the delivery and administration of the loan scheme for Earthquake-Prone Buildings.  | -                            | 750   | 750                      |
| <b>Unwind of Discount Rate Used in the Present Value Calculation of Direct Payments Under the Weathertight Homes Financial Assistance Package (M9)</b><br>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.  | 1,659                        | -   | 1,659                    |
| <b>Total Non-Departmental Other Expenses</b>  | 3,359                        | 750   | 4,109                    |

|   | 2019/20                      |   |                          |
|---|------------------------------|---|--------------------------|
|   | Estimates<br>Budget<br>\$000 | Supplementary<br>Estimates<br>Budget<br>\$000 | Total<br>Budget<br>\$000 |
| <b>Titles and Scopes of Appropriations by Appropriation Type</b>  |                              |   |                          |
| <b>Multi-Category Expenses and Capital Expenditure</b>  |                              |   |                          |
| <b>Policy Advice and Related Outputs MCA (M9)</b>   | 823                          | 3,422   | 4,245                    |
| The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.   |                              |   |                          |
| <b>Departmental Output Expenses</b>   |                              |   |                          |
| <i>Building and Construction Data Analysis</i>  | 560                          | -   | 560                      |
| This category is limited to research, analysis and dissemination of data on building and construction.  |                              |   |                          |
| <i>Policy Advice - Building and Construction</i>  | 113                          | 3,422   | 3,535                    |
| This category 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>Related Services to Ministers - Building and Construction</i>  | 150                          | -   | 150                      |
| This category is limited to the provision of support, information and services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities on matters relating to building and construction, and housing. |                              |   |                          |
| <b>Temporary Accommodation Services MCA (M37)</b>   | 1,960                        | 8,838   | 10,798                   |
| The single overarching purpose of this appropriation is to coordinate and provide temporary accommodation to people displaced by a civil emergency.   |                              |   |                          |
| <b>Departmental Output Expenses</b>   |                              |   |                          |
| <i>Readiness, Response and Recovery</i>   | 990                          | 1   | 991                      |
| This category is limited to temporary accommodation coordination, contingency planning, civil defence sector engagement and event-specific civil emergency temporary accommodation service operations.  |                              |   |                          |
| <b>Non-Departmental Output Expenses</b>   |                              |   |                          |
| <i>Temporary Accommodation Housing Initiatives - Operations</i>   | 495                          | 8,037   | 8,532                    |
| This category is limited to the operating expenses incurred on temporary accommodation supply initiatives.  |                              |   |                          |
| <b>Non-Departmental Other Expenses</b>  |                              |   |                          |
| <i>Temporary Accommodation Housing Initiatives - Depreciation</i>   | 475                          | -   | 475                      |
| This category is limited to depreciation expenses associated with temporary accommodation supply.   |                              |   |                          |
| <b>Non-Departmental Capital Expenditure</b>   |                              |   |                          |
| <i>Temporary Accommodation Housing Initiatives - Capital</i>  | -                            | 800   | 800                      |
| This category is limited to procuring and purchasing temporary accommodation.   |                              |   |                          |
| <b>Residential Earthquake-Prone Building Financial Assistance Scheme MCA (M9)</b>   | 10,400                       | (10,400)                                      | -                        |
| The single overarching purpose of this appropriation is to provide financial assistance to enable certain owners of eligible earthquake-prone buildings to remediate their building.  |                              |   |                          |
| <b>Departmental Output Expenses</b>   |                              |   |                          |
| <i>Residential Earthquake Prone-Building Financial Assistance Scheme Set Up and Administration Costs</i>  | 3,000                        | (3,000)                                       | -                        |
| This category is limited to the set-up costs and ongoing administration costs of the Residential Earthquake-Prone Building Financial Assistance Scheme.   |                              |   |                          |

| Titles and Scopes of Appropriations by Appropriation Type   | 2019/20                      |   |                          |
|---|------------------------------|---|--------------------------|
|   | Estimates<br>Budget<br>\$000 | Supplementary<br>Estimates<br>Budget<br>\$000 | Total<br>Budget<br>\$000 |
| <b>Non-Departmental Other Expenses</b>  |                              |   |                          |
| <b>Residential Earthquake-Prone Building Financial Assistance Scheme Loan Concessions</b><br>This category is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the loans within the Residential Earthquake-Prone Building Financial Assistance Scheme. | 2,400                        | (2,400)                                       | -                        |
| <b>Non-Departmental Capital Expenditure</b>   |                              |   |                          |
| <b>Residential Earthquake-Prone Building Financial Assistance Scheme Loan Capital</b><br>This category is limited to providing loans approved within the Residential Earthquake-Prone Building Financial Assistance Scheme.   | 5,000                        | (5,000)                                       | -                        |
| <b>Total Multi-Category Expenses and Capital Expenditure</b>  | 13,183                       | 1,860   | 15,043                   |
| <b>Total Annual Appropriations and Forecast Permanent Appropriations</b>  | 112,438                      | 17,315  | 129,753                  |

## Multi-Year Appropriations

| Type, Title, Scope and Period of Appropriations  | Appropriations, Adjustments and Use  | \$000  |
|--|--|--|
| <b>Departmental Output Expenses</b>  |  |  |
| <b>Tenant Health and Safety Information (M37)</b><br>This appropriation is limited to providing information to increase tenant health and safety in residential rental properties.<br><br>Commences: 01 July 2015<br><br>Expires: 30 June 2020                                     | Original Appropriation<br>Adjustments to 2018/19<br>Adjustments for 2019/20<br>Adjusted Appropriation<br>Actual to 2018/19 Year End<br>Estimated Actual for 2019/20<br>Estimate for 2020/21<br>Estimated Appropriation Remaining | 2,740<br>-<br>-<br>2,740<br>2,571<br>169<br>-<br>-         |
| <b>Non-Departmental Capital Expenditure</b>  |  |  |
| <b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake Prone Buildings (M9)</b><br>This appropriation is limited to loans for Earthquake-Prone Buildings seismic retrofit.<br><br>Commences: 01 March 2020<br><br>Expires: 30 June 2024 | Original Appropriation<br>Adjustments to 2018/19<br>Adjustments for 2019/20<br>Adjusted Appropriation<br>Actual to 2018/19 Year End<br>Estimated Actual for 2019/20<br>Estimate for 2020/21<br>Estimated Appropriation Remaining | 10,000<br>-<br>-<br>10,000<br>-<br>1,000<br>5,000<br>4,000 |

## Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

|  | 2019/20                      |   |                          |
|--|------------------------------|---|--------------------------|
|  | Estimates<br>Budget<br>\$000 | Supplementary<br>Estimates<br>Budget<br>\$000 | Total<br>Budget<br>\$000 |
| Total Annual Appropriations and Forecast Permanent Appropriations                                      | 112,438                      | 17,315  | 129,753                  |
| Total Forecast MYA Departmental Output Expenses  | -                            | 169   | 169                      |
| Total Forecast MYA Non-Departmental Capital Expenditure  | -                            | 1,000   | 1,000                    |
| <b>Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations</b> | <b>112,438</b>               | <b>18,484</b>                                 | <b>130,922</b>           |

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

|   | 2019/20            |                                       |   |                                |                |
|---|--------------------|---------------------------------------|---|--------------------------------|----------------|
|   | Estimates<br>\$000 | Supplementary Estimates               |   |                                | Total<br>\$000 |
|   |                    | Departmental<br>Transactions<br>\$000 | Non-<br>Departmental<br>Transactions<br>\$000 | Total<br>Transactions<br>\$000 |                |
| <b>Appropriations</b>   |                    |                                       |   |                                |                |
| Output Expenses   | 95,896             | 14,874                                | -   | 14,874                         | 110,770        |
| Benefits or Related Expenses  | -                  | N/A                                   | -   | -                              | -              |
| Borrowing Expenses  | -                  | -                                     | -   | -                              | -              |
| Other Expenses  | 3,359              | -                                     | 750   | 750                            | 4,109          |
| Capital Expenditure   | -                  | -                                     | 1,000   | 1,000                          | 1,000          |
| Intelligence and Security Department Expenses and Capital Expenditure | -                  | -                                     | N/A   | -                              | -              |
| Multi-Category Expenses and Capital Expenditure (MCA)                 |                    |                                       |   |                                |                |
| <i>Output Expenses</i>  | 5,308              | 423                                   | 8,037   | 8,460                          | 13,768         |
| <i>Other Expenses</i>   | 2,875              | -                                     | (2,400)                                       | (2,400)                        | 475            |
| <i>Capital Expenditure</i>  | 5,000              | N/A                                   | (4,200)                                       | (4,200)                        | 800            |
| <b>Total Appropriations</b>   | 112,438            | 15,297                                | 3,187   | 18,484                         | 130,922        |
| <b>Crown Revenue and Capital Receipts</b>                             |                    |                                       |   |                                |                |
| Tax Revenue   | -                  | N/A                                   | -   | -                              | -              |
| Non-Tax Revenue   | 3,500              | N/A                                   | (3,500)                                       | (3,500)                        | -              |
| Capital Receipts  | -                  | N/A                                   | -   | -                              | -              |
| <b>Total Crown Revenue and Capital Receipts</b>                       | 3,500              | N/A                                   | (3,500)                                       | (3,500)                        | -              |

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### 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*

|                        | 2019/20            |                                     |                |
|------------------------|--------------------|-------------------------------------|----------------|
|                        | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Total Appropriation    | 27,804             | 14,100                              | 41,904         |
| Revenue from the Crown | -                  | -                                   | -              |
| Revenue from Others    | 30,354             | 16,600                              | 46,954         |

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

This appropriation increased by \$14.100 million to \$41.904 million for 2019/20 due to an increase in operational costs as a result of a significant programme of work aimed at transforming the building and construction sector over the next several years.

##### *Memorandum Account*

|                                     | 2019/20            |                                     |                |
|-------------------------------------|--------------------|-------------------------------------|----------------|
|                                     | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| <b>Building Controls</b>            |                    |                                     |                |
| Opening Balance at 1 July           | 52,631             | 2,917                               | 55,548         |
| Revenue                             | 30,460             | 16,420                              | 46,880         |
| Expenses                            | (27,250)           | (13,961)                            | (41,211)       |
| Transfers and Adjustments           | -                  | -                                   | -              |
| Closing Balance at 30 June          | 55,841             | 5,376                               | 61,217         |
| <b>National Multi Use Approvals</b> |                    |                                     |                |
| Opening Balance at 1 July           | (1,769)            | 213                                 | (1,556)        |
| Revenue                             | 74                 | -                                   | 74             |
| Expenses                            | (554)              | (139)                               | (693)          |
| Transfers and Adjustments           | -                  | -                                   | -              |
| Closing Balance at 30 June          | (2,249)            | 74                                  | (2,175)        |

## Insurance Claims Resolution (M85)

### *Scope of Appropriation*

This appropriation is limited to the provision of residential insurance advisory, mediation and support services for homeowners affected by a disaster, natural or otherwise.

### *Expenses and Revenue*

|                        | 2019/20            |                                     |                |
|------------------------|--------------------|-------------------------------------|----------------|
|                        | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Total Appropriation    | 9,263              | (741)                               | 8,522          |
| Revenue from the Crown | 9,263              | (741)                               | 8,522          |
| Revenue from Others    | -                  | -                                   | -              |

### *How Performance will be Assessed and End of Year Reporting Requirements*

|  | 2019/20               |  |                   |
|--|-----------------------|--|-------------------|
|  | Estimates<br>Standard | Supplementary<br>Estimates<br>Standard | Total<br>Standard |
| Assessment of Performance  |                       |  |                   |
| Percentage of users of the service agree or strongly agree that they feel supported on their pathway to resolution   | At least 75%          | Measure amended                        | -                 |
| Percentage of users of the Canterbury Earthquake Insurance mediation service agree or strongly agree that they feel supported on their pathway to resolution | Updated measure       | At least 75%                           | At least 75%      |

### *Reasons for Change in Appropriation*

This appropriation decreased by \$0.741 million to \$8.522 million for 2019/20 due to a one-off transfer of funding for \$0.750 million to support the Residential Tenancy and Unit Title Services appropriation which has been experiencing higher than expected regulatory and service delivery costs. This was partially offset by the following:

- a \$0.007 million increase to fund a new remuneration framework (Collective Employment Agreement), and
- a \$0.002 million increase to reallocate funding for the implementation and on-going costs of a new payroll system (approved at Budget 2019) that better reflects where operational expenses will be incurred.



## 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*

|                        | 2019/20            |                                     |                |
|------------------------|--------------------|-------------------------------------|----------------|
|                        | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Total Appropriation    | 11,629             | 18                                  | 11,647         |
| Revenue from the Crown | 716                | 18                                  | 734            |
| Revenue from Others    | 10,491             | -                                   | 10,491         |

### *Reasons for Change in Appropriation*

This appropriation increased by \$0.018 million to \$11.647 million for 2019/20 due to a \$0.033 million increase to fund a new remuneration framework (Collective Employment Agreement). This was partially offset by a \$0.015 million decrease to reallocate funding for the implementation and on-going costs of a new payroll system (approved at Budget 2019) that better reflects where operational expenses will be incurred.

### *Memorandum Account*

|  | 2019/20            |                                     |                |
|--|--------------------|-------------------------------------|----------------|
|  | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| <b>Occupational Licensing - Building Practitioners</b> |                    |                                     |                |
| Opening Balance at 1 July                              | 8,199              | (7,739)                             | 460            |
| Revenue  | 4,858              | 1,507                               | 6,365          |
| Expenses   | (6,310)            | 552                                 | (5,758)        |
| Transfers and Adjustments                              | -                  | -                                   | -              |
| Closing Balance at 30 June                             | 6,747              | (5,680)                             | 1,067          |
| <b>Occupational Licensing - Electrical Workers</b>     |                    |                                     |                |
| Opening Balance at 1 July                              | 4,073              | (2,863)                             | 1,210          |
| Revenue  | 5,633              | (1,507)                             | 4,126          |
| Expenses   | (5,294)            | 139                                 | (5,155)        |
| Transfers and Adjustments                              | -                  | -                                   | -              |
| Closing Balance at 30 June                             | 4,412              | (4,231)                             | 181            |

## Residential Advisory Services (M85)

### *Scope of Appropriation*

This appropriation is limited to the provision of insurance-related broker and advisory services to homeowners affected by a civil emergency to support their residential rebuild.

### *Reasons for Change in Appropriation*

This appropriation decreased by \$0.014 million to nil for 2019/20 due to the reallocation of funding for the implementation and on-going costs of a new payroll system (approved at through Budget 2019) that better reflects where operational expenses will be incurred.

## Residential Tenancy and Unit Title Services (M37)

### *Scope of Appropriation*

This appropriation is limited to residential tenancy and unit title dispute resolution services, information, education, advice and compliance and enforcement activities; administration and investment of residential tenancy bond monies; provision of administrative support to the State Housing Appeals Authority.

### *Expenses and Revenue*

|                        | 2019/20            |                                     |                |
|------------------------|--------------------|-------------------------------------|----------------|
|                        | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Total Appropriation    | 38,135             | 2,652                               | 40,787         |
| Revenue from the Crown | 17,233             | 2,652                               | 19,885         |
| Revenue from Others    | 20,902             | -                                   | 20,902         |

### *How Performance will be Assessed and End of Year Reporting Requirements*

|   | 2019/20               |  |                   |
|---|-----------------------|--|-------------------|
|   | Estimates<br>Standard | Supplementary<br>Estimates<br>Standard | Total<br>Standard |
| Assessment of Performance   |                       |  |                   |
| Percentage of customers who are satisfied or very satisfied with overall quality and timeliness of mediation services | 80%                   | Measure amended                        | -                 |
| Percentage of customers who are satisfied or very satisfied with overall quality of mediation services                | Updated measure       | 75%                                    | 75%               |
| Percentage of customers who are satisfied or very satisfied with the timeliness of mediation services                 | -                     | New measure                            | 70%               |

### *Reasons for Change in Appropriation*

This appropriation increased by \$2.652 million to \$40.787 million for 2019/20 due to:

- a \$2.100 million increase to support the Residential Tenancy and Unit Title Services which has been experiencing higher regulatory and service delivery costs

- a \$0.326 million increase due to a delay in the Healthy Homes Guarantee Act as the regulations to enforce the act have not yet been finalised
- a \$0.194 million increase to fund a new remuneration framework (Collective Employment Agreement), and
- a \$0.032 million increase to reallocate funding for the implementation and on-going costs of a new payroll system (approved at Budget 2019) that better reflects where operational expenses will be incurred.

### *Memorandum Account*

|                            | 2019/20            |                                     |                |
|----------------------------|--------------------|-------------------------------------|----------------|
|                            | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| <b>Unit Titles Act</b>     |                    |                                     |                |
| Opening Balance at 1 July  | (56)               | (45)                                | (101)          |
| Revenue                    | 180                | (103)                               | 77             |
| Expenses                   | (180)              | 102                                 | (78)           |
| Transfers and Adjustments  | -                  | -                                   | -              |
| Closing Balance at 30 June | (56)               | (46)                                | (102)          |

### **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*

|                        | 2019/20            |                                     |                |
|------------------------|--------------------|-------------------------------------|----------------|
|                        | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Total Appropriation    | 9,051              | (1,310)                             | 7,741          |
| Revenue from the Crown | 9,051              | (1,310)                             | 7,741          |
| Revenue from Others    | 113                | -                                   | 113            |

*How Performance will be Assessed and End of Year Reporting Requirements*

| Assessment of Performance  | 2019/20            |                                  |                |
|--|--------------------|----------------------------------|----------------|
|  | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| The number of long assessments (full, follow-up full, addendum, concise, cost update and supplemental) completed within 120 working days of being allocated to an assessor     | 80%                | Measure amended                  | -              |
| The percentage of long assessments (full, follow-up full, addendum, concise, cost update and supplemental) completed within 120 working days of being allocated to an assessor | Updated measure    | 80%                              | 80%            |
| The number of short assessments (Eligibility) completed within 60 working days of being allocated to an assessor   | 80%                | Measure amended                  | -              |
| The percentage of short assessments (Eligibility) completed within 60 working days of being allocated to an assessor   | Updated measure    | 80%                              | 80%            |

*Reasons for Change in Appropriation*

This appropriation decreased by \$1.310 million to \$7.741 million for 2019/20 due to funding realignment of \$1.350 million to support Residential Tenancy and Unit Title Services which has been experiencing higher regulatory and service delivery costs.

This decrease was offset by:

- a \$0.031 million increase to fund a new remuneration framework (Collective Employment Agreement), and
- a \$0.009 million increase to reallocate funding for the implementation and on-going costs of a new payroll system (approved at Budget 2019) that better reflects where operational expenses will be incurred.

## Part 3 - Details of Non-Departmental Appropriations

### 3.4 - Non-Departmental Other Expenses

#### Residential Earthquake-Prone Buildings Financial Assistance Scheme: Delivery and Administration of the Loan Scheme for Earthquake Prone Buildings (M9)

##### *Scope of Appropriation*

This appropriation is limited to the delivery and administration of the loan scheme for Earthquake-Prone Buildings.

##### *Expenses*

|                     | 2019/20            |                                     |                |
|---------------------|--------------------|-------------------------------------|----------------|
|                     | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Total Appropriation | -                  | 750                                 | 750            |

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the provision of support for eligible homeowners to access funding to strengthen their homes.

##### *End of Year Performance Reporting*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of the annual appropriation is less than \$5 million.

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

This appropriation increased by \$0.750 million for 2019/20 due to a \$2.250 million increase for the delivery and administration of the loan scheme for earthquake prone buildings. This was partially offset by:

- a \$1.250 million decrease transferring funding to 2020/21 due to delays in setting up the new scheme, and
- a \$0.250 million decrease transferring funding to Vote Business, Science and Innovation for the telecommunications relay service.

## 3.5 - Non-Departmental Capital Expenditure

### Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake Prone Buildings (M9)

#### *Scope of Appropriation and Expenses*

| Type, Title, Scope and Period of Appropriations  | Appropriations, Adjustments and Use | \$000  |
|--|-------------------------------------|--------|
| <b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake Prone Buildings (M9)</b><br>This appropriation is limited to loans for Earthquake-Prone Buildings seismic retrofit.<br><br>Commences: 01 March 2020<br><br>Expires: 30 June 2024 | Original Appropriation              | 10,000 |
|  | Adjustments to 2018/19              | -      |
|  | Adjustments for 2019/20             | -      |
|  | Adjusted Appropriation              | 10,000 |
|  | Actual to 2018/19 Year End          | -      |
|  | Estimated Actual for 2019/20        | 1,000  |
|  | Estimate for 2020/21                | 5,000  |
|  | Estimated Appropriation Remaining   | 4,000  |

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the provision of support for eligible homeowners to access funding to strengthen their homes.

#### *End of Year Performance Reporting*

An exemption was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of the annual appropriation is less than \$15 million.

#### *Reasons for Change in Appropriation*

This appropriation was established during the year for the delivery and administration of the loan scheme for earthquake prone buildings.

# Part 4 - Details of Multi-Category Expenses and Capital Expenditure

## 4 - Multi-Category Expenses and Capital Expenditure

### Policy Advice and Related Outputs (M9)

#### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

#### *Scope of Appropriation*

##### **Departmental Output Expenses**

###### *Building and Construction Data Analysis*

This category is limited to research, analysis and dissemination of data on building and construction.

###### *Policy Advice - Building and Construction*

This category 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.

###### *Related Services to Ministers - Building and Construction*

This category is limited to the provision of support, information and services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities on matters relating to building and construction, and housing.

#### *Expenses, Revenue and Capital Expenditure*

|   | 2019/20            |                                     |                |
|---|--------------------|-------------------------------------|----------------|
|   | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| <b>Total Appropriation</b>                                | <b>823</b>         | <b>3,422</b>                        | <b>4,245</b>   |
| <b>Departmental Output Expenses</b>                       |                    |                                     |                |
| Building and Construction Data Analysis                   | 560                | -                                   | 560            |
| Policy Advice - Building and Construction                 | 113                | 3,422                               | 3,535          |
| Related Services to Ministers - Building and Construction | 150                | -                                   | 150            |
| <b>Funding for Departmental Output Expenses</b>           |                    |                                     |                |
| <b>Revenue from the Crown</b>                             | <b>823</b>         | <b>2,172</b>                        | <b>2,995</b>   |
| Building and Construction Data Analysis                   | 560                | -                                   | 560            |
| Policy Advice - Building and Construction                 | 113                | 2,172                               | 2,285          |
| Related Services to Ministers - Building and Construction | 150                | -                                   | 150            |
| <b>Revenue from Others</b>                                | <b>-</b>           | <b>1,250</b>                        | <b>1,250</b>   |
| Policy Advice - Building and Construction                 | -                  | 1,250                               | 1,250          |

*How Performance will be Assessed for this Appropriation*

| Assessment of Performance                  | 2019/20                            |                                       |                                       |
|--|------------------------------------|---------------------------------------|---------------------------------------|
|  | Estimates Standard                 | Supplementary Estimates Standard      | Total Standard                        |
| Average satisfaction of Ministers annually | Reaching, or exceeding 70 per cent | Average score of 4 out of 5 or better | Average score of 4 out of 5 or better |

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

| Assessment of Performance   | 2019/20            |                                  |                |
|---|--------------------|----------------------------------|----------------|
|   | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| <b>Departmental Output Expenses</b>   |                    |                                  |                |
| <b>Policy Advice - Building and Construction</b>  |                    |                                  |                |
| This category is intended to achieve the provision of high quality policy advice to support Ministerial decision-making on government policy matters relating to building and construction. |                    |                                  |                |
| Building and Construction sector data and research are undertaken to inform policy and regulatory work  | -                  | New measure                      | Achieved       |

*Reasons for Change in Appropriation*

This appropriation increased by \$3.422 million to \$4.245 million for 2019/20 due to:

- a \$3.371 million increase relating to the Construction Sector Transformation Plan which is a package of programmes that will be delivered by government and industry over three years to achieve the goals of the Construction Sector Accord
- \$0.135 million increase to fund a new remuneration framework (Collective Employment Agreement, and
- a \$0.016 million increase to reallocate funding for the implementation and on-going costs of a new payroll system (approved at Budget 2019) that better reflects where operational expenses will be incurred.

This was offset by a \$0.100 million decrease due to funding transferred to Vote Business, Science and Innovation for the telecommunications relay service.



## Residential Earthquake-Prone Building Financial Assistance Scheme (M9)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to provide financial assistance to enable certain owners of eligible earthquake-prone buildings to remediate their building.

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Residential Earthquake Prone-Building Financial Assistance Scheme Set Up and Administration Costs*

This category is limited to the set-up costs and ongoing administration costs of the Residential Earthquake-Prone Building Financial Assistance Scheme.

#### **Non-Departmental Other Expenses**

##### *Residential Earthquake-Prone Building Financial Assistance Scheme Loan Concessions*

This category is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the loans within the Residential Earthquake-Prone Building Financial Assistance Scheme.

#### **Non-Departmental Capital Expenditure**

##### *Residential Earthquake-Prone Building Financial Assistance Scheme Loan Capital*

This category is limited to providing loans approved within the Residential Earthquake-Prone Building Financial Assistance Scheme.

### *Reasons for Change in Appropriation*

This appropriation decreased by \$10.400 million to nil for 2019/20 as the funding was transferred into new appropriations to better reflect the delivery of the scheme. The appropriations were Non-Departmental Other Expenses: Residential Earthquake-Prone Buildings Financial Assistance Scheme: Delivery and Administration of the Loan Scheme for Earthquake Prone Buildings and Non-Departmental Capital Expenditure: Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake Prone Buildings (MYA). Refer to parts 3.4 and 3.5 for further details.

## Temporary Accommodation Services (M37)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to coordinate and provide temporary accommodation to people displaced by a civil emergency.

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Readiness, Response and Recovery*

This category is limited to temporary accommodation coordination, contingency planning, civil defence sector engagement and event-specific civil emergency temporary accommodation service operations.

#### **Non-Departmental Output Expenses**

##### *Temporary Accommodation Housing Initiatives - Operations*

This category is limited to the operating expenses incurred on temporary accommodation supply initiatives.

#### **Non-Departmental Other Expenses**

##### *Temporary Accommodation Housing Initiatives - Depreciation*

This category is limited to depreciation expenses associated with temporary accommodation supply.

#### **Non-Departmental Capital Expenditure**

##### *Temporary Accommodation Housing Initiatives - Capital*

This category is limited to procuring and purchasing temporary accommodation.

### *Expenses, Revenue and Capital Expenditure*

|  | 2019/20            |                                     |                |
|--|--------------------|-------------------------------------|----------------|
|  | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| <b>Total Appropriation</b>                                 | <b>1,960</b>       | <b>8,838</b>                        | <b>10,798</b>  |
| <b>Departmental Output Expenses</b>                        |                    |                                     |                |
| Readiness, Response and Recovery                           | 990                | 1                                   | 991            |
| <b>Non-Departmental Output Expenses</b>                    |                    |                                     |                |
| Temporary Accommodation Housing Initiatives - Operations   | 495                | 8,037                               | 8,532          |
| <b>Non-Departmental Other Expenses</b>                     |                    |                                     |                |
| Temporary Accommodation Housing Initiatives - Depreciation | 475                | -                                   | 475            |
| <b>Non-Departmental Capital Expenditure</b>                |                    |                                     |                |
| Temporary Accommodation Housing Initiatives - Capital      | -                  | 800                                 | 800            |
| <b>Funding for Departmental Output Expenses</b>            |                    |                                     |                |
| <b>Revenue from the Crown</b>                              | <b>990</b>         | <b>1</b>                            | <b>991</b>     |
| Readiness, Response and Recovery                           | 990                | 1                                   | 991            |

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

| Assessment of Performance   | 2019/20            |                                  |                |
|---|--------------------|----------------------------------|----------------|
|   | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| <b>Departmental Output Expenses</b>   |                    |                                  |                |
| <b>Readiness, Response and Recovery</b>   |                    |                                  |                |
| This category is intended to achieve fulfilment of MBIE's fundamental temporary accommodation responsibilities and roles. |                    |                                  |                |
| Percentage of users of the service who are satisfied or very satisfied  | 75%                | At least 75%                     | At least 75%   |

*Reasons for Change in Appropriation*

This appropriation increased by \$8.838 million to \$10.798 million for 2019/20 due:

- a \$8.037 million increase funding for the continuation of the Temporary Accommodation Services response to Covid-19
- a \$0.800 million increase attributable to delays in the execution of a contract to procure portacabins, transferring funding from 2018/19 to 2019/20, and
- a \$0.001 million increase to reallocate funding for the implementation and on-going costs of a new payroll system (approved at Budget 2019) that better reflects where operational expenses will be incurred.