

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

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 for Vote Housing in the *Information Supporting the Estimates of Appropriations*.

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
<i>Building Regulation and Control (M9)</i>	-	-	17,965
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.			
<i>Canterbury Earthquakes: Building and Housing Assistance (M37)</i>	4,902	4,902	4,170
This appropriation is limited to the co-ordination, management and delivery of the overall Departmental response programme, and the delivery of accommodation matching and placement services to people displaced by the Canterbury earthquakes.			
<i>Occupational Licensing (M9)</i>	-	-	9,948
This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers.			
<i>Policy Advice and Related Outputs MCOA (M9)</i>	11,311	11,311	9,711
<i>MCOA - Building and Construction Ministerial Servicing</i>	297	297	292
This output class is limited to the provision of support, information and services to the Minister for Building and Construction to enable the Minister to discharge their portfolio responsibilities (other than policy decision making).			
<i>MCOA - Building and Construction Policy</i>	2,678	2,678	2,631
This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision making by Ministers on government policy matters relating to Building and Construction.			
<i>MCOA - Housing Policy Advice</i>	8,066	8,066	6,788
This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision making by Ministers on government policy matters relating to Housing.			
<i>MCOA - Housing, Ministerial Servicing and Performance and Monitoring</i>	270	270	-
This output class is limited to the provision of support, information and services to the Minister of Housing to enable the Minister to discharge their portfolio responsibilities (other than policy decision making).			
<i>Residential Tenancy and Unit Title Services (M37)</i>	-	-	22,232
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.			
<i>Social Housing Unit (M37)</i>	2,650	2,650	2,650
This appropriation is limited to the administration costs of the Social Housing Unit.			
<i>Special Housing Areas (M37)</i>	-	-	4,200
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.			

Titles and Scopes of Appropriations by Appropriation Type	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses - cont'd			
<i>Weathertight Services (M9)</i>	31,800	13,800	29,832
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.			
Total Departmental Output Expenses	50,663	32,663	100,708
Non-Departmental Output Expenses			
<i>Canterbury Earthquakes: Emergency and Temporary Accommodation (M37)</i>	6,050	6,050	3,350
This appropriation is limited to operating expenses incurred on emergency and temporary accommodation for people displaced by the Canterbury earthquakes.			
<i>HNZC Housing Support Services (M37)</i>	13,558	13,558	16,309
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.			
<i>Income Related Rent Subsidy for Community Housing Providers (M37)</i>	-	-	2,900
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.			
<i>Management of Crown Properties held under the Housing Act 1955 (M37)</i>	1,395	1,395	1,395
This appropriation is limited to the administration and management of Crown owned properties held under the Housing Act 1955.			
<i>Purchase of Housing and Related Services for Tenants Paying Income Related Rent (M37)</i>	637,158	637,158	662,227
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.			
Total Non-Departmental Output Expenses	658,161	658,161	686,181
Benefits and Other Unrequited Expenses			
<i>Housing Assistance (M37)</i>	1,510	1,510	1,495
Payments made to HNZC and other mortgage providers to compensate for the difference between the cost of funds and rate at which funds are lent and provide write-offs for loans.			
<i>KiwiSaver Deposit Subsidy (M37)</i>	15,799	15,799	19,001
To enable the provision of the KiwiSaver deposit subsidy for people who meet the required eligibility criteria.			
Total Benefits and Other Unrequited Expenses	17,309	17,309	20,496
Non-Departmental Other Expenses			
<i>Community Housing Rent Relief Programme (M37)</i>	4,127	4,127	4,104
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.			
<i>Increase in Debt Provision (M37)</i>	8,000	8,000	8,000
Increase in provision for doubtful debts on Income Related Rents Crown Debt.			

Titles and Scopes of Appropriations by Appropriation Type	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<i>Payments in respect of the Weathertight Services Loan Guarantees PLA (M9)</i> This appropriation is limited to the payments to banks under the Weathertight Services Financial Assistance Package: Loan Guarantee scheme as authorised under section 65ZG of the Public Finance Act 1989.	400	400	900
<i>Unwind of Discount Rate used in the Present Value Calculation of Direct Payments under the Weathertight Homes Financial Assistance Package. (M9)</i> This appropriation is limited to the expense incurred in unwinding the discount rate used in the present value calculation of the Weathertight Homes Financial Assistance Package liability as the liability nears settlement.	6,839	6,839	5,330
<i>Wellington City Council Social Housing Assistance (M37)</i> This appropriation is limited to assisting the Wellington City Council upgrade its social housing portfolio under the terms of a Deed of Grant entered into between the Crown, Housing New Zealand Corporation and the Council.	35,000	35,000	28,000
Total Non-Departmental Other Expenses	54,366	54,366	46,334
Non-Departmental Capital Expenditure			
<i>Acquisition and Development of properties under the Housing Act 1955 (M37)</i> This appropriation is limited to acquiring, developing and modernising properties under the Housing Act 1955.	14,998	14,998	2,000
<i>Acquisition and Improvement of Housing New Zealand Corporation state houses (M37)</i> This appropriation is limited to debt or equity in Housing New Zealand Corporation to acquire, modernise or reconfigure Housing New Zealand Corporation state houses.	8,300	8,300	5,800
<i>Refinancing of Housing New Zealand Corporation and Housing New Zealand Limited Debt (M37)</i> This appropriation is limited to refinancing existing Housing New Zealand Corporation and Housing New Zealand Limited debt.	150,862	150,862	210,238
<i>Canterbury Earthquake: Acquisition of Emergency and Temporary Accommodation (M37)</i> This appropriation is limited to capital expenditure incurred on emergency and temporary accommodation for people displaced by the Canterbury earthquakes.	12,544	12,544	-
<i>Tamaki Redevelopment Company Establishment (M37)</i> This appropriation is limited to providing capital funding for the purchase of shares in the Tamaki Redevelopment Company.	5,000	5,000	-
Total Non-Departmental Capital Expenditure	191,704	191,704	218,038
Total Annual and Permanent Appropriations	972,203	954,203	1,071,757

Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Departmental Output Expenses		
<i>Building Regulation and Control (M9)</i>	Original Appropriation	46,898
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.	Adjustments to 2011/12	12,865
	Adjustments for 2012/13	2,058
Commences: 1 July 2010	Adjusted Appropriation	61,821
	Actual to 2011/12 Year End	36,893
Expires: 30 June 2013	Estimated Actual for 2012/13	23,839
	Estimated Actual for 2013/14	-
	Estimated Appropriation Remaining	1,089
<i>Occupational Licensing (M9)</i>	Original Appropriation	27,341
This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers.	Adjustments to 2011/12	(43)
	Adjustments for 2012/13	2,000
Commences: 1 July 2010	Adjusted Appropriation	29,298
	Actual to 2011/12 Year End	19,378
Expires: 30 June 2013	Estimated Actual for 2012/13	9,920
	Estimated Actual for 2013/14	-
	Estimated Appropriation Remaining	-
<i>Residential Tenancy and Unit Title Services (M37)</i>	Original Appropriation	66,550
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.	Adjustments to 2011/12	584
	Adjustments for 2012/13	(150)
Commences: 1 July 2010	Adjusted Appropriation	66,984
	Actual to 2011/12 Year End	41,315
Expires: 30 June 2013	Estimated Actual for 2012/13	25,772
	Estimated Actual for 2013/14	-
	Estimated Appropriation Remaining	(103)
Non-Departmental Other Expenses		
<i>Social Housing Fund (M37)</i>	Original Appropriation	104,100
This appropriation is limited to the purchasing of services from, or providing support to, third party providers of social and/or affordable housing services.	Adjustments to 2011/12	-
	Adjustments for 2012/13	35,188
Commences: 1 July 2012	Adjusted Appropriation	139,288
	Actual to 2011/12 Year End	-
Expires: 30 June 2015	Estimated Actual for 2012/13	68,788
	Estimated Actual for 2013/14	37,500
	Estimated Appropriation Remaining	33,000

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<p><i>Weathertight Services: Guarantee Fee Subsidy (M9)</i></p> <p>This appropriation is limited to the expense reflecting the guarantee fee subsidy under the Weathertight Services Financial Assistance Package: Loan Guarantee scheme.</p> <p>Commences: 1 July 2010</p> <p>Expires: 30 June 2015</p>	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