

# *Vote Building and Construction*

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APPROPRIATION MINISTER(S): Minister for Building and Construction (M9), Minister of Health (M36),  
Minister of Housing (M37)

DEPARTMENT ADMINISTERING THE VOTE: Ministry of Business, Innovation and Employment (A17)

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

## *Overview of the Vote*

Three Ministers are responsible for the appropriations in Vote Building and Construction, administered by the Ministry of Business, Innovation and Employment (MBIE).

The Minister for Building and Construction is responsible for appropriations in the 2024/25 financial year of:

- just over \$64 million for delivering regulatory and control services for the building industry under the Building Act 2004, including related consumer information, maintaining registration and licensing regimes for building practitioners and electrical workers and administration of the Weathertight Financial Assistance Package
- just under \$9 million for policy advice relating to building and construction, and other support to Ministers relating to building and construction, and housing
- just under \$2 million relating to the unwind of the discount rate used in Weathertight Homes Financial Assistance Package, and
- just over \$1 million for payment to banks under the Weathertight Services Financial Assistance Package.

The Minister of Housing is responsible for appropriations in the 2024/25 financial year of:

- just under \$49 million for providing services relating to performance and monitoring, and Residential Tenancies and Unit Titles Service, and
- just under \$24 million to coordinate and provide temporary accommodation to people displaced by a civil emergency.

The Minister of Health is responsible for an appropriation in the 2024/25 financial year of \$50,000 for services and support relating to managing residual Managed Isolation and Quarantine invoices and debt-related costs.

Details of these appropriations are set out in Parts 2-4.

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Occupational Licensing (M9) (A17)</b> This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers.	16,345	16,345	<b>12,157</b>
<b>Residential Tenancy and Unit Title Services (M37) (A17)</b> 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.	47,312	47,312	<b>48,729</b>
<b>Weathertight Services (M9) (A17)</b> 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.	2,989	2,989	<b>3,543</b>
<b>Total Departmental Output Expenses</b>	66,646	66,646	64,429
<b>Non-Departmental Other Expenses</b>			
<b>Payments in Respect of the Weathertight Services Loan Guarantees PLA (M9) (A17)</b> 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.	1,200	1,200	1,200
<b>Unwind of Discount Rate Used in the Present Value Calculation of Direct Payments Under the Weathertight Homes Financial Assistance Package (M9) (A17)</b> 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>1,659</b>
<b>Total Non-Departmental Other Expenses</b>	2,859	2,859	2,859
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Building Policy, Regulation and Advice MCA (M9) (A17)</b> The single overarching purpose of this appropriation is effective stewardship and regulation of the building system.	63,852	58,268	<b>57,599</b>
<b>Departmental Output Expenses</b>			
<b>Building Regulation and Control</b> This category 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.	50,248	50,248	48,655
<b>Executive Functions and Building System Support</b> This category is limited to services (including research, evaluation, data analysis, dissemination, regulatory stewardship and enforcement) required to exercise executive functions, and to support the effective performance of statutory bodies under legislation assigned to the appropriation Minister (other than the Building Act 2004).	90	90	90

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b><i>Policy Advice and Related Services to Ministers - Building and Construction</i></b>	12,904	7,320	8,844
This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) and services (including research, evaluation, data analysis and dissemination) to support decision-making by Ministers on government policy matters relating to building and construction.			
<b><i>Non-Departmental Output Expenses</i></b>			
<b><i>Supporting the performance of statutory boards and other providers</i></b>	610	610	10
This category is limited to services (including research, evaluation, data analysis, dissemination, regulatory stewardship assurance and enforcement) required by statutory boards or other providers of statutory functions, under legislation assigned to the appropriation Minister, to exercise their functions.			
<b>Isolation and Quarantine Management MCA (M36) (A17)</b>	450	450	<b>50</b>
The single overarching purpose of this appropriation is to support and deliver isolation and quarantine arrangements within New Zealand to respond to pandemics and other health emergencies.			
<b><i>Non-Departmental Other Expenses</i></b>			
<b><i>Managed Isolation and Quarantine loans - Impairment of debt</i></b>	30	30	10
This category is limited to expenses arising from the recognition of the impaired value of isolation and quarantine loans and debts including write downs and write offs.			
<b><i>Residual Invoice and Debt-related Costs</i></b>	420	420	40
This category is limited to expenses for debt collection, processing of repayments received, and other related costs incurred for the MIQ fees regime.			
<b>Temporary Accommodation Services MCA (M37) (A17)</b>	123,309	89,809	<b>23,904</b>
The single overarching purpose of this appropriation is to coordinate and provide temporary accommodation to people displaced by a civil emergency.			
<b><i>Departmental Output Expenses</i></b>			
<b><i>Readiness, Response and Recovery</i></b>	16,826	16,826	7,162
This category is limited to temporary accommodation coordination, contingency planning, civil defence sector engagement and event-specific civil emergency temporary accommodation service operations.			
<b><i>Non-Departmental Output Expenses</i></b>			
<b><i>Temporary Accommodation Housing Initiatives - Operations</i></b>	87,925	54,425	15,984
This category is limited to the operating expenses incurred on temporary accommodation supply initiatives.			
<b><i>Non-Departmental Other Expenses</i></b>			
<b><i>Temporary Accommodation Housing Initiatives - Depreciation</i></b>	1,058	1,058	758
This category is limited to depreciation expenses associated with temporary accommodation supply.			
<b><i>Transfer of Temporary Accommodation Service Assets</i></b>	6,880	6,880	-
This category is limited to expenses incurred by the Ministry of Business, Innovation and Employment transferring Temporary Accommodation Service assets to local councils, community housing providers and other relevant third-party entities.			
<b><i>Non-Departmental Capital Expenditure</i></b>			
<b><i>Temporary Accommodation Housing Initiatives - Capital</i></b>	10,620	10,620	-
This category is limited to procuring and purchasing temporary accommodation.			

Titles and Scopes of Appropriations by Appropriation Type	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Residential Earthquake-Prone Building Support Services MCA (M9) (A17)</b> The single overarching purpose of this appropriation is to assist eligible owners of earthquake-prone buildings to meet their obligations under the Building Act 2004.	5,060	1,135	-
<b>Departmental Output Expenses</b>			
<i>Earthquake-Prone Building Remediation Support Service</i> This category is limited to the delivery of a remediation support service.	2,997	800	-
<b>Non-Departmental Other Expenses</b>			
<i>Delivery and Administration of the Residential Earthquake-Prone Building Financial Assistance Scheme</i> This category is limited to the delivery and administration of the loan scheme for Earthquake-Prone Buildings.	2,063	335	-
<b>Total Multi-Category Expenses and Capital Expenditure</b>	192,671	149,662	81,553
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	262,176	219,167	148,841

## Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Other Expenses</b>		
<b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Fair value write down (M9) (A17)</b> This appropriation is limited to any fair value write downs (including impairments, bad debts, write-offs and expected credit losses) or other expenses incurred in unwinding the discount rate used in the present value calculation of the loans within the Residential Earthquake-Prone Building Financial Assistance Scheme.  Commences: 01 November 2020  Expires: 30 June 2025	Original Appropriation Adjustments to 2022/23 Adjustments for 2023/24 Adjusted Appropriation  Actual to 2022/23 Year End Estimated Actual for 2023/24 Estimate for 2024/25 Estimated Appropriation Remaining	4,800 1,300 (6,100) - - - - -
<b>Non-Departmental Capital Expenditure</b>		
<b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake Prone Buildings (M9) (A17)</b> This appropriation is limited to loans for Earthquake-Prone Buildings seismic retrofit.  Commences: 01 March 2020  Expires: 30 June 2024	Original Appropriation Adjustments to 2022/23 Adjustments for 2023/24 Adjusted Appropriation  Actual to 2022/23 Year End Estimated Actual for 2023/24 Estimate for 2024/25 Estimated Appropriation Remaining	10,000 - (10,000) - - - - -

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Return of Funding for Digital Data & Insights	<b>Occupational Licensing</b>	-	(53)	(53)	(53)	(53)
	Departmental Output Expense					
	<b>Residential Tenancy and Unit Title Services</b>	-	(199)	(199)	(199)	(199)
	Departmental Output Expense					
	<b>Weathertight Services</b>	-	(7)	(7)	(7)	(7)
	Departmental Output Expense					
	<b>Building Policy, Regulation and Advice MCA</b>	-	(155)	(155)	(155)	(155)
	Building Regulation and Control					
	Policy Advice and Related Services to Ministers - Building and Construction	-	(22)	(22)	(22)	(22)
Departmental Output Expense						
Return of Funding for Enablement Services	<b>Temporary Accommodation Services MCA</b>	-	(47)	(47)	(47)	(47)
	Readiness, Response and Recovery					
	Departmental Output Expense					
	<b>Occupational Licensing</b>	-	(261)	(250)	(271)	(278)
	Departmental Output Expense					
	<b>Residential Tenancy and Unit Title Services</b>	-	(956)	(918)	(999)	(1,022)
	Departmental Output Expense					
	<b>Watertight Services</b>	-	(36)	(34)	(37)	(38)
	Departmental Output Expense					
<b>Building Policy, Regulation and Advice MCA</b>	-	(766)	(735)	(797)	(816)	
Building Regulation and Control						
Policy Advice and Related Services to Ministers - Building and Construction	-	(119)	(115)	(124)	(127)	
Departmental Output Expense						
<b>Temporary Accommodation Services MCA</b>	-	(232)	(223)	(241)	(247)	
Readiness, Response and Recovery						
Departmental Output Expense						

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Return of Funding for Engagement and Experience	<b>Occupational Licensing</b> Departmental Output Expense	(16)	(218)	(202)	(202)	(57)
	<b>Residential Tenancy and Unit Title Services</b> Departmental Output Expense	(732)	(948)	(888)	(888)	(350)
	<b>Weathertight Services</b> Departmental Output Expense	(75)	(90)	(82)	(82)	(9)
	<b>Building Policy, Regulation and Advice MCA</b> Building Regulation and Control Departmental Output Expense	(245)	(584)	(559)	(559)	(328)
	<b>Residential Earthquake-Prone Building Support Services MCA</b> Earthquake-Prone Building Remediation Support Service Departmental Output Expense	(26)	-	-	-	-
	<b>Temporary Accommodation Services MCA</b> Readiness, Response and Recovery Departmental Output Expense	(203)	(61)	(58)	(58)	(31)
Return of Funding for Policy Advice Building and Construction	<b>Building Policy, Regulation and Advice MCA</b> Policy Advice and Related Services to Ministers - Building and Construction Departmental Output Expense	-	(100)	(100)	(100)	(100)
Return of Funding for Residential Earthquake-Prone Building Financial Assistance Scheme and Remediation Support Services	<b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Fair value write down</b> Non-Departmental Other Expense	(6,100)	-	-	-	-
	<b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake Prone Buildings</b> Non-Departmental Capital Expenditure	(10,000)	-	-	-	-
	<b>Residential Earthquake-Prone Building Support Services MCA</b> Earthquake-Prone Building Remediation Support Service Departmental Output Expense	-	(858)	(10)	(10)	(10)
	<b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Delivery and Administration of the Loan Scheme for Earthquake Prone Buildings</b> Non-Departmental Other Expense	-	(1,500)	(1,490)	(1,490)	(1,490)

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Return of Funding for Strategy, Performance and Design	<b>Occupational Licensing</b> Departmental Output Expense	(6)	(44)	(44)	(44)	(44)
	<b>Residential Tenancy and Unit Title Services</b> Departmental Output Expense	(18)	(163)	(163)	(163)	(163)
	<b>Weathertight Services</b> Departmental Output Expense	(2)	(22)	(22)	(22)	(22)
	<b>Building Policy, Regulation and Advice MCA</b> Building Regulation and Control Departmental Output Expense	(7)	(70)	(70)	(70)	(70)
	<b>Residential Earthquake-Prone Building Support Services MCA</b> Earthquake-Prone Building Remediation Support Service Departmental Output Expense	(1)	-	-	-	-
	<b>Temporary Accommodation Services MCA</b> Readiness, Response and Recovery Departmental Output Expense	(7)	(8)	(8)	(8)	(8)
	Return of Funding for Weathertight Homes Resolution Service	<b>Weathertight Services</b> Departmental Output Expense	(1,500)	(1,300)	(200)	(200)
Temporary Accommodation Service - 2023 North Island Weather Events	<b>Temporary Accommodation Services MCA</b> Readiness, Response and Recovery Departmental Output Expense	-	5,175	2,613	-	-
	Temporary Accommodation Housing Initiatives - Operations Non-Departmental Output Expense	-	15,059	4,986	-	-
<b>Total Initiatives</b>		(18,938)	11,415	945	(6,848)	(5,893)



## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25			2025/26	2026/27	2027/28
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final 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	65,946	57,640	65,603	67,766	66,646	66,646	64,429	-	64,429	65,416	64,560	65,285
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	992	645	448	1,733	2,859	2,859	-	2,859	2,859	2,859	2,859	2,859
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	44,695	671,459	817,948	132,574	171,600	130,319	64,751	15,994	80,745	59,072	51,385	51,615
<i>Other Expenses</i>	291	31,820	11,112	1,147	10,451	8,723	-	808	808	758	758	758
<i>Capital Expenditure</i>	671	125,692	18,922	7,151	10,620	10,620	N/A	-	-	-	-	-
<b>Total Appropriations</b>	112,595	887,256	914,033	210,371	262,176	219,167	129,180	19,661	148,841	128,105	119,562	120,517
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	28	124,229	73,137	820	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	28	124,229	73,137	820	-	-	N/A	-	-	-	-	-

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

## Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

### 1.3 - Analysis of Significant Trends

#### *Output Expenses*

The fluctuating trend for the Output Expense is due to:

- KiwiBuild programme and other housing related funding being transferred to the newly established Ministry of Housing and Urban Development in 2019/20
- additional funding for Insurance Claims Resolution from 2019/20 and then reducing again from 2022/23 and ending in 2023/24
- decreased funding due to the transfer of Building and Regulation funding to a multi-category appropriation in 2020/21
- reduced funding for Weathertight Services from 2020/21
- additional funding for Residential Tenancy and Unit Title Services from 2022/23, and
- additional funding for Occupational Licencing from 2021/22 and then reducing from 2024/25.

#### *Other Expenses*

The fluctuating trend for Other Expenses is due to:

- decreased funding for Residential Earthquake-Prone Buildings Financial Assistance Scheme: Delivery and Administration of the Loan Scheme for Earthquake Prone Buildings from 2020/21 and ending in 2023/24
- increased funding for Unwind of Discount Rate Used in the Present Value Calculation of Direct Payments Under the Weathertight Homes Financial Assistance Package from 2022/23, and
- changes in the phasing of funding into 2023/24 for the Residential Earthquake-Prone Buildings Financial Assistance Scheme: Fair value write down.

#### *Multi-Category Output Expenses, Other Expenses and Capital Expenditure*

The fluctuating trend for the Multi-Category Output Expenses, Other Expenses and Capital Expenditure is mainly due to:

- the establishment of the Isolation and Quarantine Management multi-category appropriation in 2020/21 as part of the Government's response to COVID-19. With the change in border regulations, there is a drop of funding in 2022/23 before being phased out from 2023/24 with ceased operations of Isolation and Quarantine Management
- additional funding for Temporary Accommodation Services appropriation to help with the recovery from Auckland floods and Cyclone Gabrielle in 2022/23 and residual work in 2023/24, and
- additional funding for Building Policy, Regulation and Advice appropriation from 2021/22 onwards netting off with savings from 2024/25 onwards.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Occupational Licensing (M9) (A17)

##### *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*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,345	16,345	12,157
Revenue from the Crown	754	754	760
Revenue from Others	10,469	10,469	10,975

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

This appropriation is intended to achieve certainty and confidence for the industry and the public that licensed practitioners and workers in the building, construction and electrical sectors are competent and contribute to safe, healthy and affordable homes and buildings.

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
An internal audit and assurance rating received on the quality and timeliness of administration of licensed building practitioners and electrical workers regimes	Rating of acceptable or better	Rating of acceptable or better	Rating of acceptable or better

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

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

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

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
<b>Current Government</b>						
Return of Funding for Digital Data & Insights	2024/25	-	(53)	(53)	(53)	(53)
Return of Funding for Enablement Services	2024/25	-	(261)	(250)	(271)	(278)
Return of Funding for Strategy, Performance and Design	2023/24	(6)	(44)	(44)	(44)	(44)
Return of Funding for Engagement and Experience	2023/24	(16)	(218)	(202)	(202)	(57)

### *Reasons for Change in Appropriation*

The decrease in this appropriation for 2024/25 is mainly due to additional funding in 2023/24 for ongoing support of the occupational licensing IT platform for the Electrical Workers and Licensed Building Practitioners regimes.

### *Memorandum Account*

	2023/24		2024/25
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Occupational Licensing - Building Practitioners</b>			
Opening Balance at 1 July	3,330	3,330	1,841
Revenue	6,365	6,369	6,825
Expenses	(7,858)	(7,858)	(6,218)
Transfers and Adjustments	-	-	-
<b>Closing Balance at 30 June</b>	<b>1,837</b>	<b>1,841</b>	<b>2,448</b>

	2023/24		2024/25
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Occupational Licensing - Electrical Workers</b>			
Opening Balance at 1 July	416	416	(1,398)
Revenue	4,126	5,941	4,726
Expenses	(7,755)	(7,755)	(5,755)
Transfers and Adjustments	-	-	-
<b>Closing Balance at 30 June</b>	<b>(3,213)</b>	<b>(1,398)</b>	<b>(2,427)</b>

## **Residential Tenancy and Unit Title Services (M37) (A17)**

### *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.

### *Expenses and Revenue*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	47,312	47,312	48,729
Revenue from the Crown	38,728	38,728	40,297
Revenue from Others	8,584	8,584	8,432

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

This appropriation is intended to achieve an environment in which residential tenancy and unit title consumers and businesses are well informed, understand their rights, and meet their regulatory obligations through the provision of information, education, advice, compliance, bond processing and mediation services.

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of interventions undertaken dealing with potential breaches of the Residential Tenancies Act 1986	At least 3,000	At least 3,000	At least 3,000
Percentage of dispute resolution mediations settled	85%	85%	85%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
<b>Current Government</b>						
Return of Funding for Digital Data & Insights	2024/25	-	(199)	(199)	(199)	(199)
Return of Funding for Enablement Services	2024/25	-	(956)	(918)	(999)	(1,022)
Return of Funding for Strategy, Performance and Design	2023/24	(18)	(163)	(163)	(163)	(163)
Return of Funding for Engagement and Experience	2023/24	(732)	(948)	(888)	(888)	(350)
<b>Previous Government</b>						
Unit Titles Amendment and Education	2022/23	736	736	736	736	736
Residential Tenancies and Unit Titles Services - Addressing a Revenue Shortfall and Continuing Service Levels	2021/22	12,318	12,470	12,470	12,470	12,470
Ensuring compliance with the Healthy Homes Standards	2021/22	4,260	4,340	4,340	4,340	4,340
Replacement of the Tenancy Bond ICT System	2021/22	5,042	7,866	7,866	7,886	7,866

### *Memorandum Account*

	2023/24		2024/25
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Unit Titles Act 2010</b>			
Opening Balance at 1 July	(551)	(551)	(798)
Revenue	180	111	180
Expenses	(309)	(358)	(309)
Transfers and Adjustments	-	-	-
<b>Closing Balance at 30 June</b>	<b>(680)</b>	<b>(798)</b>	<b>(927)</b>

## Weathertight Services (M9) (A17)

### 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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,989	2,989	3,543
Revenue from the Crown	2,989	2,989	3,543
Revenue from Others	113	113	113

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

This appropriation is intended to achieve resolution of weathertight homes claims in New Zealand.

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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	80%	80%	80%

### End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
<b>Current Government</b>						
Return of Funding for Digital Data & Insights	2024/25	-	(7)	(7)	(7)	(7)
Return of Funding for Enablement Services	2024/25	-	(36)	(34)	(37)	(38)
Return of Funding for Strategy, Performance and Design	2023/24	(2)	(22)	(22)	(22)	(22)
Return of Funding for Engagement and Experience	2023/24	(75)	(90)	(82)	(82)	(9)
Return of Funding for Weathertight Homes Resolution Service	2023/24	(1,500)	(1,300)	(200)	(200)	(200)
<b>Previous Government</b>						
Weathertight Homes Resolution Service - Return of Underspend	2024/25	-	(1,082)	(2,190)	(2,940)	(2,940)

## Part 3 - Details of Non-Departmental Appropriations

### 3.4 - Non-Departmental Other Expenses

#### Payments in Respect of the Weathertight Services Loan Guarantees PLA (M9) (A17)

##### *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*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,200	1,200	1,200

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

This appropriation is intended to achieve certainty and confidence for banks through the provision of a loss share contribution if a loan claimant defaults on a mortgage associated with the repair of a home under the Weathertight Financial Assistance Package.

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

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the appropriation is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity; and the projected amount of this annual appropriation for a non-departmental other expenses is less than \$5 million.

#### Unwind of Discount Rate Used in the Present Value Calculation of Direct Payments Under the Weathertight Homes Financial Assistance Package (M9) (A17)

##### *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*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,659	1,659	1,659

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the unwinding of the discount rate used in the present value calculation of the Weathertight Homes Financial Assistance Package liability.

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

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the appropriation is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity; and the projected amount of this annual appropriation for a non-departmental other expenses is less than \$5 million.



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

## 4 - Multi-Category Expenses and Capital Expenditure

### Building Policy, Regulation and Advice (M9) (A17)

#### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is effective stewardship and regulation of the building system.

#### *Scope of Appropriation*

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

###### *Building Regulation and Control*

This category 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.

###### *Executive Functions and Building System Support*

This category is limited to services (including research, evaluation, data analysis, dissemination, regulatory stewardship and enforcement) required to exercise executive functions, and to support the effective performance of statutory bodies under legislation assigned to the appropriation Minister (other than the Building Act 2004).

###### *Policy Advice and Related Services to Ministers - 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) and services (including research, evaluation, data analysis and dissemination) to support decision-making by Ministers on government policy matters relating to building and construction.

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

###### *Supporting the performance of statutory boards and other providers*

This category is limited to services (including research, evaluation, data analysis, dissemination, regulatory stewardship assurance and enforcement) required by statutory boards or other providers of statutory functions, under legislation assigned to the appropriation Minister, to exercise their functions.

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>63,852</b>	<b>58,268</b>	<b>57,599</b>
<b>Departmental Output Expenses</b>			
Building Regulation and Control	50,248	50,248	48,655
Executive Functions and Building System Support	90	90	90
Policy Advice and Related Services to Ministers - Building and Construction	12,904	7,320	8,844

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Non-Departmental Output Expenses</b>			
Supporting the performance of statutory boards and other providers	610	610	10
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>12,994</b>	<b>7,410</b>	<b>8,934</b>
Executive Functions and Building System Support	90	90	90
Policy Advice and Related Services to Ministers - Building and Construction	12,904	7,320	8,844
<b>Revenue from Others</b>	<b>47,266</b>	<b>47,266</b>	<b>44,231</b>
Building Regulation and Control	47,266	47,266	44,231

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

This appropriation is intended to achieve a regulatory system that ensures safe and healthy building practice in the construction sector, and effective policy advice and support to Ministers.

### *How Performance will be Assessed for this Appropriation*

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Average satisfaction of Ministers annually	Average score of 4 out of 5 or better	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*

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Departmental Output Expenses</b>			
<b>Building Regulation and Control</b>			
This category is intended to achieve a regulatory system that ensures safe and healthy building practice in the construction sector.			
Percentage of determinations subject to clarification due to inadequate coverage of issues	Less than 3%	Less than 3%	Less than 3%
Percentage of determinations successfully appealed	Less than 2%	Less than 2%	Less than 2%
Percentage of users satisfied that information provided on matters relating to Building Control has met their needs	At least 72% of users surveyed	At least 72% of users surveyed	At least 72% of users surveyed

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Executive Functions and Building System Support</b>			
This category is intended to achieve effective stewardship and regulation of the building system through the performance of executive functions, and provision of external support to statutory bodies where necessary to ensure they perform their functions effectively.			
Percentage of charges filed against individuals who are not appropriately registered or licensed in a relevant statutory regime that are upheld by the court	100%	100%	100%
<b>Policy Advice and Related Services to Ministers - Building and Construction</b>			
This category is intended to achieve the provision of high quality policy advice and support to Ministers.			
Percentage of requests completed within either specified or statutory timeframes:			
<ul style="list-style-type: none"> <li>Ministerial correspondence</li> </ul>	95% or above	95% or above	95% or above
<ul style="list-style-type: none"> <li>Ministerial Official Information Act 1982 requests</li> </ul>	95% or above	95% or above	95% or above
<ul style="list-style-type: none"> <li>Parliamentary Questions</li> </ul>	95% or above	95% or above	95% or above
The average quality of policy advice papers, using an appropriately robust assessment process, meets a standard of 'acceptable' as defined by quality advice standards (see Note 1)	-	-	At least 3.3/5.0
<b>Non-Departmental Output Expenses</b>			
<b>Supporting the performance of statutory boards and other providers</b>			
This category is intended to achieve the provision of support for statutory boards where it is required to ensure they can exercise their functions.			
An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the category is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity; and the amount of the annual appropriation for non-departmental output expense is less than \$5 million	Exempt	Exempt	Exempt

Note 1 - This performance indicator in relation to technical quality of policy advice papers was revised for 2024/25 and outyears for faithful representation.

### *End of Year Performance Reporting*

This performance information will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
<b>Current Government</b>						
<b>Building Regulation and Control</b>						
Return of Funding for Digital Data & Insights	2024/25	-	(155)	(155)	(155)	(155)
Return of Funding for Enablement Services	2024/25	-	(766)	(735)	(797)	(816)
Return of Funding for Strategy, Performance and Design	2023/24	(7)	(70)	(70)	(70)	(70)
Return of Funding for Engagement and Experience	2023/24	(245)	(584)	(559)	(559)	(328)
<b>Policy Advice and Related Services to Ministers - Building and Construction</b>						
Return of Funding for Digital Data & Insights	2024/25	-	(22)	(22)	(22)	(22)
Return of Funding for Enablement Services	2024/25	-	(119)	(115)	(124)	(127)
Return of Funding for Policy Advice Building and Construction	2024/25	-	(100)	(100)	(100)	(100)
<b>Previous Government</b>						
<b>Policy Advice and Related Services to Ministers - Building and Construction</b>						
Industry Transformation Plans - Implementing Construction Sector ITP Actions	2022/23	7,890	7,680	-	-	-

### Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is mainly due to higher funding in 2023/24 for the Construction Sector Accord.

### Memorandum Account

The reduction in the levy rate took effect from 1 July 2020 and is the primary measure for reducing the memorandum account. The continued focus on expanded workstreams within the scope of the levy is also expected to reduce the balance going forward.

	2023/24		2024/25
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Building Controls</b>			
Opening Balance at 1 July	71,590	71,590	58,449
Revenue	47,266	37,107	44,231
Expenses	(50,248)	(50,248)	(48,655)
Transfers and Adjustments	-	-	-
<b>Closing Balance at 30 June</b>	<b>68,608</b>	<b>58,449</b>	<b>54,025</b>
<b>National Multi Use Approvals</b>			
Opening Balance at 1 July	(2,271)	(2,271)	(2,483)
Revenue	200	134	200
Expenses	(557)	(346)	(557)
Transfers and Adjustments	-	-	-
<b>Closing Balance at 30 June</b>	<b>(2,628)</b>	<b>(2,483)</b>	<b>(2,840)</b>

## Isolation and Quarantine Management (M36) (A17)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to support and deliver isolation and quarantine arrangements within New Zealand to respond to pandemics and other health emergencies.

### *Scope of Appropriation*

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

##### *Managed Isolation and Quarantine loans - Impairment of debt*

This category is limited to expenses arising from the recognition of the impaired value of isolation and quarantine loans and debts including write downs and write offs.

##### *Residual Invoice and Debt-related Costs*

This category is limited to expenses for debt collection, processing of repayments received, and other related costs incurred for the MIQ fees regime.

### *Expenses, Revenue and Capital Expenditure*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>450</b>	<b>450</b>	<b>50</b>
<b>Non-Departmental Other Expenses</b>			
Managed Isolation and Quarantine loans - Impairment of debt	30	30	10
Residual Invoice and Debt-related Costs	420	420	40

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

This appropriation is intended to achieve the improvement in debt recoverability of Managed Isolation Quarantine debt as a result of stays in isolation and quarantine facilities.

### *How Performance will be Assessed for this Appropriation*

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Debt recovery: Percentage of debt recovered against invoices raised.	90%	90%	90%

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Non-Departmental Other Expenses</b>			
<b>Managed Isolation and Quarantine loans - Impairment of debt</b>			
This category is intended to achieve the recognition of write-off and impairment of debts owed to the Crown that are deemed uncollectable.			
An exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989 as additional performance information is unlikely to be informative	Exempt	Exempt	Exempt
<b>Residual Invoice and Debt-related Costs</b>			
This category is intended to achieve the improvement in debt recoverability of Managed Isolation and Quarantine debt.			
Debt recovery: Percentage of debt recovered against invoices raised	90%	90%	90%

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Reasons for Change in Appropriation*

The decrease in this appropriation for 2024/25 is due to the drop off in the expected debt recovery costs as outstanding debt levels drop off.

**Temporary Accommodation Services (M37) (A17)**

*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.

*Transfer of Temporary Accommodation Service Assets*

This category is limited to expenses incurred by the Ministry of Business, Innovation and Employment transferring Temporary Accommodation Service assets to local councils, community housing providers and other relevant third-party entities.

**Non-Departmental Capital Expenditure***Temporary Accommodation Housing Initiatives - Capital*

This category is limited to procuring and purchasing temporary accommodation.

*Expenses, Revenue and Capital Expenditure*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>123,309</b>	<b>89,809</b>	<b>23,904</b>
<b>Departmental Output Expenses</b>			
Readiness, Response and Recovery	16,826	16,826	7,162
<b>Non-Departmental Output Expenses</b>			
Temporary Accommodation Housing Initiatives - Operations	87,925	54,425	15,984
<b>Non-Departmental Other Expenses</b>			
Temporary Accommodation Housing Initiatives - Depreciation	1,058	1,058	758
Transfer of Temporary Accommodation Service Assets	6,880	6,880	-
<b>Non-Departmental Capital Expenditure</b>			
Temporary Accommodation Housing Initiatives - Capital	10,620	10,620	-
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>16,826</b>	<b>16,826</b>	<b>7,162</b>
Readiness, Response and Recovery	16,826	16,826	7,162

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve coordination and provision of temporary accommodation to people displaced by a civil emergency.

*How Performance will be Assessed for this Appropriation*

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of users who were satisfied with overall effectiveness of the service (from Survey)	75%	75%	75%

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

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget 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 contacted within 5 working days of registration	75%	75%	75%
<b>Non-Departmental Output Expenses</b>			
<b>Temporary Accommodation Housing Initiatives - Operations</b>			
This category is intended to provide a broad range of flexible temporary accommodation options.			
Percentage of users who were satisfied with effectiveness of the service to resolve temporary accommodation needs	75%	75%	75%
<b>Non-Departmental Other Expenses</b>			
<b>Temporary Accommodation Housing Initiatives - Depreciation</b>			
This category is intended to provide a broad range of flexible temporary accommodation options.			
An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the appropriation is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity; and the projected amount of this annual appropriation for a non-departmental other expenses is less than \$5 million	Exempt	Exempt	Exempt
<b>Transfer of Temporary Accommodation Service Assets</b>			
This category is intended to measure ongoing social benefit from asset transfers conducted by TAS when assets are no longer required for the provision of temporary accommodation under the Civil Defence Emergency Management legislation.			
Percentage of asset transfers which have an ongoing social benefit to the community	75%	75%	75%
<b>Non-Departmental Capital Expenditure</b>			
<b>Temporary Accommodation Housing Initiatives - Capital</b>			
This category is intended to increase housing supply levels in emergency affected areas.			
Percentage of users who were satisfied with effectiveness of the service to resolve temporary accommodation needs	75%	75%	75%

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.



*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
<b>Current Government</b>						
<b>Temporary Accommodation Housing Initiatives - Operations</b>						
Temporary Accommodation Service - 2023 North Island Weather Events	2024/25	-	15,059	4,986	-	-
<b>Readiness, Response and Recovery</b>						
Temporary Accommodation Service - 2023 North Island Weather Events	2024/25	-	5,175	2,613	-	-
Return of Funding for Digital Data & Insights	2024/25	-	(47)	(47)	(47)	(47)
Return of Funding for Enablement Services	2024/25	-	(232)	(223)	(241)	(247)
Return of Funding for Strategy, Performance and Design	2023/24	(7)	(8)	(8)	(8)	(8)
Return of Funding for Engagement and Experience	2023/24	(203)	(61)	(58)	(58)	(31)
<b>Previous Government</b>						
<b>Temporary Accommodation Housing Initiatives - Operations</b>						
Funding for the Temporary Accommodation Service response to the Auckland flooding and impacts of Cyclone Gabrielle	2023/24	73,200	-	-	-	-
Temporary Accommodation Service - meeting rising costs to house displaced people following Civil Defence emergencies	2022/23	430	430	430	430	430
<b>Readiness, Response and Recovery</b>						
Funding for the Temporary Accommodation Service response to the Auckland flooding and impacts of Cyclone Gabrielle	2023/24	11,300	-	-	-	-
Temporary Accommodation Service - meeting rising costs to house displaced people following Civil Defence emergencies	2022/23	600	600	600	600	600
<b>Temporary Accommodation Housing Initiatives - Depreciation</b>						
Temporary Accommodation Service - meeting rising costs to house displaced people following Civil Defence emergencies	2022/23	470	470	470	470	470
<b>Temporary Accommodation Housing Initiatives - Capital</b>						
Temporary Accommodation Response to the Auckland Flooding and Cyclone Gabrielle	2023/24	17,500	-	-	-	-

*Reasons for Change in Appropriation*

The decrease in this appropriation for 2024/25 is mainly due to higher funding in 2023/24 for the continued Temporary Accommodation Service response to the North Island Weather Events.