

Vote Housing and Urban Development

APPROPRIATION MINISTER(S): Minister of Housing (M37)

APPROPRIATION ADMINISTRATOR: Ministry of Housing and Urban Development

RESPONSIBLE MINISTER FOR MINISTRY OF HOUSING AND URBAN DEVELOPMENT:
Minister of Housing

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Administering the Legacy Social Housing Fund (M37) This appropriation is limited to the administration costs of the Legacy Social Housing Fund.	600	-	600
Community Housing Regulatory Authority (M37) This appropriation is limited to the administration of the Community Housing Regulatory Authority.	700	829	1,529
Consenting in Special Housing Areas (M37) This appropriation is limited to the costs of providing resource consenting processes in Special Housing Areas where a Special Housing Area is declared outside a Housing Accord.	3,000	(3,000)	-
Establishment of Kāinga-Ora - Homes and Communities (M37) This appropriation is limited to the establishment of the new housing and urban development authority: Kāinga-Ora - Homes and Communities.	-	3,100	3,100
Facilitating the Redevelopment of Surplus Crown Land (M37) This appropriation is limited to the activities associated with the facilitation of Crown land redevelopment.	2,503	20	2,523
KiwiBuild Unit (M37) This appropriation is limited to the activities associated with the facilitation and implementation of the KiwiBuild Programme.	24,250	(10,749)	13,501
Management of Housing Places, Providers and Services (M37) This appropriation is limited to negotiating and managing contracts with housing and housing support service providers, and administering payments for housing places and support services.	15,263	4,974	20,237
Total Departmental Output Expenses	46,316	(4,826)	41,490
Departmental Capital Expenditure			
Ministry of Housing and Urban Development - Capital Expenditure PLA (M37) This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Housing and Urban Development, as authorised by section 24(1) of the Public Finance Act 1989	400	600	1,000
Total Departmental Capital Expenditure	400	600	1,000
Non-Departmental Output Expenses			
Financial capability services to support Pacific households into home ownership (M37) This appropriation is limited to the provision of financial capability services for Pacific Island households.	630	-	630
He Kūkū Ki Te Kāinga - Increasing Māori Housing Supply (M37) This appropriation is limited to increasing the Housing Supply provided by Māori service providers.	-	7,000	7,000
He Taupua - Increasing Māori Housing Provider Capability (M37) This appropriation is limited to increasing the capacity of Māori Housing Providers to contribute to homelessness prevention.	-	1,000	1,000

	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Housing New Zealand Corporation Support Services (M37) This appropriation is limited to housing related services from Housing New Zealand Corporation, including home ownership initiatives and Healthy Housing.	10,698	(7,000)	3,698
Kāinga Ora - Homes and Communities (M37) This appropriation is limited to the delivery of services by Kāinga Ora - Homes and Communities that contribute to housing and urban development activity.	-	21,080	21,080
KiwiBuild Operations (M37) This appropriation is limited to the operating expenses incurred in relation to the facilitation, acquisition and development of KiwiBuild dwellings.	-	8,446	8,446
Local Innovations and Partnerships (M37) This appropriation is limited to the delivery and evaluation of locally-driven initiatives to respond to and prevent homelessness.	-	500	500
Management of Crown Properties held under the Housing Act 1955 (M37) This appropriation is limited to the administration and management of Crown owned properties held under the Housing Act 1955.	8	-	8
Support Services to increase home ownership (M37) This appropriation is limited to the delivery of support services for applications to progressive home ownership schemes.	-	1,500	1,500
Total Non-Departmental Output Expenses	11,336	32,526	43,862
Benefits or Related Expenses			
First Home Grants (M37) This appropriation is limited to First Home Grants for people who meet the required eligibility criteria.	-	54,646	54,646
KiwiSaver HomeStart Grant (M37) This appropriation is limited to KiwiSaver HomeStart grants for people who meet the required eligibility criteria.	106,120	(70,746)	35,374
Total Benefits or Related Expenses	106,120	(16,100)	90,020
Non-Departmental Other Expenses			
Housing Assistance (M37) This appropriation is limited to payments made to Housing New Zealand Corporation and other mortgage providers to compensate for the difference between the cost of funds and the rate at which funds are lent, and provide write-offs for loans.	789	-	789
Land for Housing - Deferred Settlements (M37) This appropriation is limited to expenses incurred as a result of deferred settlement agreements associated with land sales.	-	16,980	16,980
Social Housing Provider Development (M37) This appropriation is limited to providing support to third party providers of social and/or affordable housing services.	-	2,634	2,634
Total Non-Departmental Other Expenses	789	19,614	20,403

Titles and Scopes of Appropriations by Appropriation Type	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Multi-Category Expenses and Capital Expenditure			
Community Group Housing MCA (M37) The single overarching purpose of this appropriation is to purchase housing services from Housing New Zealand Corporation and Community Group Housing providers to maintain the supply of tenanted Community Group Housing properties.	23,795	-	23,795
Non-Departmental Output Expenses			
<i>Community Group Housing Market Rent Top-Up</i> This category is limited to the provision of funding to Housing New Zealand Corporation to pay the difference between the contracted rent with each Community Group Housing provider and market rent for the leased properties.	13,891	-	13,891
Non-Departmental Other Expenses			
<i>Community Housing Rent Relief</i> This category is limited to the provision of a rent relief fund to Community Group Housing providers for the sole purpose of helping them meet their contracted rent payments.	4,104	-	4,104
Non-Departmental Capital Expenditure			
<i>Acquisition and Improvement of Community Group Housing Properties</i> This category is limited to providing debt or equity to Housing New Zealand Corporation to acquire, modernise or reconfigure properties leased by Community Housing Providers.	5,800	-	5,800
Policy Advice and Related Outputs MCA (M37) 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.	20,338	9,594	29,932
Departmental Output Expenses			
<i>Crown Monitoring Advice</i> This category is limited to activity related to performance monitoring Housing New Zealand Corporation and Tamaki Redevelopment Company and governance advice to the Minister of Housing and Urban Development in respect of these agencies.	432	22	454
<i>Policy Advice</i> This category is limited to 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 and urban development.	19,646	7,271	26,917
<i>Related Services to Ministers</i> 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 housing and urban development.	260	2,301	2,561
Public Housing MCA (M37) The single overarching purpose of this appropriation is to secure and purchase the provision of public housing and associated support services.	1,150,597	796	1,151,393
Non-Departmental Output Expenses			
<i>Purchase of Public Housing Provision</i> This category is limited to purchasing the provision of public housing and related services from public housing providers in accordance with reimbursement agreements or tailored agreements under the Housing Restructuring and Tenancy Matters Act 1992.	1,093,458	(1,900)	1,091,558
<i>Services for People in Need of or at risk of Needing Public Housing</i> This category is limited to the provision of support services to those in need of public housing or those at risk of entering or exiting public housing.	37,965	(930)	37,035

Titles and Scopes of Appropriations by Appropriation Type	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<i>Services Related to the Provision of Public Housing</i> This category is limited to the provision of services related to the provision of public housing by a public housing provider.	900	-	900
Non-Departmental Other Expenses			
<i>Support for the Provision of Public Housing Supply</i> This category is limited to providing support to secure access to properties for public housing providers to use for public housing.	18,274	3,626	21,900
Transitional Housing MCA (M37) The single overarching purpose of this appropriation is to fund the delivery of transitional housing places and services in New Zealand.	138,862	59,563	198,425
Non-Departmental Output Expenses			
<i>Provision of Transitional Housing Places</i> This category is limited to supporting transitional housing providers to provide transitional housing places.	58,762	11,000	69,762
<i>Transitional Housing Services</i> This category is limited to payments to transitional housing providers on a per household basis to cover tenancy and property management, and services to support tenants in transitional housing to move into sustainable housing.	48,363	6,000	54,363
Non-Departmental Capital Expenditure			
<i>Acquisition, Development and Construction of Transitional Housing</i> This appropriation is limited to funding the acquisition, construction and development or redevelopment of land or properties for the purpose of providing transitional housing.	31,737	42,563	74,300
Total Multi-Category Expenses and Capital Expenditure	1,333,592	69,953	1,403,545
Total Annual Appropriations and Forecast Permanent Appropriations	1,498,553	101,767	1,600,320

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Output Expenses		
KiwiBuild Housing (M37) This appropriation is limited to the acquisition, construction and provision of KiwiBuild dwellings. Commences: 01 October 2018 Expires: 30 June 2022	Original Appropriation Adjustments to 2018/19 Adjustments for 2019/20 Adjusted Appropriation Actual to 2018/19 Year End Estimated Actual for 2019/20 Estimate for 2020/21 Estimated Appropriation Remaining	2,039,923 - (344,590) 1,695,333 96,920 221,163 194,800 1,182,450

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
Housing Infrastructure Fund - Fair Value Write Down (M37)	Original Appropriation	190,791
This appropriation is limited to the expense incurred in the fair-value write down of interest-free loans from the Housing Infrastructure Fund to Territorial Local Authorities.	Adjustments to 2018/19	-
	Adjustments for 2019/20	(160,791)
Commences: 01 October 2018	Adjusted Appropriation	30,000
	Actual to 2018/19 Year End	-
Expires: 30 June 2021	Estimated Actual for 2019/20	30,000
	Estimate for 2020/21	-
	Estimated Appropriation Remaining	-
Write down and write off of Progressive Home Ownership Loans (M37)	Original Appropriation	286,755
This appropriation is limited to the expense incurred in the fair-value write down of interest-free loans to suppliers of Progressive Home Ownership schemes and write-off of any potential bad debts associated with such loans.	Adjustments to 2018/19	-
	Adjustments for 2019/20	-
Commences: 01 April 2020	Adjusted Appropriation	286,755
	Actual to 2018/19 Year End	-
Expires: 30 June 2024	Estimated Actual for 2019/20	6,969
	Estimate for 2020/21	49,782
	Estimated Appropriation Remaining	230,004
Non-Departmental Capital Expenditure		
Housing Infrastructure Fund Loans (M37)	Original Appropriation	642,824
This appropriation is limited to interest-free loans from the Housing Infrastructure Fund of a duration of ten years or under to Territorial Local Authorities to finance the infrastructure needed to unlock residential development.	Adjustments to 2018/19	-
	Adjustments for 2019/20	(518,464)
Commences: 01 October 2018	Adjusted Appropriation	124,360
	Actual to 2018/19 Year End	10,597
Expires: 30 June 2023	Estimated Actual for 2019/20	10,116
	Estimate for 2020/21	103,647
	Estimated Appropriation Remaining	-
Kāinga Ora - Homes and Communities Standby Credit Facility (M37)	Original Appropriation	1,000,000
This appropriation is limited to financing of a credit facility to assist Kāinga Ora - Homes and Communities with short-term liquidity requirements in exceptional and temporary circumstances.	Adjustments to 2018/19	-
	Adjustments for 2019/20	-
Commences: 01 May 2020	Adjusted Appropriation	1,000,000
	Actual to 2018/19 Year End	-
Expires: 30 June 2024	Estimated Actual for 2019/20	-
	Estimate for 2020/21	-
	Estimated Appropriation Remaining	1,000,000

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Progressive Home Ownership Fund (M37) This appropriation is limited to addressing housing affordability issues by assisting access to home ownership through progressive home ownership schemes. Commences: 01 February 2020 Expires: 30 June 2024	Original Appropriation	400,000
	Adjustments to 2018/19	-
	Adjustments for 2019/20	-
	Adjusted Appropriation	400,000
	Actual to 2018/19 Year End	-
	Estimated Actual for 2019/20	10,000
	Estimate for 2020/21	70,000
	Estimated Appropriation Remaining	320,000
Vacant or Underutilised Crown Land Programme (M37) This appropriation is limited to the Crown's contribution to the development of housing in selected locations. Commences: 01 October 2018 Expires: 30 June 2022	Original Appropriation	55,354
	Adjustments to 2018/19	-
	Adjustments for 2019/20	(55,354)
	Adjusted Appropriation	-
	Actual to 2018/19 Year End	-
	Estimated Actual for 2019/20	-
	Estimate for 2020/21	-
	Estimated Appropriation Remaining	-

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

	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	1,498,553	101,767	1,600,320
Total Forecast MYA Non-Departmental Output Expenses	474,420	(253,257)	221,163
Total Forecast MYA Non-Departmental Other Expenses	-	36,969	36,969
Total Forecast MYA Non-Departmental Capital Expenditure	255,107	(234,991)	20,116
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	2,228,080	(349,512)	1,878,568

Capital Injection Authorisations

	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Ministry of Housing and Urban Development - Capital Injection (M37)	400	490	890

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	532,072	(4,826)	(220,731)	(225,557)	306,515
Benefits or Related Expenses	106,120	N/A	(16,100)	(16,100)	90,020
Borrowing Expenses	-	-	-	-	-
Other Expenses	789	-	56,583	56,583	57,372
Capital Expenditure	255,507	600	(234,991)	(234,391)	21,116
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	1,273,677	9,594	14,170	23,764	1,297,441
<i>Other Expenses</i>	22,378	-	3,626	3,626	26,004
<i>Capital Expenditure</i>	37,537	N/A	42,563	42,563	80,100
Total Appropriations	2,228,080	5,368	(354,880)	(349,512)	1,878,568
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	109,730	N/A	(16,330)	(16,330)	93,400
Capital Receipts	31,600	N/A	(14,620)	(14,620)	16,980
Total Crown Revenue and Capital Receipts	141,330	N/A	(30,950)	(30,950)	110,380

1.4 - Reconciliation of Changes in Appropriation Structure

Estimates	2019/20 (Estimates) \$000	Supplementary Estimates (Changes during the year)	Amount Moved \$000	New Structure	2019/20 (Restated) \$000
Department Output Expenses:					
KiwiBuild Unit	24,250	Transferred to Kāinga Ora - Homes and Communities	(11,200)	KiwiBuild Unit	13,050
Non-Departmental Output Expense:					
Housing New Zealand Corporation Support Services	10,698	Transferred to Kāinga Ora - Homes and Communities	(7,000)	Housing New Zealand Corporation Support Services	3,698
Purchase of Public Housing Provision	1,093,458	Transferred to Kāinga Ora - Homes and Communities	(2,200)	Purchase of Public Housing Provision	1,091,258
Kāinga Ora - Homes and Communities	-	Transferred from KiwiBuild Unit, Purchase of Public Housing Provision and Housing New Zealand Corporation Support Services	20,400	Kāinga Ora - Homes and Communities	20,400
Non-Departmental Benefits or Related Expenses:					
KiwiSaver HomeStart Grants	70,746	Transferred to First Home Grants	(70,746)	KiwiSaver HomeStart Grants	-
First Home Grants	-	Transferred from KiwiSaver HomeStart Grants	70,746	First Home Grants	70,746
Total Changes to Appropriations	1,199,152		-		1,199,152

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Community Housing Regulatory Authority (M37)

Scope of Appropriation

This appropriation is limited to the administration of the Community Housing Regulatory Authority.

Expenses and Revenue

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	700	829	1,529
Revenue from the Crown	700	825	1,525
Revenue from Others	-	4	4

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve efficient registration and regulation of Community Housing providers in order to ensure that their tenants are appropriately housed, and support the growth of a fair, efficient and transparent community housing sector.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation increased by \$829,000 to \$1.529 million for 2019/20 due to:

- additional funding of \$825,000 to enable the Ministry to deliver on the Government's housing programme; and
- a \$4,000 increase due to additional costs as a result of secondments of Ministry staff to other government agencies.

Consenting in Special Housing Areas (M37)

Scope of Appropriation

This appropriation is limited to the costs of providing resource consenting processes in Special Housing Areas where a Special Housing Area is declared outside a Housing Accord.

Expenses and Revenue

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,000	(3,000)	-
Revenue from the Crown	-	-	-
Revenue from Others	3,000	(3,000)	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve certainty and assurance to the public that resource consenting will be carried out for Special Housing Areas.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation decreased by \$3 million to nil for 2019/20 due to relevant sections in the Housing Accords and Special Housing Areas Act 2013 that established this appropriation being repealed on 16 September 2019.

Establishment of Kāinga-Ora - Homes and Communities (M37)

Scope of Appropriation

This appropriation is limited to the establishment of the new housing and urban development authority: Kāinga-Ora - Homes and Communities.

Expenses and Revenue

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	3,100	3,100
Revenue from the Crown	-	3,100	3,100
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate the establishment of Kāinga Ora - Homes and Communities.

How Performance will be Assessed and End of Year Reporting Requirements

	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Establish Kāinga Ora - Homes and Communities	New Measure for 2019/20	New Measure for 2019/20	1 October 2019

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation increased by \$3.1 million to facilitate the establishment of Kāinga Ora - Homes and Communities.

Facilitating the Redevelopment of Surplus Crown Land (M37)*Scope of Appropriation*

This appropriation is limited to the activities associated with the facilitation of Crown land redevelopment.

Expenses and Revenue

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,503	20	2,523
Revenue from the Crown	2,503	-	2,503
Revenue from Others	-	20	20

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve safe, healthy and affordable homes by the effective and efficient redevelopment of surplus Crown land.

Reasons for Change in Appropriation

This appropriation increased by \$20,000 to \$2.523 million for 2019/20 due to additional costs as a result of secondments of Ministry staff to other government agencies.

KiwiBuild Unit (M37)*Scope of Appropriation*

This appropriation is limited to the activities associated with the facilitation and implementation of the KiwiBuild Programme.

Expenses and Revenue

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	24,250	(10,749)	13,501
Revenue from the Crown	24,250	(10,764)	13,486
Revenue from Others	-	15	15

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate the development of KiwiBuild affordable homes.

How Performance will be Assessed and End of Year Reporting Requirements

	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Number of greenfield and urban regeneration projects investigated, or due diligence completed	5	5	5

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation decreased by \$10.749 million to \$13.501 million for 2019/20 due to:

- a transfer of \$11.2 million of funding to Kāinga Ora - Homes and Communities following establishment on 1 October 2019. This transfer reflects part of the functions and operations of KiwiBuild that transferred to Kāinga Ora - Homes and Communities and the establishment of a Māori advisory function; and
- a transfer of \$3.1 million to fund the Establishment of Kāinga Ora - Homes and Communities appropriation offset by

- a retention of underspend from 2018/19 of \$3.536 million was transferred to 2019/20 due to expenditure timing differences
- a \$15,000 increase related to additional costs as a result of secondments of Ministry staff to other government agencies.

Management of Housing Places, Providers and Services (M37)

Scope of Appropriation

This appropriation is limited to negotiating and managing contracts with housing and housing support service providers, and administering payments for housing places and support services.

Expenses and Revenue

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	15,263	4,974	20,237
Revenue from the Crown	15,263	4,728	19,991
Revenue from Others	-	246	246

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve essential contract management and administrative services for public and transitional housing places and support services provided to those in need.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation increased by \$4.974 million to \$20.237 million for 2019/20 due to:

- additional funding of \$4.478 million to enable the Ministry to deliver on the Government's housing programme;
- an expense transfer of \$250,000 from the 2018/19 year related to expenditure timing differences; and
- an increase of \$246,000 due to additional costs as a result of secondments of Ministry staff to other government agencies.

2.3 - Departmental Capital Expenditure and Capital Injections

Ministry of Housing and Urban Development - Capital Expenditure PLA (M37)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Housing and Urban Development, as authorised by section 24(1) of the Public Finance Act 1989

Capital Expenditure

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	-	1,000	1,000
Intangibles	-	-	-
Other	400	(400)	-
Total Appropriation	400	600	1,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the implementation of the Ministry of Housing and Urban Development's capital expenditure plan.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation increased by \$600,000 to \$1 million for 2019/20 reflecting the timing delay in capital projects including consolidating office accommodation for the Ministry.

*Capital Injections and Movements in Departmental Net Assets***Ministry of Housing and Urban Development**

Details of Net Asset Schedule	2019/20 Main Estimates Projections \$000	2019/20 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2019/20
Opening Balance	5,600	9,136	Supplementary Estimates opening balance reflects the audited results as at 30 June 2019.
Capital Injections	400	890	The initial \$400,000 relates to capital expenditure during 2019/20 as part of the continuation of set up of HUD. The remaining \$490,000 is to recognise the transfer of annual leave balances for MBIE staff transferred to HUD as part of the establishment, this injection was not drawn down in the prior year.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	6,000	10,026	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

He Kūkū Ki Te Kāinga - Increasing Māori Housing Supply (M37)

Scope of Appropriation

This appropriation is limited to increasing the Housing Supply provided by Māori service providers.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	7,000	7,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to increase the Housing Supply provided by Māori service providers.

How Performance will be Assessed and End of Year Reporting Requirements

	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Number of new housing places created for individuals/whānau	New Measure for 2019/20	50	50
Number of individuals/whānau placed in housing	New Measure for 2019/20	100	100

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Housing in the Vote Housing and Urban Development Non-Departmental Appropriations Report.

Reasons for Change in Appropriation

This appropriation increased by \$7 million for 2019/20 due to new funding to assist with increasing the Housing Supply provided by Māori service providers.

He Taupua - Increasing Māori Housing Provider Capability (M37)

Scope of Appropriation

This appropriation is limited to increasing the capacity of Māori Housing Providers to contribute to homelessness prevention.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,000	1,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an increase in the capacity of Māori Housing Providers to contribute to homelessness prevention.

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 amount of the annual appropriation for a non-departmental output expense is less than \$5 million.

Reasons for Change in Appropriation

This appropriation increased by \$1 million for 2019/20, due to new funding to assist with increasing the capacity of Māori Housing Providers to contribute to homelessness prevention.

Housing New Zealand Corporation Support Services (M37)

Scope of Appropriation

This appropriation is limited to housing related services from Housing New Zealand Corporation, including home ownership initiatives and Healthy Housing.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,698	(7,000)	3,698

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improved access to home ownership.

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 amount of the annual appropriation for a non-departmental output expense is less than \$5 million.

Reasons for Change in Appropriation

This appropriation decreased by \$7 million to \$3.698 million for 2019/20 due to a transfer to Kāinga Ora - Homes and Communities following establishment on 1 October 2019.

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision updated by briefing notes to the Minister	Welcome Home Loans are only available to applicants that meet income and credit criteria set by participating tenders and Kāinga Ora - Homes and Communities.

Kāinga Ora - Homes and Communities (M37)

Scope of Appropriation

This appropriation is limited to the delivery of services by Kāinga Ora - Homes and Communities that contribute to housing and urban development activity.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	21,080	21,080

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Vote Finance; Social Housing Reform MCA: Non-Departmental Output Expenses: Direct Sale Costs for Implementing the Social Housing Reform Programme	-	680	680
Vote Housing and Urban Development; Departmental Output Expenses: KiwiBuild Unit	-	11,200	11,200
Vote Housing and Urban Development; Non-Departmental Output Expenses: Housing New Zealand Corporation Support Services	-	7,000	7,000
Vote Housing and Urban Development; Public Housing MCA: Non-Departmental Output Expenses: Purchase of Public Housing Provision	-	2,200	2,200
Total	-	21,080	21,080

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate the delivery of services by Kāinga Ora - Homes and Communities that contribute to housing and urban development activity.

How Performance will be Assessed and End of Year Reporting Requirements

	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Percentage of Applications to Buy off the Plans assessed against the agreed criteria	100%	100%	100%
Percentage of Relation and Option Agreements including delivery milestones monitored by the KiwiBuild Unit	100%	100%	100%
Percentage of KiwiBuild Purchasers monitored for compliance with minimum home ownership requirements	100%	100%	100%
Percentage of KiwiBuild purchases paid within contractual terms	100%	100%	100%
Average number of days taken to assess a completed KiwiBuild eligibility application	New Measure	New Measure	5 working days
Number of First Home Loan Mortgages underwritten by Kāinga Ora - Homes and Communities	Up to a maximum of 1,650	Up to a maximum of 1,650	Up to a maximum of 1,650

End of Year Performance Reporting

Performance information for this appropriation will be reported by Kāinga Ora - Homes and Communities annual report.

Reasons for Change in Appropriation

This appropriation increased by \$21.080 million due to establishment of Kāinga Ora - Homes and Communities on 1 October 2019.

KiwiBuild Housing (M37)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
KiwiBuild Housing (M37)	Original Appropriation	2,039,923
This appropriation is limited to the acquisition, construction and provision of KiwiBuild dwellings.	Adjustments to 2018/19	-
	Adjustments for 2019/20	(344,590)
Commences: 01 October 2018	Adjusted Appropriation	1,695,333
Expires: 30 June 2022	Actual to 2018/19 Year End	96,920
	Estimated Actual for 2019/20	221,163
	Estimate for 2020/21	194,800
	Estimated Appropriation Remaining	1,182,450

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate the development of KiwiBuild affordable homes.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Number of signed KiwiBuild Development Agreements	New Measure	2	2
The percentage of completed underwritten KiwiBuild homes acquired by the Crown as part of the Buying Off the Plans Programme	New Measure	<50%	<50%
Progress towards 100,000 KiwiBuild affordable homes by 2028	Achieve	Expired	Expired

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Housing in the Vote Housing and Urban Development Non-Departmental Appropriations Report.

Reasons for Change in Appropriation

This appropriation decreased by \$344.590 million to \$1,695.333 million due to a transfer of \$400 million to establish the Progressive Home Ownership Scheme off-set by a transfer of \$55.354 million from the Vacant or Underutilised Crown Land Programme appropriation. The remaining \$56,000 movement relates to appropriation reforecasting during the current year.

KiwiBuild Operations (M37)

Scope of Appropriation

This appropriation is limited to the operating expenses incurred in relation to the facilitation, acquisition and development of KiwiBuild dwellings.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	8,446	8,446

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate the development of KiwiBuild affordable homes.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of holding costs associated with KiwiBuild inventory.

Reasons for Change in Appropriation

This appropriation increased by \$8.446 million due to a one-off expense transfer from 2018/19 to 2019/20 reflecting lower than anticipated holding costs for associated with the purchases made in the KiwiBuild Housing MYA.

Local Innovations and Partnerships (M37)*Scope of Appropriation*

This appropriation is limited to the delivery and evaluation of locally-driven initiatives to respond to and prevent homelessness.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	500	500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery and evaluation of locally-driven initiatives to respond to and prevent homelessness.

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 amount of the annual appropriation for a non-departmental output expense is less than \$5 million.

Reasons for Change in Appropriation

This appropriation increased by \$500,000 due to new funding to provide the delivery and evaluation of locally-driven initiatives to respond to and prevent homelessness.

Support Services to increase home ownership (M37)*Scope of Appropriation*

This appropriation is limited to the delivery of support services for applications to progressive home ownership schemes.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,500	1,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the delivery of support services for applications to progressive home ownership schemes.

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 amount of the annual appropriation for a non-departmental output expense is less than \$5 million.

Reasons for Change in Appropriation

This appropriation increased by \$1.500 million due to new funding to provide the delivery of support services for applications to progressive home ownership schemes.

3.2 - Non-Departmental Benefits or Related Expenses

First Home Grants (M37)

Scope of Appropriation

This appropriation is limited to First Home Grants for people who meet the required eligibility criteria.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	54,646	54,646

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Vote Housing and Urban Development; Benefits or Related Expenses: KiwiSaver HomeStart Grant	-	70,746	70,746
Total	-	70,746	70,746

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improved access to home ownership.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of the First Home grant under the KiwiSaver Act 2006.

Reasons for Change in Appropriation

This appropriation increased by \$54.646 million due to transfer of funding of \$70.746 from the KiwiSaver HomeStart Grants appropriation as of part of the establishment of Kāinga Ora - Homes and Communities off-set by a decrease of \$16.100 million in 2019/20 due to a transfer of funding to the out years to reflect expected demand for First Home Grants.

Conditions on Use of Appropriation

Reference	Conditions
KiwiSaver Act 2006	First home withdrawal is provided for in the KiwiSaver Act 2006. It is administered by KiwiSaver scheme providers and allows KiwiSaver members to withdraw part or all of their savings (excluding the Government's contribution of tax credits) to put towards the purchase of a first home.
Cabinet decisions	<p>In April 2015, Cabinet agreed that home ownership assistance for first home buyers participating in KiwiSaver would include a deposit subsidy and first home withdrawal where savers can withdraw part or all of their savings and accumulated interest.</p> <p>The deposit subsidy is not provided for in legislation. Cabinet approved the deposit subsidy and high level design details outside the KiwiSaver Act 2006, because Kāinga Ora - Homes and Communities is already authorised to administer suspensory loans under the Housing Corporation Act 1974.</p> <p>Cabinet also delegated authority to Kāinga Ora - Homes and Communities to apply Schedule 1 (Part 8) of the KiwiSaver Act 2006, where possible, to the deposit subsidy design. Schedule 1 provides, for example, a definition of what constitutes a first home buyer and the type of home that can be purchased.</p>

KiwiSaver HomeStart Grant (M37)

Scope of Appropriation

This appropriation is limited to KiwiSaver HomeStart grants for people who meet the required eligibility criteria.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	106,120	(70,746)	35,374

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improved access to home ownership.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of the KiwiSaver HomeStart grant under the KiwiSaver Act 2006. Performance information relating to the administration of the payment is provided by Kāinga Ora - Homes and Communities in its annual report.

Reasons for Change in Appropriation

This appropriation decreased by \$70.746 million to \$35.374 million for 2019/20 due to a funding transfer to establish the First Home Grants appropriation which replaces the KiwiSaver HomeStart Grant from 1 October 2019.

Conditions on Use of Appropriation

Reference	Conditions
KiwiSaver Act 2006	First home withdrawal is provided for in the KiwiSaver Act 2006. It is administered by KiwiSaver scheme providers and allows KiwiSaver members to withdraw part or all of their savings (excluding the Government's contribution of tax credits) to put towards the purchase of a first home.
Cabinet decisions	<p>In April 2015, Cabinet agreed that home ownership assistance for first home buyers participating in KiwiSaver would include a deposit subsidy and first home withdrawal where savers can withdraw part or all of their savings and accumulated interest.</p> <p>The deposit subsidy is not provided for in legislation. Cabinet approved the deposit subsidy and high level design details outside the KiwiSaver Act 2006, because Kāinga Ora - Homes and Communities is already authorised to administer suspensory loans under the Housing Corporation Act 1974.</p> <p>Cabinet also delegated authority to Kāinga Ora - Homes and Communities to apply Schedule 1 (Part 8) of the KiwiSaver Act 2006, where possible, to the deposit subsidy design. Schedule 1 provides, for example, a definition of what constitutes a first home buyer and the type of home that can be purchased.</p>

3.4 - Non-Departmental Other Expenses

Housing Infrastructure Fund - Fair Value Write Down (M37)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Housing Infrastructure Fund - Fair Value Write Down (M37) This appropriation is limited to the expense incurred in the fair-value write down of interest-free loans from the Housing Infrastructure Fund to Territorial Local Authorities. Commences: 01 October 2018 Expires: 30 June 2021	Original Appropriation	190,791
	Adjustments to 2018/19	-
	Adjustments for 2019/20	(160,791)
	Adjusted Appropriation	30,000
	Actual to 2018/19 Year End	-
	Estimated Actual for 2019/20	30,000
	Estimate for 2020/21	-
	Estimated Appropriation Remaining	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable council infrastructure (storm water, potable water, waste water and transport) to be developed, and enable new houses to be built sooner.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(b)(iii) of the Public Finance Act 1989 as additional performance information is unlikely to be informative because the appropriation is a technical treatment of the interest concession as it is applied to loans provided to territorial authorities under the Housing Infrastructure Fund.

Reasons for Change in Appropriation

This appropriation decreased by \$160.791 million to \$30 million for 2019/20 reflecting the volumes of loans left to distribute under this scheme.

Land for Housing - Deferred Settlements (M37)

Scope of Appropriation

This appropriation is limited to expenses incurred as a result of deferred settlement agreements associated with land sales.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	16,980	16,980

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide for expenses incurred as a result of deferred settlement agreements associated with land sales.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(b)(iii) of the Public Finance Act 1989 as additional performance information is unlikely to be informative because the appropriation is a technical treatment of the deferred settlements associated with land sales through the Land for Housing Programme.

Reasons for Change in Appropriation

The increase in this appropriation for 2019/20 is due to a technical accounting adjustment to recognise the interest concession component of these loans in accordance with NZ PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

Social Housing Provider Development (M37)*Scope of Appropriation*

This appropriation is limited to providing support to third party providers of social and/or affordable housing services.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,634	2,634

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve safe, healthy and affordable homes by supporting third party providers of social and/or affordable housing services.

End of Year Performance Reporting

An exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments to third party providers of social and/or affordable housing services.

Reasons for Change in Appropriation

This appropriation increased by \$2.634 million due to expenses transfers from 2018/19 associated with timing of milestone payments.

Write down and write off of Progressive Home Ownership Loans (M37)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Write down and write off of Progressive Home Ownership Loans (M37) This appropriation is limited to the expense incurred in the fair-value write down of interest-free loans to suppliers of Progressive Home Ownership schemes and write-off of any potential bad debts associated with such loans. Commences: 01 April 2020 Expires: 30 June 2024	Original Appropriation	286,755
	Adjustments to 2018/19	-
	Adjustments for 2019/20	-
	Adjusted Appropriation	286,755
	Actual to 2018/19 Year End	-
	Estimated Actual for 2019/20	6,969
	Estimate for 2020/21	49,782
	Estimated Appropriation Remaining	230,004

What is Intended to be Achieved with this Appropriation

This appropriation is intended to assist access to home ownership through interest and bad debt write-offs on progressive home ownership loans.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(b)(iii) of the Public Finance Act 1989 as additional performance information is unlikely to be informative because the appropriation is a technical treatment of the interest concession as it is applied to loans provided to providers of existing schemes of Progressive Home Ownership.

Reasons for Change in Appropriation

This appropriation increased by \$286.755 million in 2019/20 due to a technical accounting adjustment to recognise the interest concession component of these loans in accordance with NZ PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

3.5 - Non-Departmental Capital Expenditure

Housing Infrastructure Fund Loans (M37)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Housing Infrastructure Fund Loans (M37) This appropriation is limited to interest-free loans from the Housing Infrastructure Fund of a duration of ten years or under to Territorial Local Authorities to finance the infrastructure needed to unlock residential development.	Original Appropriation	642,824
	Adjustments to 2018/19	-
	Adjustments for 2019/20	(518,464)
	Adjusted Appropriation	124,360
Commences: 01 October 2018	Actual to 2018/19 Year End	10,597
Expires: 30 June 2023	Estimated Actual for 2019/20	10,116
	Estimate for 2020/21	103,647
	Estimated Appropriation Remaining	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to enable council infrastructure (storm water, potable water, waste water and transport) to be developed, and enable new houses to be built sooner.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Housing in the Vote Housing and Urban Development Non-Departmental Appropriations Report.

Reasons for Change in Appropriation

This appropriation decreased by \$518.464 million to \$124.360 million for 2019/20 reflecting the volumes of loans left to distribute under this scheme.

Kāinga Ora - Homes and Communities Standby Credit Facility (M37)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Kāinga Ora - Homes and Communities Standby Credit Facility (M37) This appropriation is limited to financing of a credit facility to assist Kāinga Ora - Homes and Communities with short-term liquidity requirements in exceptional and temporary circumstances.	Original Appropriation	1,000,000
	Adjustments to 2018/19	-
	Adjustments for 2019/20	-
	Adjusted Appropriation	1,000,000
Commences: 01 May 2020	Actual to 2018/19 Year End	-
Expires: 30 June 2024	Estimated Actual for 2019/20	-
	Estimate for 2020/21	-
	Estimated Appropriation Remaining	1,000,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate credit to assist with short term liquidity requirements if Kāinga Ora is not able to raise wholesale funding.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(b)(iii) of the Public Finance Act 1989 as additional performance information is unlikely to be informative because the appropriation is solely for the purpose of providing credit to Kāinga Ora - Homes and Communities.

Reasons for Change in Appropriation

This appropriation increased by \$1 billion to establish the Kāinga Ora - Homes and Communities Standby Credit Facility.

Progressive Home Ownership Fund (M37)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Progressive Home Ownership Fund (M37) This appropriation is limited to addressing housing affordability issues by assisting access to home ownership through progressive home ownership schemes. Commences: 01 February 2020 Expires: 30 June 2024	Original Appropriation	400,000
	Adjustments to 2018/19	-
	Adjustments for 2019/20	-
	Adjusted Appropriation	400,000
	Actual to 2018/19 Year End	-
	Estimated Actual for 2019/20	10,000
	Estimate for 2020/21	70,000
	Estimated Appropriation Remaining	320,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to assist access to home ownership through progressive home ownership schemes.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Number of households supported by PHO initiatives	New Measure for 2019/20	New Measure for 2019/20	Baseline Year
Percentages of households in each priority group (Māori, Pasifika, families with children) and others	New Measure for 2019/20	New Measure for 2019/20	Baseline Year
Percentage of people successfully moving towards or graduating into independent home ownership overall and by priority group and others	New Measure for 2019/20	95%	95%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Housing in the Vote Housing and Urban Development Non-Departmental Appropriations Report.

Reasons for Change in Appropriation

This appropriation increased by \$400 million to establish the Progressive Home Ownership scheme.

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

4 - Multi-Category Expenses and Capital Expenditure

Community Group Housing (M37)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to purchase housing services from Housing New Zealand Corporation and Community Group Housing providers to maintain the supply of tenanted Community Group Housing properties.

Scope of Appropriation

Non-Departmental Output Expenses

Community Group Housing Market Rent Top-Up

This category is limited to the provision of funding to Housing New Zealand Corporation to pay the difference between the contracted rent with each Community Group Housing provider and market rent for the leased properties.

Non-Departmental Other Expenses

Community Housing Rent Relief

This category is limited to the provision of a rent relief fund to Community Group Housing providers for the sole purpose of helping them meet their contracted rent payments.

Non-Departmental Capital Expenditure

Acquisition and Improvement of Community Group Housing Properties

This category is limited to providing debt or equity to Housing New Zealand Corporation to acquire, modernise or reconfigure properties leased by Community Housing Providers.

Acquisition and Improvement of Emergency Housing Properties

This category is limited to funding Housing New Zealand Corporation to acquire, construct and develop land or properties for the purpose of providing emergency housing.

Expenses, Revenue and Capital Expenditure

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	23,795	-	23,795
Non-Departmental Output Expenses			
Community Group Housing Market Rent Top-Up	13,891	-	13,891
Non-Departmental Other Expenses			
Community Housing Rent Relief	4,104	-	4,104
Non-Departmental Capital Expenditure			
Acquisition and Improvement of Community Group Housing Properties	5,800	-	5,800

End of Year Performance Reporting

Performance information for this appropriation will be reported by Kāinga Ora - Homes and Communities annual report.

Policy Advice and Related Outputs (M37)

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

Crown Monitoring Advice

This category is limited to activity related to performance monitoring Housing New Zealand Corporation and Tamaki Redevelopment Company and governance advice to the Minister of Housing and Urban Development in respect of these agencies.

Policy Advice

This category is limited to 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 and urban development.

Related Services to Ministers

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 housing and urban development.

Expenses, Revenue and Capital Expenditure

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	20,338	9,594	29,932
Departmental Output Expenses			
Crown Monitoring Advice	432	22	454
Policy Advice	19,646	7,271	26,917
Related Services to Ministers	260	2,301	2,561
Funding for Departmental Output Expenses			
Revenue from the Crown	20,338	9,479	29,817
Crown Monitoring Advice	432	21	453
Policy Advice	19,646	7,164	26,810
Related Services to Ministers	260	2,294	2,554
Revenue from Others	-	115	115
Crown Monitoring Advice	-	1	1
Policy Advice	-	107	107
Related Services to Ministers	-	7	7

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective policy advice, Crown entity monitoring and support to Ministers.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation increased by \$9.594 million to \$29.932 million for 2019/20 due to:

Policy Advice:

- additional funding of \$6.382 million to enable the Ministry to deliver on the Government's housing programme;
- an increase of \$1 million due to the policy work around establishing the Progressive Home Ownership scheme;
- an expense transfer of \$180,000 from the 2018/19 year related to expenditure timing delays; and
- an increase of \$107,000 due to additional costs as a result of secondments of HUD staff to other government agencies.

Related Services to Ministers:

- additional funding of \$2.294 million to enable the Ministry to deliver on the Government's housing programme; and
- an increase of \$7,000 due to additional costs as a result of secondments of HUD staff to other government agencies.

Crown Monitoring Advice:

- additional Funding of \$21,000 to enable the Ministry to deliver on the Government's housing programme; and
- an increase of \$1,000 due to additional costs as a result of secondments of HUD staff to other government agencies.

These increases are off-set by a decrease of \$400,000 that was transferred to Vote Building and Construction to assist with funding the Construction Sector Accord programme.

Public Housing (M37)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to secure and purchase the provision of public housing and associated support services.

Scope of Appropriation

Non-Departmental Output Expenses

Purchase of Public Housing Provision

This category is limited to purchasing the provision of public housing and related services from public housing providers in accordance with reimbursement agreements or tailored agreements under the Housing Restructuring and Tenancy Matters Act 1992.

Services for People in Need of or at risk of Needing Public Housing

This category is limited to the provision of support services to those in need of public housing or those at risk of entering or exiting public housing.

Services Related to the Provision of Public Housing

This category is limited to the provision of services related to the provision of public housing by a public housing provider.

Non-Departmental Other Expenses

Support for the Provision of Public Housing Supply

This category is limited to providing support to secure access to properties for public housing providers to use for public housing.

Expenses, Revenue and Capital Expenditure

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,150,597	796	1,151,393
Non-Departmental Output Expenses			
Purchase of Public Housing Provision	1,093,458	(1,900)	1,091,558
Services for People in Need of or at risk of Needing Public Housing	37,965	(930)	37,035
Services Related to the Provision of Public Housing	900	-	900
Non-Departmental Other Expenses			
Support for the Provision of Public Housing Supply	18,274	3,626	21,900

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improved access to public housing places by providing payments to secure access to properties for public housing providers and the purchase of public housing provision.

How Performance will be Assessed for this Appropriation

	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Non-Departmental Output Expenses			
Purchase of Public Housing Provision			
This category is intended to achieve an increase in public housing support for eligible people through the payment of income-related rent subsidy.			
The number of tenancies subsidised by an income-related rent subsidy will be no less than:	62,000	56,000	67,600
Services for People in Need of or at risk of Needing Public Housing			
This category is intended to achieve an increase in the number of people who are able to secure and sustain tenancies, and transition to housing independence.			
The number of contracted chronic homeless households able to be placed and supported into secure and stable accommodation under the Housing First initiative, will be between:	500 - 600	800	1,300 - 1,400
Services Related to the Provision of Public Housing			
This category is intended to achieve continuity of support for public housing tenants who previously had the cost of water rate charges paid for and to fund the sector body.			
An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of the annual appropriation for a non-departmental other expense is less than \$5 million.	Exempted	Exempted	Exempted
Non-Departmental Other Expenses			
Support for the Provision of Public Housing Supply			
This category is intended to achieve an increase in public housing places through the provision of payments to secure access to properties for public housing providers.			
The number of income-related rent subsidy places contracted from community housing providers will be no less than:	4,500	1,900	6,400
The number of income-related rent subsidy places contracted from Kāinga Ora will be no less than:	57,500	3,700	61,200

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation increased by \$796,000 to \$1.151 billion for 2019/20 due to:

- an expense transfer of \$48.265 million from the 2018/19 year associated with timing of completed negotiations with Public Housing providers, with some final contracted payments being deferred to the 2019/20 year;

- a fiscally neutral transfer of \$4.830 million was provided from the Transitional Housing MCA to enable the provision of public housing at Puhinui Park;
- additional funding of \$3.300 million for preventing and reducing homelessness in New Zealand; and
- an increase of \$300,000 for the purchase of additional public housing supply to support refugee housing needs.

These increases were off-set by:

- a decrease of \$49.469 million due to forecasting adjustments associated with a change to previous technical accounting treatment of prepayments;
- an expense transfer of \$4.230 million to the 2020/21 year to realign scheduled deliverables and associated payments for the Housing First initiative; and
- a decrease of \$2.200 million due to a fiscally neutral adjustment to Kāinga Ora - Homes and Communities. This is to cover direct administrative costs associated with the first nine months of performing KiwiBuild functions.

Transitional Housing (M37)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to fund the delivery of transitional housing places and services in New Zealand.

Scope of Appropriation

Non-Departmental Output Expenses

Provision of Transitional Housing Places

This category is limited to supporting transitional housing providers to provide transitional housing places.

Transitional Housing Services

This category is limited to payments to transitional housing providers on a per household basis to cover tenancy and property management, and services to support tenants in transitional housing to move into sustainable housing.

Non-Departmental Other Expenses

Impairment of Crown Assets Related to Transitional Housing

This appropriation is limited to expenses incurred as a result of the impairment of Crown assets related to transitional housing, including write down and write offs.

Non-Departmental Capital Expenditure

Acquisition, Development and Construction of Transitional Housing

This appropriation is limited to funding the acquisition, construction and development or redevelopment of land or properties for the purpose of providing transitional housing.

Expenses, Revenue and Capital Expenditure

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	138,862	59,563	198,425
Non-Departmental Output Expenses			
Provision of Transitional Housing Places	58,762	11,000	69,762
Transitional Housing Services	48,363	6,000	54,363
Non-Departmental Capital Expenditure			
Acquisition, Development and Construction of Transitional Housing	31,737	42,563	74,300

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improved outcomes for vulnerable households through the provision of transitional housing and associated support services.

How Performance will be Assessed for this Appropriation

	2019/20		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Non-Departmental Output Expenses			
Provision of Transitional Housing Places			
This category is intended to achieve improved access to transitional places for eligible families and individuals across New Zealand.			
The number of transitional housing places in areas of demand will be between:	2,600 - 2,800	300	2,900 - 3,100
Transitional Housing Services			
This category is intended to achieve an increase in support services for the families and individuals who access the additional transitional housing places secured.			
The total number of transitional housing places that receive associated support services will be between:	1,800 - 2,800	-	1,800 - 2,800
Non-Departmental Capital Expenditure			
Acquisition, Development and Construction of Transitional Housing			
This category is intended to achieve an increase in the supply of transitional housing places.			
The number of transitional housing places that will be acquired, developed or constructed will be between:	100 - 120	(90)	10 - 30

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Housing and Urban Development in its annual report.

Reasons for Change in Appropriation

This appropriation increased by \$59.563 million to \$198.425 million for 2019/20 due to:

- an expense transfer of \$47.393 million from the 2018/19 year associated with timing of completed negotiations with Transitional Housing providers, with some final contracted payments being deferred to the 2019/20 year; and
- additional funding of \$17 million for preventing and reducing homelessness in New Zealand.

These increases were off-set by a decrease due to:

- a fiscally neutral transfer of \$4.830 million to the Public Housing MCA to enable the provision of public housing at Puhinui Park.