

**DEPARTMENTAL FORECAST
REPORT**

1998



Ministry of Housing

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STATEMENT OF RESPONSIBILITY

The forecast financial statements for the Ministry of Housing for the year ending 30 June 1999 contained in this report have been prepared in accordance with section 34A of the Public Finance Act 1989.

The Chief Executive of the Ministry of Housing acknowledges, in signing this statement, that he is responsible for the forecast financial statements contained in this report.

The financial performance forecast to be achieved by the department for the year ending 30 June 1999 that is specified in the statement of objectives is as agreed with the Minister of Housing, who is the Minister responsible for the financial performance of the Ministry of Housing.

The performance for each class of outputs forecast to be achieved by the Ministry for the year ending 30 June 1999 that is specified in the statement of objectives is as agreed with the Minister of Housing, who is responsible for the Vote administered by the Ministry.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates for the year ending 30 June 1999 that are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.

Signed

Countersigned

*Chief Executive
6 April 1998*

*Financial Controller
6 April 1998*

PART A - INTRODUCTION AND HIGHLIGHTS

MISSION STATEMENT

To provide the Government with high quality and timely advice on housing policy, and to provide landlords and tenants with efficient and effective tenancy bond and dispute resolution services

The Ministry of Housing / Te Whare Ahuru exists to help the Government pursue its desired outcomes for housing which are to:

- ensure all New Zealanders have access to affordable, high quality housing;
- improve access to affordable accommodation through increased Income Support payments and improved participation in housing provision;
- especially assist those with disabilities into suitable accommodation;
- protect the rights of landlords and tenants through the provisions of the Residential Tenancies Act 1986.

The Ministry was set up by an Executive Order in Council under section 27(2) of the State Sector Act 1988. It began operation on 1 July 1992 as part of the Government's housing reforms.

The Ministry's principal functions are to provide a policy advice service and other ministerial support for the Minister of Housing; to receive and invest residential tenancies bond monies and refund them when lawfully due; and to provide information, advice and a dispute-resolution service for tenants and landlords.

The Ministry's corporate office is in Wellington, and contains 45 staff. The Ministry has 84 staff in 21 offices from Invercargill to Whangarei who provide advice and information to tenants and landlords, including mediation and dispute resolution through the Office of the Tenancy Tribunal. The processing of tenancy bonds has been centralised to Porirua since 1992; 28 staff are involved.

Policy Advice

The policy issues on which the Ministry's work programme currently is focused include:

- mechanisms for ensuring affordable access to housing consistent with the Government's broad approach of market rents and demand subsidies;
- the priorities of Maori for housing and the effectiveness of current housing assistance programmes;
- the activities and performance of the Crown's housing agencies;
- the provision of and funding for community housing, and enhancing communication with the community housing sector.

Tenancy Services: Bond Centre

The Bond Centre has been required to deal with an increased volume of business in recent years. Further growth is forecast and, as in the past, largely will be met by the application of innovative communication and processing technology.

Tenancy Services: Dispute Resolution

The key issue confronting Tenancy Services in recent years has been the need to meet a large increase in workload without compromising the quality of the services provided. During 1998/99 Tenancy Services must implement the fee structure approved by the Government.

Financial Highlights

The main new feature of the Ministry's financial forecasts for 1998/99 is the additional revenue flow projected from the new fee for tenancy mediation and Tenancy Tribunal services to be introduced on 1 October 1998. Revenue of \$388,000 is expected in the 1998/99 year.

The Ministry expects:

- to earn \$6.6m from interest on the Residential Tenancies Trust Account;
- to earn \$0.388m from fees for applications to the Tenancy Tribunal;
- to earn \$7.485m for the sale of outputs to the Crown;
- to spend \$14.473m on the production of outputs for the three output classes detailed in the Service Performance Objectives.

The Ministry administers payments under the appropriation for Housing Assistance of \$2.738 million.

PART B - FORECAST FINANCIAL STATEMENTS

**STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 1998 AND 1999**

	1997/98		1998/99
	Budgeted ¹ \$000	Estimated actual \$000	Budget \$000
Revenue			
Crown	7,256	7,256	7,485
Other	6,900	7,200	6,988
Interest	15	13	6
Total revenue	14,171	14,469	14,479
Expenses			
<i>Output expenses:</i>			
Personnel	7,485	7,409	7,531
Operating	5,612	5,546	5,768
Depreciation	649	666	779
Capital charge	390	390	390
Loss on sales of assets	20	3	5
Total output expenses	14,156	14,014	14,473
Surplus/(deficit) from operations	15	455	6
Net surplus/(deficit)	15	455	6

This statement should be read in conjunction with the statement of significant underlying assumptions and statement of significant accounting policies on pages 15 to 17.

¹This column incorporates both Main Estimates and Supplementary Estimates appropriations for 1997/98.

**STATEMENT OF ESTIMATED FINANCIAL POSITION
AS AT 30 JUNE 1998
AND FORECAST FINANCIAL POSITION
AS AT 30 JUNE 1999**

	Actual financial position as at 30 June 1997 \$000	Estimated financial position as at 30 June 1998 \$000	Budgeted position as at 30 June 1999 \$000
Assets			
<i>Current assets</i>			
Cash and bank balances	1,335	208	80
Prepayments	70	70	70
Receivable and advances	1,798	2,536	2,291
Debtor - Crown	856	513	702
<i>Total current assets</i>	4,059	3,327	3,143
<i>Non-current assets</i>			
Fixed assets	1,904	2,213	2,208
<i>Total non-current assets</i>	1,904	2,213	2,208
Total assets	5,963	5,540	5,351
Liabilities			
<i>Current liabilities</i>			
Payables and provisions	1,456	1,120	1,360
Provision for payment surplus	630	455	6
Provision for employee entitlements	332	420	440
<i>Total current liabilities</i>	2,418	1,995	1,806
Total liabilities	2,418	1,995	1,806
Taxpayers' funds			
General funds	3,545	3,545	3,545
Total taxpayers' funds	3,545	3,545	3,545
Total liabilities and taxpayers' funds	5,963	5,540	5,351

This statement should be read in conjunction with the statement of significant underlying assumptions and statement of significant accounting policies on pages 15 to 17.

**STATEMENT OF CASH FLOWS FOR THE YEARS ENDING
30 JUNE 1998 AND 1999**

	1997/98		1998/99
	Budgeted \$000	Estimated actual \$000	Budget \$000
Cash flows from operating activities			
Cash provided from:			
supply of outputs to:			
Crown	7,477	7,477	7,296
other	6,803	6,853	7,238
interest	21	19	6
Cash disbursed to:			
cost of producing outputs	(12,616)	(12,694)	(13,044)
output expenses capital charge	(390)	(390)	(390)
Net cash flows from operating activities	1,295	1,265	1,106
Cash flows from investing activities			
Cash provided from:			
sale of physical assets		10	
Cash disbursed to:			
purchase of physical assets	(1,128)	(1,030)	(779)
Net cash flows from investing activities	(1,128)	(1,020)	(779)
Cash flows from financing activities			
Cash disbursed to:			
payment of surplus to the Crown	(655)	(655)	(455)
Net cash flows from financing activities	(655)	(655)	(455)
Net increase/(decrease) in cash held	(488)	(410)	(128)
Opening total cash balances at 1 July			
effect of exchange rate changes	618	618	208
Closing total cash balances at 30 June projected	130	208	80

This statement should be read in conjunction with the statement of significant underlying assumptions and statement of significant accounting policies on pages 15 to 17.

**RECONCILIATION OF NET CASH FLOWS FROM OPERATING
ACTIVITIES TO NET SURPLUS/(DEFICIT) IN THE OPERATING
STATEMENT FOR THE YEARS ENDING 30 JUNE 1998 AND 1999**

	1997/98		1998/99
	Budgeted \$000	Estimated actual \$000	Budget \$000
Operating surplus/(deficit)	15	455	6
<i>Add/(deduct) non-cash expenses/ (revenues) from Operating Statement</i>			
Depreciation and amortisation	649	666	779
<i>Add/(deduct) non-cash working capital reductions/(increases) from balance sheet</i>			
(Increase)/decrease in receivables and advances	(28)	(298)	245
(Increase)/decrease in Debtor Crown	221	221	(189)
(Increase)/decrease in payables and provisions	344	144	230
Increase/(decrease) in other accrued liabilities	74	74	30
<i>Items classified as investing activities</i>			
Net (gain)/loss on sale of physical assets	20	3	5
Net cash flows from operating activities	1,295	1,265	1,106

**STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS (EQUITY)
AS AT 30 JUNE 1998 AND 1999**

	Estimated position as at 30 June 1997	Projected position as at 30 June 1998
	\$000	\$000
Taxpayers' funds at start of period	3,545	3,545
<i>Movement during the year (other than flows to and from the Crown)</i>		
Add net surplus	455	6
<i>Total recognised revenues and expenses for the period</i>	455	6
<i>Adjustment for flows to and from the Crown</i>		
(Deduct) Provision for payment of surplus to the Crown	(455)	(6)
<i>Total adjustments for flows to and from the Crown</i>	(455)	(6)
Taxpayers' funds at the end of the period	3,545	3,545

FORECAST DETAILS OF FIXED ASSETS BY CATEGORY

	30 June 1998	30 June 1999 projected position		
	Estimated actual position	Cost	Accumulated depreciation	Net book value
	\$000	\$000	\$000	\$000
Office equipment	36	142	(102)	40
Office renovations	929	1,504	(630)	874
Furniture and fittings	151	306	(143)	163
Computer hardware	892	2,693	(1,788)	905
Computer software	205	1,349	(1,123)	226
Communications	0	6	(6)	0
Total	2,213	6,000	(3,792)	2,208

**STATEMENT OF OBJECTIVES SPECIFYING THE ESTIMATED
FINANCIAL PERFORMANCE TO 30 JUNE 1998 AND FORECAST
FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE
1999**

	Unit	1997/98		1998/99
		Budgeted	Estimated actual	Budget
Operating Expenses				
Revenue: other	\$000	6,900	7,200	6,988
Revenue: interest	\$000	15	13	6
Output expenses	\$000	14,156	14,014	14,473
Operating surplus before capital charge	\$000	405	845	396
Net surplus	\$000	15	455	6
Working capital				
Net current assets	\$000	1,224	1,332	1,337
Resource utilisation				
Physical assets:				
Total physical assets at year end	\$000	2,321	2,213	2,208
Taxpayers' funds:				
Level at year-end	\$000	3,545	3,545	3,545
Forecast net cash flows				
Surplus/(deficit) operating activities	\$000	1,295	1,265	1,106
Surplus/(deficit) investing activities	\$000	(1,128)	(1,020)	(1,000)
Surplus/(deficit) financing activities	\$000	(655)	(655)	(455)
Net increase/ (decrease) in cash held	\$000	(488)	(410)	(128)

STATEMENT OF OBJECTIVES - OUTPUT PERFORMANCE

The Ministry of Housing is committed to provide outputs in 1998/99 which meet the specifications of the Minister of Housing and various purchasers in terms of their nature, timeliness, quality, quantity and cost.

SUMMARY OF DEPARTMENTAL OUTPUT CLASSES

Departmental output classes to be delivered by the Ministry, and their associated revenue, expenses and surplus or deficit are summarised below:

D1 Policy Advice

Provision of policy advice on housing and housing policy issues, ministerial services and crown-entity services.

Revenue: Crown \$000	Revenue: other \$000	Total expenses \$000 ²	Surplus/ (deficit) \$000
1,937	0	1,937	0

D2 Administration of Residential Tenancies Bond Monies

Administration of residential tenancies bond monies including collecting and repaying bond monies as required by the Residential Tenancies Act 1986 and managing and investing bond monies.

Revenue: Crown \$000	Revenue: other \$000	Total expenses \$000 ²	Surplus/ (deficit) \$000
0	6,600	3,247	3,353

²Exclusive of GST

D3 Residential Tenancies Information and Advice and Dispute Resolution

Provision of information and advice and the provision of mediation and dispute resolution services to tenants and landlords in relation to residential tenancies.

Revenue: Crown \$000	Revenue: other \$000	Total expenses \$000 ³	Surplus/ (deficit) \$000
5,548	388	9,289	(3,353)

RECONCILIATION OF APPROPRIATION AND OPERATING EXPENSES TO 30 JUNE 1999

	Appropriation \$000	Less GST \$000	Expenses \$000
Output Class			
D1 Policy Advice	2,179	(242)	1,937
D2 Administration of Residential Tenancies bond monies	3,247	(0)	3,247
D3 Residential Tenancies information, advice and dispute resolution	10,031	(742)	9,289
Total	15,457	(984)	14,473

³Exclusive of GST

STATEMENT OF SIGNIFICANT UNDERLYING ASSUMPTIONS

These statements have been compiled on the basis of government policies at the time the statements were finalised.

These forecast financial statements comply with generally accepted accounting practice and the Public Finance Act 1989.

The measurement base applied is historical cost.

The accrual basis of accounting has been used for the preparation of these financial statements.

These statements have been prepared on a going-concern basis.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**SPECIFIC ACCOUNTING POLICIES****Fixed assets**

Fixed assets are stated at acquisition cost less accumulated depreciation.

Cost allocation

The Ministry has derived the costs of outputs shown in these statements using a cost allocation system which is expected to directly charge 71% of annual costs and indirectly allocate the balance.

Cost drivers employed to assign direct costs to outputs are direct charging and sampling of time recording. Those employed to allocate indirect costs to outputs are:

- time consumption for indirect human resource costs and overheads; and
- resource usage analysis where available.

Accounts receivable

Accounts receivable are recorded at the amounts expected to be ultimately collected.

Goods and Services Tax

Income, expenditure, assets and liabilities are recorded exclusive of GST, with the exception of accounts payable and receivable, which are recorded inclusive of GST.

Depreciation rates

Depreciation is accrued monthly using the straight-line method for all categories of assets. Depreciation is based on the expected life of the assets. The amount to be depreciated is the historic cost.

Furniture and fittings are depreciated over 10 years, other equipment over 3 - 5 years, and office renovations over 6-10 years.

Leases

Office accommodation and motor vehicles are leased. The value of lease commitments at 30 June 1999 is estimated to be \$842,970.

CHANGES IN ACCOUNTING POLICIES

It is not expected that there will be any changes in accounting policy.

SERVICE PERFORMANCE OBJECTIVES SPECIFYING THE PERFORMANCE FOR EACH CLASS OF OUTPUTS FOR THE YEAR ENDING 30 JUNE 1999

OUTPUT CLASS D1 - POLICY ADVICE

Under this output class, the Minister of Housing purchases: advice on housing and housing policy issues (Output 101); ministerial services, including the preparation of draft replies to ministerial correspondence and parliamentary questions (Output 102); monitoring and other services relating to the housing sector crown entities for which the Minister is responsible (Output 103).

The Ministry is also responsible for administering payments under the Housing Assistance appropriation.

Output 101: Advice**Description:**

Advice on housing and housing policy issues, the preparation of which generally involves: identifying, framing and analysing issues which may require decisions by the Government; gathering relevant information; formulating optional courses of action; and advising on the costs and benefits of those options.

Service Objective:

The Government is able to make effective decisions on housing and housing policy issues because it has access to a comprehensive and high-quality policy advice service.

Quantity:

Advice is provided as required by the Minister or as deemed necessary by the Ministry.

Timeliness:

Advice is provided by the deadlines agreed with the Minister.

Quality:

All major policy advice papers are subject to the Ministry's quality assurance process to ensure compliance with the following seven quality standards:

Purpose

The report makes plain why it is being written, states its purpose clearly and correctly, and considers all relevant aspects of the issue.

Logic

The assumptions behind the advice are explicit. The argument is logically based on relevant facts and applicable theory and research. Alternative explanations of the facts are acknowledged, and the preferred explanation is adequately supported.

Accuracy

All necessary material facts are included and they are materially accurate. The source and status of reported facts are stated, and any uncertainties are identified.

Options

An adequate range of options is presented. The consequences, including benefits and costs, of each option, for the Government and for those who are likely to be materially affected, are identified.

Consultation

Parties materially affected by the issue have been consulted, and their views recorded or reflected in the report. Possible objections to any proposals are noted.

Practicality

The report considers the implementation of any proposals, including technical feasibility, timing, presentation and publicity, and consistency with other government policies.

Presentation

The presentation and format meet Cabinet office or ministerial requirements. The report is clear, concise, has short sentences in plain English, and is free of spelling and grammatical errors. The argument follows a logical progression.

Assessments of staff formally recognise their contribution to the quality assurance process.

The Manager Policy meets the Minister's office staff every month to discuss any problems with the Ministry's policy advice services, and takes appropriate corrective action.

The Minister is invited every six months to assess the overall quality of the Ministry's policy advice services.

Output 102: Ministerial Services

Description:

Ministerial services include: drafting replies to ministerial correspondence and parliamentary questions; drafting speeches and preparing media material on housing and housing policy issues; assisting Parliament with its consideration of housing-related legislation, the Estimates of Appropriation for Vote Housing, and the Ministry's performance; and processing requests for information under the Official Information Act and the Privacy Act.

Service Objectives:

The Minister is able to discharge his executive and parliamentary duties effectively; and Parliament is able to effectively review draft housing legislation, the proposed expenditure of public money through Vote Housing, and the performance of the Ministry.

Quantity:

For 1998/99, draft responses to ministerial correspondence concerned with the operations of housing sector crown entities are to be prepared by the entities rather than the Ministry. Given this change, recent experience leads us to expect the following volume of work during 1998/99:

400 (840) draft responses to ministerial correspondence;
150 (155) draft responses to parliamentary questions;
100 (85) replies to Official Information Act requests;
25 (included in work requests 1997/98) requests for draft speeches or media material;
100 (190) miscellaneous work requests.

Timeliness:

Draft replies to ministerial correspondence are prepared within 10 working days of receipt (three working days for correspondence from MPs).

Draft replies to parliamentary questions are prepared in accordance with deadlines agreed with the Minister.

Replies to requests made under the Official Information Act and the Privacy Act are prepared in accordance with statutory deadlines.

Draft speeches and media material are provided by the deadlines agreed with the Minister.

Requests by Parliament for information or assistance are met by the agreed deadlines.

Quality:

Less than 5% of draft responses to ministerial correspondence and parliamentary questions are returned as inadequate or inappropriate.

Responses to requests for information under the Official Information Act and the Privacy Act are prepared in accordance with the legislation.

Draft speeches and media material reflect the request made by the Minister.

All major submissions to the Minister, Parliament or other parties are subject to the Ministry's quality assurance process to ensure compliance with its quality standards.

Assessments of staff formally recognise their contribution to the quality assurance process.

The Manager Policy meets the Minister's office staff every month to discuss any problems with the Ministry's ministerial services, and takes appropriate corrective action.

The Minister is invited every six months to assess the overall quality of the Ministry's ministerial services.

Output 103: Crown Entity Services

Description:

Services to assist the Minister to manage the relationship between the Crown and the housing sector crown entities. These services include: negotiating the content of statements of intent; monitoring the activities and the performance of the entities; and advising the Minister on the activities and performance of the entities, and on policy-related issues arising therefrom.

Service Objectives:

The Minister is able to manage his relationship with the crown entities effectively, and the entities comply with statutory requirements and their agreements with the Minister.

Quantity:

Two housing sector crown entities (Housing New Zealand Ltd and the Housing Corporation of New Zealand, including its fully-owned subsidiary Community Housing Ltd) prepare a statement of intent and an annual report.

Quarterly performance information supplied by the crown entities is reviewed and monitoring reports are provided to the Minister.

Ad hoc reports on the activities or performance of crown entities, or on policy-related issues arising therefrom, as required by the Minister.

Ad hoc reports on the activities or performance of crown entities, or on policy-related issues arising therefrom, as deemed necessary by the Ministry.

Appointments to crown entity boards as required by applicable statutes, the Minister's requirements and the terms of appointment of incumbent members.

Timeliness:

The statements of intent and the annual reports of the crown entities are finalised in accordance with statutory deadlines.

Quarterly monitoring reports on the activities and performance of crown entities are provided to the Minister within 15 working days of the Ministry's receiving performance information from an entity.

Ad hoc reports on the activities or performance of the crown entities requested by the Minister are provided by the agreed deadlines.

Ad hoc reports on the activities or performance of the crown entities initiated by the Ministry are provided within timeframes acceptable to the Minister.

The Minister is advised three months in advance of any impending expiry of a board appointment.

Quality:

The statements of intent of the crown entities comply with statutory requirements and with the requirements of the Minister.

The annual reports of the crown entities comply with statutory requirements.

The Minister is advised of breaches of statutory requirements relating to accountability documents.

Major reports on the activities or performance of crown entities are subject to the Ministry's quality assurance process to ensure compliance with its quality standards.

Assessments of staff formally recognise their contribution to the quality assurance process.

The Manager Policy meets the Minister's office staff every month to discuss any problems with the Ministry's crown-entity services, and takes appropriate corrective action.

The Minister is invited every six months to assess the overall quality of the Ministry's crown entity services.

Outputs in this class will be provided for the appropriated sum of \$1,937,000 exclusive of GST, as follows:

<i>Advice</i>	<i>\$1,237,000</i>
<i>Ministerial Services</i>	<i>\$300,000</i>
<i>Crown Entity Services</i>	<i>\$400,000</i>

OUTPUT CLASS D2 - ADMINISTRATION OF RESIDENTIAL TENANCIES BOND MONIES

Description

The Minister of Housing requires the efficient, effective and impartial administration of residential tenancies bond monies. This includes:
 ensuring bond monies are lodged with the Ministry, as required under the Residential Tenancies Act 1986;
 managing, investing and repaying bond monies as required under the Act;
 providing information in relation to lodgements and refunds of bond monies;
 providing information on market rents to the Tenancy Tribunal and other interested parties.

Quantity, quality, timeliness and cost of administration of residential tenancies bond monies

(i) Lodgements

Service Objective: Secure, accurate and efficient receipt and recording of all tenancy bonds.

Quantity: It is estimated that approximately 155,000 lodgements will be made.

Timeliness: All money to be banked on the day received. 50% of bonds to be receipted and verified within one working day of receipt within the Bond Centre, and the remainder within two working days.

Quality: All new bonds received will be accurately recorded on the system, based on information supplied by the tenant and/or landlord.

(ii) Refunds

Service Objective: Prompt and accurate refunds of bond money when lawfully due.

Quantity: It is expected that approximately 155,000 refunds will be made.

Timeliness: Refund applications will be processed within one working day of receipt at the Bond Centre.

Quality: All bonds will be correctly refunded based on the information held at the time of the refund.

(iii) Bond Enquiries

Service Objective: Prompt, full, accurate and courteous responses to all enquiries from clients on bond issues.

Quantity: It is expected that the average number of telephone enquiries per day will be 750.

Timeliness: 80% of enquiries on the Bond Centre's toll-free line will be answered within 20 seconds. All oral and written enquiries will be responded to within four working days.

Quality: Replies to enquiries will be accurate and provide the information requested.

(iv) Market Rent Information

Service Objective: Provision of regular and useful information on market rents based on information provided from bond lodgements, subject to protection of the confidentiality of individual lodgement records.

Quantity: Information will be updated monthly. It is estimated that there will be 450 *ad hoc* requests for market rent information during the year.

Timeliness: Database updates will be available for enquiry within one business day of update. Deadlines will be negotiated with customers on when specific enquiries will be dealt with.

Quality: The database will be accurately updated as agreed with Statistics New Zealand to allow market rent reports to be provided.

(v) Bond Fund Investment

Service Objective: Management of the tenancy bond fund to achieve the best return on funds invested consistent with prudential and cash flow requirements.

Quantity: The average daily balance in the bond fund is expected to be \$90-\$95m, consisting of a predetermined daily float level and a portfolio of call deposits and securities.

Timeliness: Investments will be made promptly to maintain the desired balance of maturities.

Quality: All investments will be correctly accounted for and will be made in terms of the criteria in the Ministry's Investment Strategy. All new investments will be within 0.25% of the prevailing daily rate. *Outputs in this class will be provided for the appropriated sum of \$3,247,000. This output class is funded from interest on the Bond Fund investments and is exclusive of GST.*

OUTPUT CLASS D3 - RESIDENTIAL TENANCIES INFORMATION AND ADVICE AND DISPUTE RESOLUTION**Description**

This output class involves the provision of information and advice primarily relating to the Residential Tenancies Act 1986, and the provision of mediation and dispute resolution services to tenants and landlords in relation to residential tenancies. In particular, this output class involves:

responding to enquiries from both tenants and landlords about tenancy matters;
providing a public education programme on the legal requirements of both tenant and landlord in relation to a tenancy agreement;
investigating alleged breaches of the Residential Tenancies Act;
providing information and advice on specific residential tenancy disputes and mediation between the parties;
administration of the Tenancy Tribunal.

Quantity, quality, timeliness and cost of residential tenancies information and advice and dispute resolution**(i) Education**

Service Objective: Provision of education which informs existing and prospective landlords and tenants of their rights and obligations under the Residential Tenancies Act.

Quantity: Education will be provided in accordance with the quarterly plan of educational activities.

Timeliness: Educational activities will be performed in accordance with the timetable in the plan.

Quality: Education will be informative and accurate and meet the audience's needs. This will be assessed by audience surveys at selected educational events and evaluation by regional managers.

(ii) Advice

Service Objective: Advice will assist clients to meet their obligations and understand their rights under the Residential Tenancies Act.

Quantity: It is expected that 520,000 enquiries will be answered.

Timeliness: 90% of information and advice requests will be responded to within four working days, the remaining 10% will be responded to within ten working days.

Quality: Advice will be informative and accurate. Accuracy of advice on specific topics will be assessed by a special survey.

(iii) Monitoring of compliance

Service Objective: Compliance by landlords and tenants with the Residential Tenancies Act.

Quantity: It is expected 20 reports of non-compliance of lodging specific bonds will be investigated annually. Other reports of non-compliance with the Residential Tenancies Act are expected to number ten per year. One project to ascertain the level of non-compliance with bond lodgements will be undertaken.

Timeliness: First steps to investigate specific non-compliance complaints will be taken within five working days of receipt of complaint.

Quality: All specific non-compliance complaints will receive a preliminary investigation.

(iv) Mediation

Service Objective: Mediations will assist the parties to resolve their disputes and be perceived as fair and useful by both parties.

Quantity: This output is based on an assumed 51,000 applications to the Tenancy Tribunal, of which about 70% are expected to proceed to mediation.

Timeliness: Initiation of contact to arrange mediation with the other party will be made within five working days of each application being received.

Quality: A sample of mediations will be subject to peer review and client assessment.

(v) Tenancy Tribunal administration

Service Objective: Administration will assist the parties and the Tribunal to achieve timely and efficient resolution of disputes.

Quantity: This output is based on an assumed 32,000 Tribunal hearings scheduled nationally.

Timeliness: Applications proceeding to the Tribunal will have a hearing date scheduled within four working days of receipt of a mediation outcome. Tribunal applications will be heard within 10 or 15 days of the receipt of the mediation outcome (depending on location).

Quality: Scheduling of the Tribunal hearings will meet the requirements of the Principal Tenancy Adjudicator.

Outputs in this class will be provided within the appropriated sum of \$10,031,000 inclusive of GST. The GST-exclusive amount of \$9,289,000 will be partially funded by Revenue Crown of \$5,548,000 and Revenue Other of \$388,000; the remaining \$3,353,000 will be funded by third-party revenue from the Residential Tenancies Trust Account.

PART C - ADDITIONAL INFORMATION

RESIDENTIAL TENANCIES TRUST ACCOUNT

The Ministry manages the Residential Tenancies Trust Account pursuant to the Public Finance Act 1989 and the Residential Tenancies Act 1986.

Under the Residential Tenancies Act, interest from the Trust Account, and fees charged for Tenancy Tribunal applications, are considered Departmental Revenue for the Ministry of Housing.

MANAGEMENT STRUCTURE

