

Department of Building and Housing – the year ahead

A summary of the Statement of Intent 2009-12

May 2009

A BUILDING AND HOUSING MARKET THAT DELIVERS GOOD QUALITY HOMES AND BUILDINGS FOR NEW ZEALANDERS THAT CONTRIBUTE TO STRONG COMMUNITIES AND A PROSPEROUS ECONOMY.

Chief Executive's overview

These are challenging times for the building and housing sector, and for the Department, requiring new and smarter ways of working and delivering value for money.

Our primary outcome remains firmly in our sights – a building and housing market that delivers good quality homes and buildings for New Zealanders, and contributes to strong communities and a prosperous economy.

Since the Department was set up in November 2004, a lot of hard work has gone into setting up a robust and credible organisation. We have the people and systems in place to deliver in a changing environment.

This Statement of Intent sets out how we will work towards our primary outcome in four areas:

An efficient and effective regulatory framework

We are reviewing the Building Act 2004 to look at how it can be simplified and work better. We are also looking at streamlining and simplifying licensing and consenting.

A review of how weathertightness problems are resolved, with a greater emphasis on repairing homes, is under way.

A housing and building market that provides an accessible range of houses and buildings

A housing market that operates well opens the way for new approaches to building and housing supply and affordability. We aim to lead the research agenda for building science and design, and to build on our highly successful Starter Home Design Competition to encourage innovative and affordable design.

A well-performing sector with the capability and capacity to do a good job

Lifting skills and capability will go a long way to improving productivity and performance across the sector, and position it to take advantage of the economic recovery.

Together with the sector, we will develop a strategy to maintain and improve skill levels, including increasing the number of licensed building practitioners to promote a more competent workforce.

Well-informed participants in the building and housing market

If people have good and timely information, they are able to make better-informed decisions and conduct their business more effectively, resulting in fewer disputes. We will continue to provide advice and guidance; to provide effective dispute resolution services; and to manage bond lodgements, refunds and investments.

A building and housing market that operates well is in everybody's interests. The sector is critical to economic recovery and growth, and we are working hard to ensure we deliver value to the Government and to the sector.



Katrina Bach
Chief Executive
May 2009

Outcomes framework – linking outcomes and what we do

Government goal	To grow the New Zealand economy in order to deliver greater prosperity, security and opportunities to all New Zealanders						
Outcome for New Zealand	A building and housing market that delivers good quality homes and buildings for New Zealanders that contribute to strong communities and a prosperous economy						
Medium-term outcomes	A business-enabling regulatory environment that is efficient and effective, ensures public safety and delivers good quality homes and buildings	An enhanced housing and building market that provides an accessible range of houses and buildings that meet New Zealanders' economic and social needs	A well-performing, professional building and housing sector that has the capability and capacity to do a good job	Participants in the building and housing market are well informed, can transact with confidence and are supported to resolve their disputes			
Why we are going to do this	The current regulatory environment can be streamlined and made more effective through the removal of barriers to business, and by providing more targeted and consumer-accessible information Clear and appropriate standards supported by a streamlined, cost-effective regulatory environment will help remove barriers and enable businesses to build good quality homes and buildings	The building and housing market will perform more effectively if there is access to adequate quality and timely information to inform decision-making The market will also perform more effectively if supported by effective policies and regulations that give consumers a wide range of housing choices	The building and construction sector is a major component of the economy. Increasing sector productivity and performance will contribute to greater prosperity and better value for homeowners and building owners Working with the sector to lift skills, and to build capability and capacity to do a good job, will lift productivity. This in turn will assist the delivery of good quality homes and buildings that contribute to strong communities and a prosperous economy	To make well-informed decisions and to resolve disputes, people need reliable and timely information and access to appropriate services Efficient, effective and timely services support the resolution of disputes and will reduce their overall number. This enables the housing and building market to work more effectively and deliver better value to customers			
How we are going to do it	We will work with the sector, stakeholders and consumers to design and implement a streamlined, cost-effective regulatory environment to ensure good quality homes and buildings and public safety	We will lead development of the research agenda for building science and design for New Zealand We will lead the development of innovative policies for housing and building supply and affordability	We will work with the sector and education providers to lift sector skills and productivity so that participants do a good job	We will supply targeted advice, accessible information and dispute resolution services to raise consumer awareness so consumers can transact with confidence in the building and housing market			
	We will design, develop and deliver excellent, integrated, cost-effective and accessible services that are valued by New Zealanders						
	We will continue to build the capability to lead and manage a cost-effective and high performing organisation through ongoing development and implementation of our Organisation Development Plan						
What we are going to do	Complete the review of the Building Act 2004 and the regulatory reform process Review the approach to resolving weathertight claims so it is more cost-effective and better focused on repair of properties Review and update the Building Code and Standards to ensure they are appropriate, accessible and clear, and can be cost-effectively applied Provide information, guidance and advice to the sector to support effective performance Monitor and report on councils to ensure their statutory building control functions are cost-effective, enable business investment and activity, and deliver value to customers Review the way that liability is distributed in relation to building work	Provide performance monitoring and investment advice about Housing New Zealand Corporation to the Minister Monitor and evaluate sector trends and performance, and publish high quality, timely information so sector participants can make informed decisions Provide policy advice on building and housing issues and on housing supply options, including advice on Auckland issues and urban intensification Provide policy advice on the Residential Tenancies Amendment Bill and the Unit Titles Bill to ensure that Ministers are supported to take legislation through Parliament Provide information, advice and guidance that supports consumers and the sector	Work with other agencies and the sector to develop and implement a building and construction sector skills strategy Further refine and develop the licensing system for building practitioners to ensure it delivers benefits at least cost Carry out the licensing and auditing of electrical workers and building practitioners Develop options to use technology to support the streamlining and efficient operation of the building consent process Develop an integrated licensing system to deliver more cost-effective services to fee payers	Develop a broader suite of service options to deliver better value and improved access to customers Reduce operating costs Provide targeted information and advice to support decision-making Manage bond lodgements, refunds and investment Provide efficient, effective and timely dispute resolution services Carry out statutory functions under the Residential Tenancies Act 1986, Weathertight Homes Resolution Services Act 2006, Unit Titles Act 1972 and Retirement Villages Act 2003			
	Building Regulation and Control Appropriation This appropriation is limited to activities associated with the setting of performance standards for buildings and the design and delivery of regulatory schemes and other initiatives to help ensure those standards are met	Occupational Licensing Appropriation This appropriation is limited to the development, implementation and maintenance of the registration and licensing regimes for building practitioners and electrical workers	Sector and Regulatory Policy Appropriation This appropriation is limited to the provision of policy advice on the adequacy, efficiency and effectiveness of the building and housing sector in New Zealand; advice on the regulatory framework for the sector; monitoring, analysing and providing information on the sector; and evaluating the effectiveness of the sector and statutory boards	Performance Monitoring and Advice – Housing New Zealand Corporation Appropriation This appropriation is limited to the provision of advice to Ministers arising from the monitoring of Housing New Zealand Corporation's current and expected performance	Residential Tenancy and Unit Title Services Appropriation This appropriation is limited to the provision of residential tenancy and unit title dispute resolution services, information, education, and advice; administration and investment of residential tenancy bond monies; provision of administrative support to the State Housing Appeals Authority	Weathertight Homes Resolution Service Appropriation This appropriation is limited to assessing the eligibility of weathertight homes claims; independent technical assessment of claims; claim management until resolution and the provision of dispute resolution services	
How we will measure the medium-term outcomes	Amendments to the Building Act 2004 to provide a more simplified and streamlined approach to building regulation by the end of 2010 A reduction in the number of buildings requiring consents by the end of 2010 A 5% reduction in the number of determinations under the Building Act 2004 from 135 (the average for 2005 to 2008) to 128 by 2012 A reduction in the time taken to obtain building consents with the aim of 100% of consents processed within the statutory timeframes by 2012 (increased from 83.4% in the quarter ended 28 February 2009)	A high level of Ministerial satisfaction with: <ul style="list-style-type: none"> departmental policy advice, and monitoring and investment advice on Housing New Zealand Corporation 	Reduce the number of sector-related occupations identified as having: <ul style="list-style-type: none"> 'extreme' shortage from 14 building and construction groups in 2007 to 7 in 2012 'severe' shortage from 10 building and construction groups in 2007 to 5 in 2012 Reduce the proportion of building firms identifying labour as the main constraint to growth from 5% in the December 2008 quarter to 3% in 2012 Increase the number of licensed building practitioners from 534 on 1 April 2009 to 20,000 by 2012	85% of stand-alone weathertight claimants able to close, commence to repair, or resolve their dispute within 12 months of lodging a claim, with a 1% improvement annually to 2012 100% of Body Corporate representatives are able to resolve their weathertight dispute within their agreed targeted timeframe, and this is maintained to 2012 Reduce the numbers of landlords and tenants who have been involved in at least one tenancy-related problem over the preceding three years. Reduction by 2012 to: <ul style="list-style-type: none"> less than 35% for landlords less than 15% for tenants An annual increase of 5% in the proportion of applications for dispute resolution resolved by mediation out of court, from the audited actual for 2008/09 to 2012			

The Department's responsibilities

The Department has an overriding responsibility to ensure that all its activities are managed efficiently and effectively and deliver real value in line with Government priorities. We are also looking to reduce our overall operating costs.

The Department:

- ensures the regulatory environment for the sector, including the residential rental housing market, is effective and efficient and ensures public safety
- provides policy advice to the Government on housing and building issues
- delivers timely, cost-effective and accessible information, advice and dispute resolution services
- provides advice to the Government on Housing New Zealand Corporation performance
- administers the State Housing Appeals Authority
- manages occupational licensing within the building sector.

The Department also works with Housing New Zealand Corporation to meet the Government's priorities for social housing and the housing market; to analyse the housing environment, including housing affordability; and to ensure the best use of state housing assets.

The Government's priorities

The Government's medium-term priorities for the building and housing sector are:

- to ensure ongoing confidence and investment in the building and construction sector as this is critical in terms of economic activity, jobs and skill retention
- to drive down the regulatory costs associated with building without compromising building quality and to remove unnecessary regulation that adds cost and delivers little benefit
- to get better results from the Government's investment in resolving weathertightness issues
- to support and encourage improved productivity across the building and construction sector
- to improve the way liability works in relation to building work
- to ensure ongoing confidence and investment in the housing sector as this is critical in terms of economic activity, jobs and skill retention
- to maintain the supply of housing at a reasonable level to ensure that New Zealanders' housing needs are met and major supply issues do not start to emerge in the short to medium-term
- to see more effective management of the state housing asset and better use of the social housing stock.

The Department's contribution

The Department will:

- review the Building Act 2004, Building Code and Standards to ensure they are appropriate, clear and cost-effective
- work with councils to streamline administration of building controls
- streamline the licensing system for building practitioners
- work with the building and housing sector on productivity and skills strategies
- deliver faster resolution of weathertight claims
- target consumer information so well-informed consumers make good decisions on housing and building
- provide information and services to support dispute resolution
- provide policy advice on housing supply and improving affordability
- undertake research into building issues and provide technical advice
- evaluate trends in the housing and building sector
- advise Ministers on Housing New Zealand Corporation's performance
- continue to ensure public safety and good quality of building
- continue to evaluate its own activities to ensure best possible use of resources.



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New Zealand Government

