

The Treasury

Housing Infrastructure Fund Information Release

Release Document

October 2016

Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	9(2)(ba)(i)
[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Housing Infrastructure Fund to Support Housing Development in High Growth Urban Areas

Portfolios **Finance / Building and Housing**

On 27 June 2016, Cabinet:

- 1 **noted** that a number of regions are experiencing a growth surge with double digit increases in population expected over the next decade;
- 2 **noted** that population growth creates a need to increase housing supply;
- 3 **noted** that the Productivity Commission identified three key issues that restrict the responsiveness of housing supply:
 - 3.1 the planning process;
 - 3.2 strong local interests;
 - 3.3 unresponsive infrastructure;
- 4 **noted** that the government is addressing these issues through a number of recent initiatives including:
 - 4.1 the Resource Management Legislation Amendment Bill;
 - 4.2 the National Policy Statement on Urban Development Capacity;
 - 4.3 a programme to develop vacant and underutilised Crown land for housing;
 - 4.4 proposed work on Urban Development Legislation;
- 5 **noted** that some high growth councils are facing short to medium term financing constraints that limit their ability to invest in the infrastructure needed to support growth;
- 6 **noted** that in the medium to long term, councils will need to find new ways to fund increasing demands for infrastructure from existing funding tools and potentially new ones;
- 7 **agreed** that to address the short-medium term constraints facing some councils, the government establish a housing infrastructure fund that councils in high growth urban areas can apply to for assistance to finance the trunk infrastructure needed to unlock specific residential development;

- 8 **noted** that Councils will need to commit to a clear and specific contracted agreement to increase housing capacity and enable development through necessary plan changes, customer focused consenting, and the conditions imposed on consents in line with the requirements of the draft National Policy Statement on Urban Development Capacity;
- 9 **noted** that the high growth urban areas are those defined in the National Policy Statement on Urban Development Capacity: Auckland, Tauranga, Hamilton, Christchurch and Queenstown;
- 10 **agreed** that the Housing Infrastructure Fund make up to \$1 billion available on a one-off basis;
- 11 **noted** that:
- 11.1 the exact financing mechanism will be determined as part of further work by officials who will report at the end of August 2016;
 - 11.2 mechanisms that have been used in the past include front-loading road transport projects through the National Land Transport Fund and government purchase of assets with ownership transferring upon uptake like the Crown Fibre Holdings approach;
- 12 **agreed** that the Housing Infrastructure Fund be announced by the Prime Minister on 3 July 2016;
- 13 **agreed** that, in light of upcoming local body elections, the process and timeframe for requiring and assessing applications be discussed with relevant councils to ensure that the process will work for them;
- 14 **noted** that the fiscal implications, including the impact on operating and capital allowances and net debt, will not be known until the projects to be financed from the Housing Infrastructure Fund are agreed;
- 15 **noted** that:
- 15.1 the government is involved in other infrastructure projects in Auckland;
 - 15.2 there will be fiscal impacts as a result of the intention to fund part of the City Rail Link project, and there may also be expectations of further funding to support the recommendations from the Auckland Transport Alignment Project due to report in August;
- 16 **directed** officials to discuss the Fund with key councils in high-growth urban areas on a confidential basis after announcement;
- 17 **directed** officials to report to the Cabinet Economic Growth and Infrastructure Committee by the end of August 2016 seeking agreement to further details of the Fund and how it will be administered, including administrative funding.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution: (see over)

