

The Treasury

Budget 2013 Information Release

Release Document

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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] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - 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.

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, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

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

Residential Construction Sector Study: Release of Issues Paper

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Purpose

1. This paper seeks Ministers' agreement to the public release of an issues paper as the initial stage of the market study into the residential construction sector. The Ministry of Business, Employment and Innovation (MBIE) was directed to undertake a market study in October 2012, as part of the housing affordability work programme.
2. The paper also seeks Ministers' agreement to the Ministers of Housing and Commerce reporting back to Cabinet Economic Growth and Infrastructure Committee on the outcomes of the market study by 30 September 2013.

Comment

3. The issues paper is designed to elicit comment from stakeholders within the residential construction sector on the competition and productivity issues that affect the sector. This can be seen as an effort to identify and scope the problems that are affecting the sector's performance.
4. The issues paper is the initial stage of the market study. While interested parties will have seen the government's announcement that a market study will take place, the issues paper will be the first public statement on what the market study is intended to cover and the proposed approach.
5. MBIE propose that an options paper is generated following the issues paper, and is also released for public consultation.
6. The study is not intended to lead to enforcement action by the Commerce Commission, but could conceivably result in:
 - a. changes to government regulations to reduce barriers to competition
 - b. changes to government procurement practices
 - c. measures that improve transparency and consumer information, or
 - d. other measures that improve industry competitiveness or productivity.
7. It is proposed that the Ministers of Housing and Commerce report back to Cabinet Economic Growth and Infrastructure Committee on the outcomes of the market study by 30 September 2013.
8. This timetable means that a report back on this work will have to follow the wider report back on housing affordability to Cabinet Economic Growth and Infrastructure Committee by 31 July 2013 [CAB Min (12) 34/4A refers]. We do not think it is possible to truncate the proposed timetable without a high risk of inadequate engagement with the sector.

Treasury Recommendation

9. We recommend that you **support** the recommendations in this paper.

Title	Pg	Recommend	Fiscal Implications (\$m GST excl.)					Treasury Comment
			12/13	13/14	14/15	15/16	Out years	
Residential Construction Sector Study: Release of issues Paper		Support	<i>Operating</i>					There are no fiscal implications
			-	-	-	-	-	
			<i>Capital</i>					
			-	-	-	-	-	