

# The Treasury

## Budget 2013 Information Release

### Release Document

July 2013

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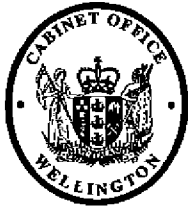
Key to sections of the Official Information Act 1982 under which information has been withheld.

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.



## 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.*

### Budget 2013 Package: Vote Housing

Portfolio: Housing

On 15 April 2013, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2013 Budget package, as listed in the summary below and detailed in the attached initiative documents;

#### Summary of initiatives included in the attached initiative documents:


##### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)					
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
7740	Reviewable Tenancies Policy for HNZA Tenants	-	-	-	11.400	35.400	35.400
7745	Kainga Whenua – Infrastructure Grant	-	3.000	3.000	3.000	3.000	3.000
7749	Community Group Housing	-	4.659	-	-	-	-
7773	Extension of Income-Related Rent Subsidy to Approved Community Housing Providers	-	-	-	(2.600)	2.600	9.100
<b>Total Operating</b>		-	<b>7.659</b>	<b>3.000</b>	<b>11.800</b>	<b>41.000</b>	<b>47.500</b>

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** the changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations and/or projected balances of net assets for 2012/13 above be included in the 2012/13 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- 6 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2012/13 Supplementary Estimates, the 2013/14 Estimates and the fiscal forecasts;
- 7 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 8 **noted** that all communications relating to the 2013 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

[6]

 Secretary of the Cabinet

Reference: CAB (13) 203

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Initiative No: 7749

**Vote:** Housing**Title:** Community Group Housing

**Description:** To subsidise the shortfall between the market rent for the Housing New Zealand Corporation's (HNZC) Community Group Housing portfolio and the rent that it receives from the relevant community group providers, to ensure transparency of costs for Crown programmes undertaken by HNZC.

**Appropriation changes**

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	4.659	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>4.659</b>	-	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Departmental Output Expense:</b>					
Weathertight Services (funded by revenue Crown)	(0.890)	(0.534)	-	-	-
<b>Non-Departmental Output Expense:</b>					
HNZC Housing Support Services	0.890	5.193	-	-	-
<b>Total Operating</b>	-	<b>4.659</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

**Additional recommendations**

- 10 **noted** that of the \$5.193 million for 2013/14 for Community Group Housing, \$0.534 million is reprioritised from Vote Housing and \$4.659 million is funded from the Health allocation;
- 11 **noted** that the Ministry of Social Development will contribute an additional \$1.214 million for 2013/14 to Community Group Housing, to be funded through underspends in Vote Social Development and confirmed by the Minister of Finance and the Minister for Social Development in the 2013 October Baseline Update, once the 2012/13 final audited accounts are available;
- 12 **agreed** that the ongoing funding requirements for community group housing and incidence of costs across the sectors (Vote Housing, Vote Health, and Vote Social Development) will be finalised by October 2013, following additional policy work led by the Ministry of Business, Innovation and Employment.

Initiative No: 7773

Vote: Housing

Title: Extension of Income-Related Rent Subsidy to Approved Community Housing Providers

**Description:** Extending (through a staged roll-out) the eligibility for payment of Income Related Rent Subsidy for tenants of approved Community Housing providers who have been assessed as being in the A or B categories under the Social Allocation System. This initiative contributes to the government's Social Housing Reform programme.

## New appropriation approval

Type	Period	Name	Multi-Class Output Appropriation Output Class	Scope
Non-Departmental Output Expense	Annual	Income Related Rent Subsidy for Community Housing Providers	N/A	This appropriation is limited to the purchase of housing and related services delivered by approved Community Housing providers to individuals who are eligible for an income related rent, assessed as the difference in price between the amounts of market rents for the housing provided by the approved Community Housing providers and the income related rents charged.

## Appropriation changes

	\$m - increase/(decrease)					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	-	-	-	(2.600)	2.600	9.100
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>(2.600)</b>	<b>2.600</b>	<b>9.100</b>

	\$m - increase/(decrease)					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
<b>Departmental Output Expense:</b>						
Weathertight Services (funded by revenue Crown)	-	(2.900)	(6.000)	(11.200)	(6.500)	-
<b>Non-Departmental Output Expense:</b>						
Income Related Rent Subsidy for Community Housing Providers	-	2.900	6.000	8.600	9.100	9.100
<b>Total Operating</b>	-	-	-	<b>(2.600)</b>	<b>2.600</b>	<b>9.100</b>
<b>Total Capital</b>	-	-	-	-	-	-

Initiative No: 7778

Vote: Housing

Title: KiwiSaver Administration Increased Costs

**Description:** An increase to the administrative support provided by the Housing New Zealand Corporation to respond to the higher than previously anticipated demand for the KiwiSaver first-home deposit subsidy.

**Appropriation changes**

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Departmental Output Expense:</b>					
Weathertight Services (funded by revenue Crown)	(0.075)	(0.300)	-	-	-
<b>Non-Departmental Output Expense:</b>					
HNZC Housing Support Services	0.075	0.300	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

Initiative No: 7740

Vote: Housing

Title: Reviewable Tenancies Policy for Housing New Zealand Corporation Tenants

**Description:** In 2011, Cabinet agreed to introduce a reviewable tenancies policy for all tenants who entered state housing after July 2011 and are now applying the policy to pre July 2011 tenants. This will result in a net increase in the Income Related Rent subsidy.

**Appropriation changes**

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	-	-	11.400	35.400
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	<b>11.400</b>	<b>35.400</b>

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Non-Departmental Output Expense:</b>					
Purchase of Housing and Related Services for Tenants Paying Income Related Rent	-	-	-	11.400	35.400
<b>Total Operating</b>	-	-	-	<b>11.400</b>	<b>35.400</b>
<b>Total Capital</b>	-	-	-	-	-

Initiative No: 7745

Vote: Housing

Title: Kainga Whenua - Infrastructure Grant

Description: Establishment of a grant scheme for Maori Land Trusts and other collectives to apply to when infrastructure work is required on green fields development on Maori Land.

## Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	3.000	3.000	3.000	3.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Non-Departmental Output Expense:</b>					
HNZC Housing Support Services	-	3.000	3.000	3.000	3.000
<b>Total Operating</b>	-	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>
<b>Total Capital</b>	-	-	-	-	-