

The Treasury

Budget 2017 Information Release

Release Document July 2017

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[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)
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[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	

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.

Budget 2017: Vote Building and Housing

On 18 April 2017, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2017 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)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
9563	Vacant or Underutilised Crown Land Programme – Land Acquisition	-	0.500	0.500	0.500	0.500
9712	Housing Infrastructure Fund (HIF)	-	1.500	1.000	0.500	0.500
9588	National Policy Statement on Urban Development Capacity: Implementation	-	0.568	0.356	0.239	0.090
Total Operating		-	2.568	1.856	1.239	1.090

Capital Initiative (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
9563	Vacant or Underutilised Crown Land Programme – Land Acquisition	-	100.000	-	-	-
Total Capital		-	100.000	-	-	-

- 2 **agreed** to establish a new appropriation to implement the initiative, as described in the attached initiative document;
- 3 **approved** 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 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2016/17 Supplementary Estimates, the 2017/18 Estimates and the fiscal forecasts;
- 6 **noted** that all communications relating to the 2017 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.
- 7 **agreed** that the initiative in the following table be set aside as a tagged contingency, and that corresponding funding for it be set aside as a tagged contingency:

Operating contingency

Initiative Name	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Housing Infrastructure Fund – Concessionary Charge	-	5.000	15.000	25.000	35.000
Total Operating	-	5.000	15.000	25.000	35.000

- 8 **noted** that joint Ministers (the Minister of Finance and the Minister of Transport for transport-related funding and the Minister of Finance and the Minister for Building and Construction for water-related funding) already have authority to make decisions on initiatives that will receive funding from the Housing Infrastructure Fund;
- 9 **authorised** the joint Ministers identified in recommendation 8 above to draw down from the tagged contingency when decisions are made on the Housing Infrastructure Fund - Concessionary Charge initiatives;
- 10 **agreed** that the expiry date for the tagged contingency be 30 June 2019;
- 11 **authorise** joint Ministers (the Minister of Finance, Minister of Transport, and the Minister for Building and Construction) to extend the expiry date if required.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Minister of Finance
Minister of Transport
Minister for Building and Construction

Initiative No: 9563

Vote: Building and Housing

Title: Vacant or Underutilised Crown Land Programme – Land Acquisition

Description: This funding will provide for the extension of the current Auckland Vacant or Underutilised Crown Land Programme, which aims to facilitate housing development. A capital injection is required to allow the Ministry of Business, Innovation and Employment to acquire land for development.

New Appropriation Approval

Name	Period	Type	Category Name	Scope
Vacant or Underutilised Crown Land Programme	Multi-Year Appropriation Start: 1/07/2017 Finish: 30/06/2022	Non-Departmental Capital Expenditure	N/A	This appropriation is limited to the Crown's contribution to the development of housing in selected locations.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	0.500	0.500	0.500	0.500
Debt Impact	-	100.000	-	-	-
No Impact	-	-	-	-	-
Total	-	100.500	0.500	0.500	0.500

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Capital Expenditure:					
Vacant or Underutilised Crown Land Programme (MYA)	-	167.104	-	-	-
Auckland Vacant or Underutilised Crown Land Programme (MYA)	-	(67.104)	-	-	-
Departmental Output Expense:					
Redevelopment of Surplus Crown Land (funded by revenue Crown)	-	0.500	0.500	0.500	0.500
Total Operating	-	0.500	0.500	0.500	0.500
Total Capital	-	100.000	-	-	-

Additional Recommendations

- 12 **authorised** the Minister of Finance, Minister for Social Housing and the Minister for Building and Construction (joint Ministers) to transfer any unspent funding from the existing multi-year appropriation Auckland Vacant or Underutilised Crown Land Programme to the new multi-year appropriation Vacant or Underutilised Crown Land Programme at the next baseline update;
- 13 **agreed** that the approval of the joint Ministers is required for incurring any capital expenditure against this appropriation;
- 14 **agreed** that the Auckland Vacant or Underutilised Crown Land Programme multi-year appropriation be revoked with effect from the close of 30 June 2017;
- 15 **noted** that a business case has been prepared only for an Auckland Vacant or Underutilised Crown Land Programme;
- 16 **agreed** that a business case be submitted to Cabinet if any funding is to be used outside of the parameters of the Auckland Vacant or Underutilised Crown Land Programme Business Case;
- 17 [38]

Vote: Building and Housing

Title: Housing Infrastructure Fund (HIF)

Description: This funding will enable the Ministry of Business, Innovation and Employment to administer the Housing Infrastructure Fund through an Independent Assessment Panel.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	1.500	1.000	0.500	0.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.500	1.000	0.500	0.500

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Multi-Category Expenses and Capital Expenditure					
Policy Advice and Related Outputs					
Departmental Output Expense:					
Policy Advice - Building and Housing (funded by revenue Crown)	-	1.500	1.000	0.500	0.500
Total Operating	-	1.500	1.000	0.500	0.500
Total Capital	-	-	-	-	-

Vote: Building and Housing

Title: National Policy Statement on Urban Development Capacity: Implementation

Description: This funding will support the implementation of the National Policy Statement for Urban Development Capacity 2016.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	0.568	0.356	0.239	0.090
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.568	0.356	0.239	0.090

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Multi-Category Expenses and Capital Expenditure					
Policy Advice and Related Outputs					
Departmental Output Expense:					
Policy Advice - Building and Housing (funded by revenue Crown)	-	0.568	0.356	0.239	0.090
Total Operating	-	0.568	0.356	0.239	0.090

Additional Recommendation

19 **noted** that the total amount of funding for this initiative is \$4.900 million over four years, and the remaining \$3.647 million is included in Vote Environment, Initiative 9770.