

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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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)
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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.

## 2017 Budget Package: Vote Building and Housing (Technical Initiatives)

- 1 **approve** 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
9986	Capital Charge Rate Correction	0.052	-	-	-	-
9948	Social Housing Fund	(3.000)	-	-	-	-
9950	Special Housing Areas Policy Advice	(1.500)	0.700	0.800	-	-
<b>Total Operating</b>		<b>(4.448)</b>	<b>0.700</b>	<b>0.800</b>	-	-

#### Capital Initiatives (Impact on Debt)

- 2 **approve** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **approve** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **agree** that the proposed changes to appropriations be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 5 **authorise** 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 **note** 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;

**Vote:** Building and Housing

**Title:** Capital Charge Rate Correction

**Description:** To correct an error in the 2017 March Baseline Update. In the March Baseline Update, Vote Building and Housing appropriations in 2016/17 were decreased to reflect the reduction of the capital charge rate from 7% to 6%. The reduction should have reflected a reduction from 1 January 2017 rather than from 1 July 2016. This technical initiative corrects the error for material appropriations in Vote Building and Housing.

**Appropriation Changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21 &amp; Outyears</b>
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	0.052	-	-	-	-
<b>Total</b>	<b>0.052</b>	-	-	-	-

	<b>\$m - increase/(decrease)</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21 &amp; Outyears</b>
<b>Departmental Output Expense:</b>					
Residential Tenancy and Unit Title Services (funded by revenue Other)	0.052	-	-	-	-
<b>Total Operating</b>	<b>0.052</b>	-	-	-	-

**Vote:** Building and Housing

**Title:** Social Housing Fund

**Description:** The Social Housing Fund multi-year appropriation is due to expire on 30 June 2017 and is unable to be extended further. Due to delays in the building process, several grant payments will now occur in the 2017/18 year. A transfer of funding from the Social Housing Fund MYA to the Social Housing Provider Development appropriation will enable the government to meet contracted commitments in 2017/18.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	(3.000)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(3.000)</b>	-	-	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Non-Departmental Other Expense:</b>					
Social Housing Fund (MYA)	(3.000)	-	-	-	-
<b>Total Operating</b>	<b>(3.000)</b>	-	-	-	-

### Additional Recommendations

- 7 note that Non Departmental Other Expense Social Housing Provider Development appropriation transferred to Vote Social Housing on 1 July 2017;
- 8 note that the \$3 million in 2017/18 in Vote Building and Housing Non Departmental Other Expense Social Housing Provider Development appropriation is transferred to Vote Social Housing;
- 9 agree that any 2016/17 unspent funding in the Social Housing Fund MYA in Vote Building and Housing be transferred to Non Departmental Other Expense Social Housing Provider Development appropriation in Vote Social Housing in 2017/18;
- 10 The final amount of 2016/17 unspent funding to be confirmed by the Minister of Finance and Minister for Social Housing in the 2017 October Baseline Update once the 2016/17 final audited accounts are available;
- 11 **note** the Multi-Year Appropriation: "Social Housing Fund" is adjusted by \$(3.000)

million; and

- 12 **note** that amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Social Housing Fund" is the change to the indicative annual spending profile.

**Vote:** Building and Housing

**Title:** Special Housing Areas Policy Advice

**Description:** Policy advice on Special Housing Areas is now provided within the Policy Advice and Related Outputs MCA appropriation. \$1.500 million will be transferred from the Special Housing Areas appropriation to the Policy Advice and Related Outputs MCA appropriation to enable the Special Housing Areas policy advice to continue into 2018/19.

### Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	(1.500)	0.700	0.800	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(1.500)</b>	<b>0.700</b>	<b>0.800</b>	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Departmental Output Expense:</b>					
Special Housing Areas (funded by revenue Crown)	(1.500)	-	-	-	-
<b>Multi-Category Expenses and Capital Expenditure</b>					
Policy Advice and Related Outputs					
<b>Departmental Output Expense:</b>					
Policy Advice - Building and Housing (funded by revenue Crown)	-	0.700	0.800	-	-
<b>Total Operating</b>	<b>(1.500)</b>	<b>0.700</b>	<b>0.800</b>	-	-