

The Treasury

Budget 2017 Information Release

Release Document July 2017

www.treasury.govt.nz/publications/informationreleases/budget/2017

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	

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 Social 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
10017	Carry Forward of Funds and Transfer Between Categories in the Social Housing Purchasing MCA to Support New Social Housing Supply	-	-	-	-	-
9925	Social Housing Fund	-	3.000	-	-	-
9985	Transfer Accommodation Assistance Funding from Vote Social Development to Vote Social Housing.	-	(6.441)	(17.265)	(26.283)	(24.488)
10023	Transfer Remainder of the Social Housing Provider Development Appropriation	-	0.026	-	-	-
Total Operating		-	(3.415)	(17.265)	(26.283)	(24.488)

- 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 **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: Social Housing

Title: Carry Forward of Funds and Transfer Between Categories in the Social Housing Purchasing MCA to Support New Social Housing Supply

Description: Transfer remaining 2016/17 funds in the "Part Payment of Rent to Social Housing Providers" category to the "Support for the Provision of Social Housing Supply" category for 2017/18, to enable the Ministry of Social Development to provide upfront funding and operating supplements to Community Housing Providers to bring on new social housing supply.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	(43.000)	43.000	-	-	-
Total	(43.000)	43.000	-	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Social Housing Purchasing MCA					
Non-Departmental Output Expense:					
Part Payment of Rent to Social Housing Providers	(43.000)				
Non-Departmental Other Expense:					
Support for the Provision of Social Housing Supply		43.000			
Total Operating	(43.000)	43.000	-	-	-

Additional Recommendation

- 7 **agree** to an in-principle expense transfer to support bringing on new social housing supply of up to the above maximum amount of operating funding from 2016/17 to 2017/18;
- 8 **authorise** the Minister of Finance and the Minister for Social Housing jointly to determine the final amount to be transferred, following completion of the 2016/17 audited financial statements, with no impact on the operating balance;
- 9 **agree** that the final amount be transferred from the Social Housing Purchasing MCA's Part Payment of Rent to Social Housing Providers category to the Support for the Provision of Social Housing Supply category;

Vote: Social 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 Multi-Year Appropriation to the Social Housing Provider Development appropriation will enable the government to meet contracted commitments in 2017/18.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	3.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.000	-	-	-

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Other Expense:					
Social Housing Provider Development	-	3.000	-	-	-
Total Operating	-	3.000	-	-	-

Additional Recommendation

10 **agree** that any underspend from the Vote Building and Housing, Social Housing Fund Multi-Year Appropriation, in 2016/17 be transferred to the Vote Social Housing, Social Housing Provider Development appropriation, for 2017/18. Interim funding needs are to be met from imprest supply;

11 **note** that this increase is offset by an equivalent reduction in Vote Building and Housing;

Vote: Social Housing

Title: Transfer Accommodation Assistance Funding from Vote Social Housing to Vote Social Development.

Description: Transfer surplus funding in the Benefits or Related Expenses appropriation, Accommodation Assistance which was not captured in original February 2017 Joint Ministers paper that established Vote Social Housing, due to subsequent forecast changes.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	(6.441)	(17.265)	(26.283)	(24.488)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(6.441)	(17.265)	(26.283)	(24.488)

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Benefits or Related Expense:					
Accommodation Assistance	-	(6.441)	(17.265)	(26.283)	(24.488)
Total Operating	-	(6.441)	(17.265)	(26.283)	(24.488)

Additional Recommendation

12 **note** that this increase is offset by an equivalent increase in Vote Social Development;

Vote: Social Housing

Title: Transfer Remainder of the Social Housing Provider Development Appropriation

Description: On the establishment of Vote Social Housing in February 2017, a balance of funds was inadvertently left out from the transfer from Vote Building and Housing for the Social Housing Provider Development appropriation. This initiative corrects for that earlier error.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	0.026	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.026	-	-	-

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Non-Departmental Other Expense:					
Social Housing Provider Development	-	0.026	-	-	-
Total Operating	-	0.026	-	-	-