

The Treasury

Budget 2014 Information Release

Release Document

July 2014

www.treasury.govt.nz/publications/informationreleases/budget/2014

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)(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.
- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [7] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [9] 9(2)(h) - to maintain legal professional privilege
- [10] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [11] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [13] Not in scope
- [14] 6(e)(iv) - 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.

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, a [3] appearing where information has been withheld in a release document refers to section 9(2)(a).

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



Reference: T2014/602

SH-3-2-18-16

Date: 3 April 2014

To: Minister of Finance (Hon Bill English)
Associate Minister of Finance (Hon Steven Joyce)
Associate Minister of Finance (Hon Dr Jonathan Coleman)

Deadline: 7 April 2014

Aide Memoire: Briefing for Cabinet on the Draft Christchurch Housing Accord

We understand that Minister Smith is taking a paper to Cabinet on Monday 7 April on the Draft Christchurch Housing Accord.

We have not seen a finalised version of the Cabinet paper.
[8]

An accord presents the best opportunity to secure important regulatory changes from the Council and we suggest that you raise this at Cabinet.

On the regulatory side, the Council has the primary levers. The draft Accord expresses the Crown and Council's shared commitment to "removing regulatory impediments to residential development through monitoring and supporting the implementation of the Land Use Recovery Plan (LURP) and other initiatives to streamline planning and consenting processes". We support this commitment, but consider that the Accord presents the opportunity to agree more specific and measurable interventions. For example, we have heard that the Council's non-differentiated development contribution is a constraint on converting single dwellings into two, as the Council requires a \$30,000 development contribution before an owner can install a second kitchen.

It is important to get more out of the LURP, and to recognise that the LURP itself does not go far enough in enabling supply. An accord that attempted to expand the LURP or quicken the pace of the Council's actions on the LURP (e.g. facilitating intensification) would be superior to the general language in the current draft accord.

In summary, if you are concerned about regulation and housing supply in Canterbury, this is an important opportunity that is currently being missed. **We suggest that you raise the question of whether the Minister of Housing has maximised pro-development concessions from the Council, in light of the \$75 million Crown contribution.**

BUDGET-SENSITIVE

In terms of funding, the draft Accord establishes a Crown-funded (capital) \$75 million “housing development fund” to increase the supply of temporary and affordable housing. Cabinet will have visibility and decision-rights over any projects that seek agreement to use the \$75 million contingency, as any initiative is subject to Cabinet approval of a business case and any associated operating funding requests. **We suggest that you ask the Minister of Housing for assurance that options that leverage private development will be explored, rather than Crown-led development.**

Our concerns about the Crown capital housing projects that have previously been under development are that: Crown-led development will deliver a smaller volume of new housing compared to supporting private sector development, it will come with a high cost to the Crown, and it could crowd out private sector development. We have previously provided advice on the relative benefits of an operating allowance for Canterbury housing (see T2014/530).

Phil Whittington, Senior Analyst, Housing, 04 917 6187

Ruth Isaac, Manager, Housing, Housing, 04 917 6174