

The Treasury

Budget 2018 Information Release

Release Document August 2018

<https://treasury.govt.nz/publications/information-release/budget-2018-information-release>

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)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[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	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

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.



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.

2018 Budget Package: Vote Building and Housing

On 9 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 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)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10415	Building and Construction Policy Advice Savings Initiative	-	(0.250)	(0.250)	(0.250)	(0.250)
10657	Canterbury Earthquakes Insurance Tribunal	-	3.640	-	-	-
10646	Compliance with the Holidays Act 2003	0.075	-	-	-	-
10266	Healthy Homes Guarantee Act 2017 Implementation	-	2.650	3.697	4.147	4.147
10110	Residential Tenancy and Unit Titles Services – Additional Support	-	8.141	8.003	8.716	8.716
Total Operating		0.075	14.181	11.450	12.613	12.613

- 2 **approved** changes to appropriations to the administering department to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **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 2017/18 Supplementary Estimates, the 2018/19 Estimates and the fiscal forecasts;

- 5 **noted** that all communications relating to the 2018 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.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister of Housing and Urban Development
Minister for Building and Construction

Vote: Building and Housing

Title: Building and Construction Policy Advice Savings Initiative

Description: The Ministry of Business, Innovation and Employment (MBIE) can save \$0.25m each year over the next four years. This initiative would see a greater proportion of the building levy used to fund a building and construction policy team in MBIE, which is currently 50% funded through Crown revenue.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	(0.250)	(0.250)	(0.250)	(0.250)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.250)	(0.250)	(0.250)	(0.250)

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs (MCA)					
<i>Departmental Output Expense:</i>					
Policy Advice - Building and Housing (funded by revenue Crown)	-	(0.250)	(0.250)	(0.250)	(0.250)
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs (MCA)	-	(0.250)	(0.250)	(0.250)	(0.250)
Total Operating	-	(0.250)	(0.250)	(0.250)	(0.250)

Initiative No: 10657

Vote: Building and Housing

Title: Canterbury Earthquakes Insurance Tribunal

Description: This funding will enable the establishment and operation of a tribunal to resolve unsettled residential insurance disputes arising from the Canterbury earthquakes of 2010 and 2011. It will provide an active, individually case managed resolution process for claimants and their insurers. It will also provide access to funded mediation to support the dispute resolution process.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	3.640	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.640	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expenses:					
Greater Christchurch Recovery (funded by revenue Crown)	-	3.640	-	-	-
Total Operating	-	3.640	-	-	-

Additional recommendation

- 6 **noted** this initiative is related to Initiative 10658 in Vote Business, Science and Innovation and Initiative 10297 in Vote Courts;

Initiative No: 10646

Vote: Building and Housing

Title: Compliance with the Holidays Act 2003

Description: MBIE is currently under an Enforceable Undertaking with the Labour Inspectorate to correct historical non-compliance with the Holidays Act 2003. This funding allows MBIE to address the incorrect calculation of holiday pay to staff and ensure future compliance with legislation.

Appropriation Changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	0.075	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.075	-	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice - Building and Housing (funded by revenue Crown)	0.075	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs (MCA)	0.075	-	-	-	-
Total Operating	0.075	-	-	-	-

Additional recommendation

- 7 **noted** this initiative is related to Initiative 10114 in Vote Business, Science and Innovation and Initiative 10644 in Vote Labour Markets;

Initiative No: 10266

Vote: Building and Housing

Title: Healthy Homes Guarantee Act 2017 Implementation

Description: This funding will be used for information campaigns, advice and support to landlords and tenants, compliance monitoring, investigation and enforcement, to support the effective implementation of the Healthy Homes Guarantee Act 2017.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	2.650	3.697	4.147	4.147
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.650	3.697	4.147	4.147

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expense:					
Residential Tenancy and Unit Title Services (funded by revenue Crown)	-	2.650	3.697	4.147	4.147
Total Operating	-	2.650	3.697	4.147	4.147

Additional recommendations

- 8 **noted** that this initiative has a capital component to assist with support for landlords and tenants, and that this capital injection and net debt impact is recognised in a corresponding financial recommendation in the Vote Business, Science and Innovation package (Initiative 10632);
- 9 **directed** MBIE to report back on compliance outcomes expected to be achieved through this initiative as part of the development of regulations expected to be completed by December 2018;

Initiative No: 10110

Vote: Building and Housing

Title: Residential Tenancy and Unit Titles Services – Additional Support

Description: This funding will allow the Housing and Tenancy Service to continue delivering its services at the current level and will enable the development of a business case to replace its aging critical IT systems. This initiative will also ensure there is an effective and stable funding model for the Residential Tenancy and Unit Titles Services appropriation.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	8.141	8.003	8.716	8.716
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	8.141	8.003	8.716	8.716

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expense:					
Residential Tenancy and Unit Title Services (funded by revenue Crown)	-	8.141	8.003	8.716	8.716
Total Operating	-	8.141	8.003	8.716	8.716

Additional recommendations

- 10 **noted** that this appropriation is primarily funded through interest revenue earned by MBIE on tenancy bonds, with a small proportion of revenue coming from unit titles and residential tenancies fees and Crown revenue;
- 11 **noted** that due to persistently low interest rates resulting in lower interest revenue, MBIE has needed to fund the appropriation through reprioritisation and additional Crown top-ups to maintain levels of service;
- 12 **noted** that the above change to the appropriation is due to changes in the funding model, and an increase to the appropriation.