

# The Treasury

## Budget 2020 Information Release

### July 2020

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- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [42] 18(d) - information is already publicly available or will be publicly available soon.

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## Treasury Report: Minister Woods bilateral

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|              |                 |                     |   |
|--------------|-----------------|---------------------|---|
| <b>Date:</b> | 4 November 2019 | <b>Report No:</b>   | T2019/3448                                |
|              |                 | <b>File Number:</b> | SH-18-2-9 (Housing and Urban Development) |

### Action sought

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|   | Action sought  | Deadline        |
|---|--|-----------------|
| <b>Minister of Finance</b><br>(Hon Grant Robertson) | Read this report and attached material ahead of your bilateral discussion with Minister Woods. | 4 November 2019 |

### Contact for telephone discussion (if required)

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| Name               | Position                           | Telephone | 1st Contact |
|--------------------|------------------------------------|-----------|-------------|
| Gabrielle Groube   | Analyst, Housing and Urban Growth  | [39]      | N/A (mob) ✓ |
| Geraldine Treacher | Manager, Housing and Urban Growth, | [23]      |             |

### Minister's Office actions (if required)

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**Return** the signed report to Treasury.

Note any feedback on the quality of the report

**Enclosure:** No

# Treasury Report: Minister Woods bilateral

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## Executive Summary

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This report provides background information and talking points for your Budget 2020 bilateral discussion with Minister Woods at 4:45pm on Thursday 7 November. The purpose of the bilateral is to discuss cost pressure bids and progress reporting in the Housing, Research, Science and Innovation (RSI), Energy and Resources, and Greater Christchurch Regeneration portfolios.

## Recommended Action

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We recommend you **read** this report and attached material prior to your Budget 2020 bilateral discussion with Hon Dr Megan Woods at 4:45pm on Thursday 7 November 2019.

Geraldine Treacher  
**Manager, Housing and Urban Growth**

Hon Grant Robertson  
**Minister of Finance**

## Treasury Report: Minister Woods bilateral

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### Purpose of Report

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1. The purpose of this report is to provide background information and advice for your Budget 2020 bilateral discussion with Minister Woods at 4:45pm on Thursday 7 November, regarding Housing, Research, Science and Innovation (RSI), Energy and Resources, and Greater Christchurch Regeneration.
2. This report provides:
  - Context on existing funding, including funding received in recent Budgets;
  - Key considerations for Budget 2020 initiatives; and
  - An overview of cost pressures submitted for Budget 2020.
3. Attached to this report are three annexes:
  - Annex A provides talking points for your bilateral discussion.
  - Annex B provides a full list of the cost pressure initiatives submitted for Housing and RSI portfolios. No cost pressures have been submitted for the Energy and Resources and Greater Christchurch Regeneration portfolios.
  - Annex C provides a full list of the Housing, RSI, and Energy and Resources initiatives selected for your request to Minister Woods on how they are delivering on past Budget commitments.
4. We have provided comments with preliminary assessments for significant cost pressure initiatives. We will provide you with further advice, including funding recommendations for each cost pressure, ahead of the package formation stage.

### Housing

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#### **Housing Context**

5. Vote Housing and Urban Development's annual operating expenditure is \$1.935 billion in the 2019/20 year (excluding \$465 million annual operating expenditure on housing support in Vote Social Development). The annual capital expenditure by Government is \$293 million, with significant capital financing over and above this done through Kāinga Ora's private borrowing. Operating funding in the Housing portfolio has increased over the past two Budgets, from approximately \$2.5 billion in 2017 to \$2.8 billion in 2018 and 2019. This funding is spread across multiple portfolios, votes and contingencies that have changed over the past two years.
6. This funding supports the delivery of housing initiatives, including 69,609 public housing places, 3,001 transitional housing places, and 939 Housing First placements.<sup>1</sup> However, this is not sufficient to meet continued growing demand for emergency and subsidised housing.

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<sup>1</sup> Ministry of Housing and Urban Development "Public Housing Quarterly Report September 2019".  
T2019/3448 Minister Woods bilateral

- a In the September 2019 quarter, 6,064 Emergency Housing Special Needs Grants (EH SNGs) were issued totalling \$41.6 million. These grants are normally paid for temporary motel stays for emergency housing needs when a transitional housing place is not available. This is a 58 percent increase in the number of grants, and a 161 percent increase in the amount granted, when compared to the September 2018 quarter. As at October 2019, there were 3,422 motel places in use.
  - b As at 30 September 2019, the Public Housing and Transfer Register (sometimes referred to as the “public housing waitlist”) had grown to 16,867 applicants, a 45 percent increase compared to the September 2018 quarter.
7. The Government has responded by prioritising initiatives in the past two Budgets on homelessness, subsidised housing supply, KiwiBuild and progressive home ownership. The focus of these initiatives has been to bring on additional subsidised housing supply (focussing on building rather than buying), increase affordable home ownership opportunities, and prevent and respond to homelessness.
8. There are some barriers to delivering these initiatives.
- a Homelessness: Funding put in baselines and in contingencies in Budget 2019 has mostly not been used. A previous proposal to use baseline funding on contracted motels was withdrawn, and a cross-agency strategy and plan to address homelessness and exit motels using contingency funding has taken more time to develop than anticipated. To meet Housing Ministers’ expectations regarding exiting motels with pace, HUD has proposed to purchase more houses to operate as permanent transitional housing places. This risks displacing renting households and unintentionally contributing to further emergency and subsidised housing demand.
  - b Public housing: Targets have been met and delivery is ahead of schedule. However, more houses are being purchased than was originally planned, and new build public housing places are expected to have a much higher capital cost than was originally financed.
  - c Building: HUD and Kāinga Ora have faced regulatory barriers and capability/capacity issues in building new housing – 25 percent of Kāinga Ora redevelopments have been delivered within budget, and 7 percent delivered on time.
  - d Progressive home ownership: Key policy decisions required to design and launch the scheme have not yet been made by Cabinet. The recycled capital marked for this initiative in Budget 2019 is unlikely to be sufficient to deliver progressive home ownership, and further funding may be bid for this Budget.
9. A significant driver of emergency and subsidised housing demand, and a barrier that government faces when trying to respond to it, is a lack of affordable and responsive housing supply. Rents and house prices are increasing faster than incomes and inflation because supply is insufficiently responsive to increases in demand.

|   | <b>Year to<br/>September 2019</b>                 | <b>Since<br/>September 2014</b> | <b>Comment</b>                                   |
|---|---|---------------------------------|--|
| <b>Average rent (MBIE<br/>bond data)<sup>2</sup></b>  | 3.9%<br>(\$431 per week)                          | 25.5%                           | -  |
| <b>Median house prices<br/>(REINZ)<sup>3</sup></b>    | 6.6%<br>(\$597,000)                               | -                               | Driven by price<br>increases outside<br>Auckland |
| <b>Income from wages<br/>and salaries<sup>4</sup></b> | 2.0% (year to<br>June)<br>(\$52,800 per<br>annum) | 17.6% <sup>5</sup>              | -  |
| <b>Consumer price<br/>index<sup>6</sup></b>           | 1.5%  |                                 |  |

### **Cost Pressures**

10. Minister Woods has submitted three cost pressure bids totalling \$152.102 million of operating funding for Budget 2020 within the Housing portfolio. Information on the initiatives can be found in Annex A. We have provided comments on all of the initiatives.
11. One of the cost pressure bids Minister Woods has submitted (Sustainable Baseline for Ministry of Housing and Urban Development) also relates to the Urban Development portfolio.

## **Research, Science and Innovation**

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### **Research, Science, and Innovation Context**

12. The RSI portfolio is responsible for approximately \$1.192 billion in the 2019/20 financial year, within Vote Business, Science, and Innovation.
13. Budget 2018 and Budget 2019 increased funding to the RSI portfolio.
14. At Budget 2018, the RSI portfolio received \$1.098 billion of new spending across the forecast period. The Research and Development (R&D) Tax Incentive received \$1.024 billion of this.<sup>7</sup> The remaining \$73.430 million of operating funding across the forecast period at Budget 2018 funded three initiatives.
15. At Budget 2019, \$132.000 million of operating funding and \$50.000 million of capital funding was committed to the RSI portfolio.
16. However, these increases are below the level of funding needed to meet the Government's commitment to increase R&D expenditure to 2% of GDP by 2027.

<sup>2</sup> Ministry of Business, Innovation and Employment, "Geometric mean rents by TA".

<sup>3</sup> Real Estate Institute of New Zealand, "Monthly Property Report – 15 October 2019".

<sup>4</sup> Stats NZ, "Labour market statistics (income): June 2019 quarter".

<sup>5</sup> Stats NZ, "New Zealand Income Survey: June 2014 quarter".

<sup>6</sup> Stats NZ, "Consumers price index (CPI)".

<sup>7</sup> This funding has since shifted from Vote Business, Science, and Innovation to Vote Revenue.

17. The upcoming RSI Strategy will create a framework to reach the Government's goal of increasing R&D expenditure. We anticipate new RSI spending initiatives through Budget 2020 to align with the Strategy.

### **Cost Pressures**

18. Minister Woods submitted seven cost pressure bids within the RSI portfolio, totalling <sup>[33]</sup> million of operating and \$25.000 million of capital funding across the forecast period for Budget 2020.
19. Information on the initiatives can be found in Annex B. We have provided comments on all of the submitted cost pressures.
20. In August 2019, Minister Woods undertook a significant reprioritisation package following Budget 2019 [CAB-19-MIN-0362 refers]. The extent to which the cost pressure bids can be addressed through reprioritised funding, as opposed to new funding, is unclear.

### **Crown Research Institutes (CRIs)**

21. A major issue in the RSI portfolio is the cost pressures facing the CRIs. Four of the seven cost pressure bids submitted in the RSI portfolio respond to CRI cost pressures:
  - Sustaining New Zealand's core scientific research capability through increasing funding for Strategic Science Investment Fund (SSIF) Platforms;
  - Sustaining critical forest science capability;
  - Sustaining critical agricultural science capability; and
  - The Institute of Environmental Science and Research (ESR) Kenepuru redevelopment.
22. We consider these cost pressure bids to be the most in need of addressing from the RSI portfolio.

### *Increasing funding for SSIF*

23. One driver of CRI cost pressures is the decline of core capability funding in real terms.
24. CRIs currently receive core funding of approximately \$200 million per annum through the SSIF platforms. This level of core funding has remained static since the 2005/06 financial year while the cost of research has increased by 25%.<sup>8</sup>
25. Minister Woods has submitted a bid to increase core funding to CRIs through the SSIF. This would be the first increase in core funding in 14 years.
26. The Treasury considers that there is value in increasing core funding for CRIs. The Ministry for Business, Innovation, and Employment (MBIE) has indicated that the decline in the purchasing power of core funding has weakened the ability of CRIs to invest in high-priority science, undertake strategic long-term planning, and attract capability.

### *Retaining capability at Scion and AgResearch*

27. A further driver of the cost pressures is a reliance of the CRIs on contestable research funds, which last for a limited period. MBIE has indicated that some CRIs have been unsuccessful in recent contestable funding rounds and are facing funding cliffs as their earlier contracts end. <sup>[25]</sup>

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<sup>8</sup> Statistics New Zealand, Producer Price Index: Professional, Scientific, Technical, Administrative and Support Services.  
T2019/3448 Minister Woods bilateral



- [25] The Endeavour funding rounds have heightened competition, as funding is allocated across multiple disciplines to a greater degree than previously.
28. Minister Woods has submitted two cost pressure bids to increase baseline funding in Scion and AgResearch to retain core capability in Scion and in AgResearch, in response to the funding cliffs.
29. [25]
30. However, without finding an enduring solution to this driver, we risk inflating direct Crown funding for CRIs to a level that may not be strategically optimal. This funding may be better spent elsewhere in the RSI portfolio.
31. There is also a moral hazard risk with increasing baselined funding to respond to funding gaps from contestable funds, which could incentivise behaviour in the other CRIs.
32. [25]

#### *Redevelopment of ESR's Kenepuru site*

33. The fourth CRI cost pressure bid seeks capital funding for the redevelopment of ESR's Kenepuru site. ESR provides critical scientific services in areas such as forensic science, public health, water and environmental testing, and food and pharmaceutical testing. The Ministry of Health and Police both contract services from ESR.
34. We consider this bid to have merit. [25]
35. ESR completed an indicative business case that considered four redevelopment options. ESR do not have sufficient cash reserves to procure the most fit-for-purpose option to conduct science in the 21<sup>st</sup> century, and are seeking funding through Budget 2020 for the balance.
36. [25]
37. We will continue to work with MBIE to improve costings of the bids and consider long-term solutions to the financial challenges facing CRIs.
38. Details on the other three cost pressure bids in the RSI portfolio are set out in Annex B.

## Energy and Resources

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### **Context and Cost Pressures**

39. The Energy and Resources portfolio is responsible for appropriations of just under \$183 million in 2019/20.

40. A significant and growing component of the Energy and Resources portfolio is funding for the Warmer Kiwi Homes policy, which provides grants to subsidise insulation retrofits and efficient heating sources for low-income, owner-occupied houses. The Government committed \$142.500 million in new operating funding over four years to support the scheme in Budget 2018. Warmer Kiwi Homes delivered on a confidence and supply agreement commitment.
41. Minister Woods has submitted no cost pressure bids within the Energy and Resources portfolio for Budget 2020.
42. A total of \$5.982 million over four years (\$1.5m on average per year) was reprioritised from the Energy and Resources portfolio in Budgets 2018 and 2019.

#### *Emerging delivery risk in MBIE Energy Policy*

43. We understand that the MBIE energy policy teams are now under considerable resource pressure. This appears to be partly due to reprioritisation combined with the need to deliver complex policy reforms arising from the recommendations of the Interim Climate Change Committee's and the Electricity Price Review. [34]
44. Minister Woods will [33]
45. There is a growing risk that MBIE's energy policy team may not have the capacity necessary to deliver high-quality analysis on high-priority issues (e.g. addressing consenting barriers for renewable energy and electricity market reforms).
46. We suggest you encourage Minister Woods to begin considering now which projects can be deferred in order to focus policy resource on delivering more critical reforms, [33]

## Greater Christchurch Regeneration

### ***Context and Cost Pressures***

47. No Budget 2020 cost pressures initiatives have been signalled for Budget 2020 for the Greater Christchurch Regeneration portfolio.
48. This is consistent with the sun-setting nature of the Government's extraordinary involvement in Christchurch following the earthquakes, with Cabinet having now agreed a Global Settlement with Christchurch City Council (the Council). [37]
49. We understand the Council is to consider the Christchurch Regeneration Acceleration Facility Investment Cases shortly, [34,37,39]

50. [33,34,37]

## Annex A: Talking points for your bilateral with Minister Woods

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### Talking points for the Housing portfolio:

- What do we know about Kāinga Ora's ability to deliver additional public housing and transitional housing places? How are the accountability arrangements working for the existing build programme and any requests for additional places?
- How are you thinking about balancing between new builds and purchased places? Are we comfortable with a relatively high and increasing reliance on buying existing homes from the private market?
- In Budget 2019 HUD did not make a strong enough case for permanent capability funding. In the contingency drawdown paper I commented that a future bid needs to clearly link funding to outcomes in different parts of the government housing work programme.
  - How would HUD use existing or additional resource to deliver current work programmes? If the cost pressure capability bid is funded, what further work programme outcomes will be achieved; if it is not funded, what programmes will be deprioritised? How are Housing and Urban Development Ministers thinking about future work programmes and additional or decreased capability funding?
- What have been the barriers to using Budget 2019 funding to prevent and reduce homelessness? Beyond fiscal policy, what other changes can be made to address homelessness, for example regulatory changes to enable more efficient supply delivery, or EH SNG policy changes.

### Talking points for the Research, Science, and Innovation portfolio:

- My officials advise me that there may be merit for your cost pressure bid to increase core capability funding for CRIs through the SSIF platforms, and that they will work with MBIE officials to help refine the bid.
- My officials advise that MBIE often undertakes Science Reviews of individual CRIs to get greater clarity on their funding needs, as well as their science outputs and capability. How is MBIE planning to allocate increased SSIF funding across the seven CRIs in the absence of a detailed Science Review for each CRI?
- Some of the CRIs are facing cost pressures from funding cliffs as contracts from contestable funds end and are seeking an increase in baselines to fill the gap. How do you plan to manage these cost pressures in an enduring fashion?
- My officials advise that MBIE are undertaking reviews into the roles and funding of CRIs. Is there a holding option for Scion and AgResearch until these reviews are finalised?

### Talking points for the Energy & Resources portfolio:

- My officials have some concerns about the capacity of MBIE's Energy Policy teams to deliver the wide range of reforms underway in the energy sector right now.

- Are you confident MBIE will have the capacity and ability to deliver the reforms needed? Which reforms do you consider most critical?
- Are there any projects in the energy and resources portfolio which can be deferred in order to focus on delivering those critical reforms?

Talking points for the Greater Christchurch Regeneration portfolio:

- [34,37]

## Annex B: Submitted Cost Pressure Initiatives

### Housing

| Title  | Description  | Funding Sought by Agency |     |            |       | Treasury Comments |             |  |
|--|--|--------------------------|-----|------------|-------|-------------------|-------------|--|
|  |  | Opex (\$m)               | Avg | Opex (\$m) | Total |                   | Capex (\$m) | Total  |
| Effectively regulating residential tenancy and unit titles markets | This initiative seeks funding to ensure the continuation of regulatory activities and services critical to the functioning of the residential tenancy landscape.   | 5.526                    |     | 22.102     |       | -                 |             | We consider this bid has merit. There are increasing demand pressures for residential tenancy and unit title advice. Funding this bid will help support the success of key reforms the Government has progressed regarding rental housing such as the Healthy Homes legislation and Residential Tenancies Act reforms. |
| Waitangi Tribunal Housing Policy and Services Kaupapa Inquiry      | This initiative seeks funding for the Ministry of Housing and Urban Development (the Ministry), to lead the Crown's participation in the Waitangi Tribunal Housing Policy and Services Kaupapa Inquiry (WAI2750 inquiry) which will inquire into the disproportionately large number of Maori negatively represented across the housing continuum creating housing instability for Maori, impacting on their overall health and wellbeing intergenerationally. | 2.500                    |     | 10.000     |       | -                 |             | We will assess this bid and provide further advice shortly.  |
| Sustainable Baseline for Ministry                                  | The Ministry of Housing and Urban Development (the Ministry) is not  | 30.000                   |     | 120.000    |       | -                 |             | We consider this bid has merit. If this bid is not funded, HUD will need to  |

|                                  |  |               |                |          |  |
|----------------------------------|--|---------------|----------------|----------|--|
| of Housing and Urban Development | sustainably funded for future years (2020/21 and beyond). Funding is being sought to increase the Ministry's permanent baseline in order to successfully deliver on our agreed work programmes that address the Government's housing and urban development priorities and drive system-wide changes. |               |                |          | reduce FTEs and deprioritise work programmes. Understanding which outcomes will be further progressed with additional funding will be key to assessing this bid. |
| <b>Total</b>                     |  | <b>38.026</b> | <b>152.102</b> | <b>-</b> |  |

#### Research, Science, and Innovation

| Title   | Description   | Funding Sought by Agency |     |            |       | Treasury Comments |             |  |
|---|---|--------------------------|-----|------------|-------|-------------------|-------------|--|
|   |   | Opex (\$m)               | Avg | Opex (\$m) | Total |                   | Capex (\$m) | Total  |
| Sustaining New Zealand's core scientific research capability through increasing funding for Strategic Science Investment Fund Platforms | This initiative seeks funding to address cost pressures that threaten the long-term viability of New Zealand's core scientific research capabilities. Despite the introduction of new SSIF Platforms in 2017, the long-term funding for New Zealand's Crown Research Institutes (CRIs) has remained constant for 13 years (a decline in real terms). The declining value of funding has created significant financial pressure on institutes and, in some cases, threatened the sustainability of essential scientific services and expertise. This budget initiative will increase SSIF programmes funding | [33]                     |     | [33]       |       | -                 |             | <p>The Treasury considers this cost pressure bid to have merit.</p> <p>This funding will support an immediate cost pressure and enable the CRIs to continue to play their core functions in service provision, critical research, and the regulatory environment.</p> <p>Core funding for CRIs has not increased from the levels set in the 2005/06 financial year. It has therefore decreased in real terms while the cost of research has increased by approximately 25%. The decline in the purchasing power of core funding has weakened the ability of CRIs to invest in high-priority science, undertake</p> |

|   |   |      |      |   |   |
|---|---|------|------|---|---|
|   | for CRIs and IROs thereby relieving cost pressures and ensuring New Zealand retains the scientific expertise and capability needed to address key economic, social and environmental challenges facing the country. |      |      |   | strategic long-term planning, and attract capability.<br><br>We are seeking further information on whether the level of funding requested is appropriate.   |
| Sustaining critical forest science capability       | Scion is a CRI which provides scientific service to support forest technology, sustainable forest management and forest related<br><br>[25]   | [33] | [33] | - | Scion is facing cost pressures due to the decline of CRI core funding in real terms (see above bid), and due to a funding cliff as contracts with contestable research funds end.<br><br>[25]<br><br>We are working with MBIE to determine the best way to address this cost pressure in an enduring way (i.e. to avoid future funding cliffs arising). |
| Sustaining critical agricultural science capability | AgResearch is New Zealand's principal provider of agricultural and farm-systems science.<br>[25]  | [33] | [33] | - | AgResearch is facing cost pressures due to the decline of CRI core funding in real terms, and to funding cliffs as contracts with contestable funds end.<br><br>[25]  |



|             |  |             |             |             |   |
|-------------|--|-------------|-------------|-------------|---|
|             | <p>[25]</p> <p>his initiative will provide additional funding for agricultural science, thereby shoring up the scientific capability needed to delivering high-value land uses with low environmental impacts.</p> |             |             |             | <p>[25]</p> <p>We are working with MBIE to determine the best way to address this cost pressure in an enduring way (i.e. to avoid future funding cliffs arising).</p> |
| <p>[33]</p> | <p>[33]</p>  | <p>[33]</p> | <p>[33]</p> | <p>[33]</p> | <p>[33]</p>   |
| <p>[33]</p> | <p>[33]</p>  | <p>[33]</p> | <p>[33]</p> | <p>[33]</p> | <p>[33]</p>   |

|  |   |   |   |        |  |
|--|---|---|---|--------|--|
| [33]   | [33]  |   |   |        | [33]   |
| The Institute of Environmental Science and Research (ESR) Kenepuru Redevelopment | ESR has experienced challenging conditions and financial pressures over the past few years; SSIF funding has remained static for more than 13 years, as have ESR's two key Government contracts – with MOH and Police. These contracts fund nationally significant services (including disease surveillance, water safety, and advanced forensics services). ESR has had to absorb the increases in costs relating to these contracts. [25] | - | - | 25.000 | The Treasury considers this cost pressure bid to have merit. [25]<br><br>ESR has completed an indicative business case which considered a number of redevelopment options. The preferred option will cost ESR \$59 million. ESR will fund \$34 million from its cash reserves and is seeking Crown |

|  |   |      |      |        |  |
|--|---|------|------|--------|--|
|  | [25]<br>These facilities are a mix of laboratories, research support spaces and office accommodation. Health, forensics, environmental, data science and commercial functions are conducted at the centre.  |      |      |        | funding of \$25 million for the balance.   |
| Nationally Significant Collections and Databases (NSCDs) | There are 25 NSCDs held by the CRIs and the Cawthron Institute. NSCD funding has been fairly static since 1996. The Minister is seeking increased funding to address increased pressure on environment-focussed NSCDs – specifically greater demand for services, and price increases due to inflation, changing technology and increased pressure on infrastructure as collections and datasets grow. Many of these are natural or environmental science focussed. NSCDs such as the National Groundwater Monitoring Programme, the Land Resource Information System, and the National Climate database provide important information to support the Just Transitions Budget priority. | [33] | [33] | -      | The Treasury considers this cost pressure bid to have merit.<br><br>The C&Ds are currently maintained at a minimum level, with reliance on volunteers to reduce costs. The storage conditions are sub-optimal and there are risks that strategically significant C&Ds will be damaged or lost if there is equipment failure. The value of these C&Ds is difficult to estimate as their potential future uses are unknown.<br><br>This bid seeks funding to improve the storage conditions and availability. In turn, this will increase the use and value of the C&Ds. |
| <b>Total</b>   |   | [33] | [33] | 25.000 |  |

## Annex C: Delivering on past Budget commitments – Initiatives within Scope

### Housing

| Budget       | Title   | Funding Allocated |                  |             |       |
|--------------|---|-------------------|------------------|-------------|-------|
|              |   | Opex Avg (\$m)    | Opex Total (\$m) | Capex (\$m) | Total |
| 2018         | Transitional Housing – Funding To Meet Current Target   | 25.250            | 101.000          | 69.000      |       |
| 2018         | Tamaki Regeneration Company – Capital Investment  | -                 | -                | 300.000     |       |
| 2018         | Public Housing – Funding for Existing and Additional Supply   | 58.500            | 234.000          | -           |       |
| -            | Housing New Zealand borrowing (Budget 2018 increased borrowing to \$2.9 billion, please report on outputs and outcomes that have resulted from this increase) | -                 | -                | -           |       |
| 2019         | Transitional Housing: Funding for the Continued Provision of Transitional Housing to Support Those in Need  | 37.250            | 149.000          | 134.000     |       |
| 2019         | Progressing Transitional Housing – Tagged Contingency   | -                 | 93.000           | 207.000     |       |
| 2019         | Housing Support Products: Expansion to Help More People Access and Maintain Tenancies   | 4.750             | 19.000           | -           |       |
| 2019         | Maintaining and Strengthening the Housing First Programme as a Response to Ending Homelessness  | 48.500            | 194.000          | -           |       |
| <b>Total</b> |   |                   | 790.000          | 710.000     |       |

### Research, Science, and Innovation

| Budget | Title | Funding Allocated |
|--------|-------|-------------------|
|--------|-------|-------------------|

|      |  | Opex Avg (\$m) | Opex Total (\$m) | Capex (\$m)   | Total |
|------|--|----------------|------------------|---------------|-------|
| 2019 | Commercialisation of Innovation  | 6.375          | 25.500           | -             |       |
| 2019 | Industry Futures (Bioresource Processing Alliance and Product Accelerator) | 4.500          | 18.000           | -             |       |
| 2019 | Gracefield Innovation Quarter Programme Business Case                      | 6.250          | 25.001           | 50.000        |       |
| 2018 | Research and Development Tax Incentive                                     | 256.000        | 1024.000         | -             |       |
| 2018 | Enabling Science Cooperation with Singapore                                | 14.250         | 57.000           | -             |       |
|      | <b>Total</b>   | <b>287.375</b> | <b>1149.501</b>  | <b>50.000</b> |       |

#### Energy and Resources

| Budget | Title   | Funding Allocated |                  |             |       |
|--------|---|-------------------|------------------|-------------|-------|
|        |   | Opex Avg (\$m)    | Opex Total (\$m) | Capex (\$m) | Total |
| 2018   | Healthy Homes – Insulation and Heating Retrofits for Qualifying Owner-Occupiers | 35.625            | 142.500          | -           |       |
|        | <b>Total</b>  | <b>35.625</b>     | <b>142.500</b>   | <b>-</b>    |       |