

# The Treasury

## Budget 2021 Information Release

### August 2021

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#### Cabinet Document Details

Title: **Cabinet Minute: CAB-21-MIN-0116.03: 2021 Budget Package: Vote Building and Construction**

Date: **15 April 2021**

Creator: Cabinet Office

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- [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
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- [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

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# Cabinet

## Minute of Decision

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### 2021 Budget Package: Vote Building and Construction

On 12 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 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)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13102	Continuing Service Levels for Residential Tenancies and Unit Titles Services - Addressing a Revenue Shortfall.	-	6.182	10.454	12.318	12.470
13104	Continuing Support for Homeowners Affected by Canterbury Earthquakes and Other Natural Disasters	-	2.766	-	-	-
13103	Ensuring Compliance with the Healthy Homes Standards	-	3.172	4.216	4.260	4.340
13101	Replacement of the Tenancy Bond ICT System	-	2.100	2.975	5.042	7.866
13471	Reprioritisation of Funding - Residential Tenancy and Unit Title Services	(1.950)	(0.726)	-	-	-
<b>Total Operating</b>		<b>(1.950)</b>	<b>13.494</b>	<b>17.645</b>	<b>21.620</b>	<b>24.676</b>

- 2 **approved** changes to appropriations 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 **agreed** that the proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates;

- 5 **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 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;
- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 7 **noted** that all communications relating to the 2021 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

**Initiative No: 13102**

**Vote:** Building and Construction

**Title:** Continuing Service Levels for Residential Tenancies and Unit Titles Services - Addressing a Revenue Shortfall

**Description:** This initiative replaces a non-controllable shortfall in bond interest revenue (not a cost increase) which is used to fund services critical to a functioning residential tenancy and unit title sector enabling current service levels [34] to be maintained.

**Appropriation changes**

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	6.182	10.454	12.318	12.470
Debt Impact	-	-	-	-	-
No Impact	-	(6.182)	(10.454)	(12.318)	(12.470)
<b>Total</b>	-	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expenses:</b>					
Residential Tenancy and Unit Title Services (funded by revenue Crown)	-	6.182	10.454	12.318	12.470
Residential Tenancy and Unit Title Services (funded by revenue Other)	-	(6.182)	(10.454)	(12.318)	(12.470)
<b>Total Operating</b>	-	-	-	-	-

**Initiative No: 13104**

**Vote:** Building and Construction

**Title:** Continuing Support for Homeowners Affected by Canterbury Earthquakes and Other Natural Disasters

**Description:** This initiative enables the Greater Christchurch Claims Resolution Service (GCCRS) and the Residential Advisory Service (RAS) to continue to provide services to help homeowners with their unresolved residential insurance claims resulting from the Canterbury earthquakes, and other natural disasters nationally. Together, GCCRS and RAS provide independent and personalised case management, expert advice, and dispute resolution services, all contributing to the timely, fair, and enduring resolution of insurance claims.

**Appropriation changes**

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	2.766	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>2.766</b>	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expenses:</b>					
Insurance Claims Resolution (funded by revenue Crown)	-	2.766	-	-	-
<b>Total Operating</b>	-	<b>2.766</b>	-	-	-

## Initiative No: 13103

**Vote:** Building and Construction

**Title:** Ensuring Compliance with the Healthy Homes Standards

**Description:** This initiative gives effect to the government's commitment to increase funding for proactive investigation and enforcement of the Healthy Homes Standards. It forms part of the broader manifesto commitments aimed at preventing childhood hospitalisations, ensuring every New Zealander has a warm, dry home, and ensuring the benefits of raising the standards of New Zealand's rental stock, including the significant health benefits, are realised.

### Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	3.172	4.216	4.260	4.340
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3.172</b>	<b>4.216</b>	<b>4.260</b>	<b>4.340</b>

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expenses:</b>					
Residential Tenancy and Unit Title Services (funded by revenue Crown)	-	3.172	4.216	4.260	4.340
<b>Total Operating</b>	<b>-</b>	<b>3.172</b>	<b>4.216</b>	<b>4.260</b>	<b>4.340</b>

**Initiative No: 13101**

**Vote:** Building and Construction

**Title:** Replacement of the Tenancy Bond ICT System

**Description:** This initiative addresses significant ICT risks to ensure the 20-year-old ICT system used to facilitate residential tenancy bond transactions - a legislated function - is stable, secure, supported and meets service requirements and customer expectations. The system is used to manage around \$660 million in active bonds. System replacement will not only avoid the risk of system failure or compromise, but deliver much needed service delivery improvements, and enable the system to support outcomes across the wider residential tenancy regulatory system.

**Appropriation changes**

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	2.100	2.975	5.042	7.866
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.100</b>	<b>2.975</b>	<b>5.042</b>	<b>7.866</b>

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expenses:</b>					
Residential Tenancy and Unit Title Services (funded by revenue Crown)	-	2.100	2.975	5.042	7.866
<b>Total Operating</b>	<b>-</b>	<b>2.100</b>	<b>2.975</b>	<b>5.042</b>	<b>7.866</b>

**Additional recommendation**

8 **noted** that there is an associated initiative in Vote Business, Science and Innovation (Initiative 13511) which includes the associated capital injection and debt impacts;



**Vote:** Building and Construction

**Title:** Reprioritisation of Funding - Residential Tenancy and Unit Title Services

**Description:** This portion of the COVID-19 Response and Recovery Fund (CRRF) was no longer required because the potential for increased tenancy dispute resolution cases did not eventuate.

### Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(1.950)	(0.726)	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(1.950)</b>	<b>(0.726)</b>	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expenses:</b>					
Residential Tenancy and Unit Title Services (funded by revenue Crown)	(1.950)	(0.726)	-	-	-
<b>Total Operating</b>	<b>(1.950)</b>	<b>(0.726)</b>	-	-	-

### Additional recommendations

- 9 noted that the group of Ministers with Power to Act on COVID-19 matters [CAB-20-MIN-0130] previously agreed that this funding totalling \$4.305 million across four years would be counted against the COVID-19 Response and Recovery Fund as part of the Immediate Housing Response [CMG-20-MIN-0094];
- 10 agreed that, as not all of this funding was required, the savings will be returned to the COVID-19 Response and Recovery Fund.