

The Treasury

Budget 2021 Information Release

August 2021

This document has been proactively released and is available on

- the **Budget website** from August 2021 to May 2022 only at <https://budget.govt.nz/information-release/2021>, and on
- the **Treasury website** from later in 2021 at <https://treasury.govt.nz/publications/information-release/budget-2021-information-release>.

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - 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 to prejudice 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
- [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
- [36] 9(2)(h) - to maintain legal professional privilege
- [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
- [40] Not in scope
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

Hon Grant Robertson

MP for Wellington Central
Deputy Prime Minister
Minister of Finance
Minister for Infrastructure
Minister for Sport and Recreation
Minister for Racing



21 December 2020

Hon Dr Megan Woods
Minister of Housing
Parliament Buildings

Dear Megan

Thank you for your recent engagement on Budget 2021. As you will be aware, we have set a very high bar for the initiatives that will be invited for submission, limited to only the most critical cost pressures and urgent manifesto commitments.

I have considered the cost pressures and manifesto commitments that you outlined in your letter, and am inviting you to submit the following initiatives in your portfolio:

Package of Interventions to Improve Housing Supply and Affordability

Funding will be sought to progress measures to improve housing affordability and increase supply. I expect that the funding sought will align with the broader work on increasing housing affordability currently underway by Treasury and the Ministry of Housing and Urban Development, and will be carefully coordinated across government.

Large-scale Projects (LSPs)

Funding will be sought for the large-scale projects to be delivered by Kāinga Ora. I expect this submission to include a range of scaling and phasing options.

Sustainable Funding for Kāinga Ora

Funding will be sought to enable Kāinga Ora to carry out its core functions and roles under the Kāinga Ora – Homes and Communities Act 2019 and the Urban Development Act 2020. This submission must include significantly scaled options and options around prioritisation all of Kāinga Ora's work programme and functions.

Maintaining the COVID-19 Response

Funding will be sought to maintain the additional 1,200 motel places and wrap around services while the additional transitional housing places are brought online. This submission must include or link to work on the transitional and public housing delivery pipeline, and concrete plans to transition away from motel use as part of the homelessness response.

Accelerating Immediate Māori Housing Solutions

Funding will be sought to support the delivery of portable and modular housing for rural Māori communities. I note that this initiative has been included in the proposed Māori Budget 2021 package, and I ask that you engage with Minister Henare in preparing this submission.

Tenancy Services

Funding will be sought to replace the Tenancy Bond ICT system and for cost pressures relating to the residential tenancies and unit titles services. This submission must include reprioritisation options across the Ministry of Business, Innovation and Employment.

Healthy Homes Compliance

Funding will be sought to expand the Tenancy Services' compliance function to ensure compliance with the recent Healthy Homes regulation. This submission must include reprioritisation options across the Ministry of Building, Innovation and Employment, and scaling options.

Please note that while I have invited these initiatives to be submitted, this does not guarantee that they will receive funding. The Treasury will assess the value for money and relative priority of all initiatives, and this advice will help inform the shape of the final Budget 2021 package to be decided by Budget Ministers. Therefore, I expect that all initiatives will be supported by a robust case for funding and a strong evidence base, as well as scaling and reprioritisation options.

The initiatives that I have not invited you to submit on may be addressed through future Budgets or other levers, such as reprioritisation of baseline funding. As per the expectations that I have previously outlined around fiscal management, I will not support any out-of-cycle funding requests for these initiatives unless there is a compelling case for urgency.

However, I wish to emphasise that the other information that you have provided will help to lay the groundwork for future Budgets, and provides an important insight into the challenges and opportunities facing our Government this term. I will discuss options for funding other initiatives through Budgets 2022 or 2023 at a later stage.

Yours sincerely



Hon Grant Robertson
Minister of Finance