

The Treasury

Budget 2011 Information Release

Release Document

June 2011

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Cabinet Business Committee

CBC Min (11) 5/11

Copy No:

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.

Budget 2011: Proposal to Grow Third Party Social Housing Providers

Portfolio: Housing

On 28 March 2011, the Cabinet Business Committee:

Background

1 noted that:

1.1 in October 2010, the Cabinet Social Policy Committee (SOC) approved the Tamaki Transformation Programme reshaping package, comprising:

1.1.1 a two-year Social Sector Package focused on training, employment, housing, education, and achievement;

1.1.2 an interim Tamaki Transformation Programme Board which will develop advice for the government on the possible form and functions of an urban regeneration entity by June 2011;

[SOC Min (10) 26/5]

1.2 in December 2010, Cabinet agreed that the direction for change for the social housing sector involves delivering the following outcomes:

1.2.1 greater involvement of third party providers of social housing;

1.2.2 increasing the effectiveness of financial assistance;

1.2.3 focusing the Housing New Zealand Corporation (HNZC) on providing social housing to tenants with the greatest housing need;

1.2.4 aligning the organisation and responsibilities of government agencies;

[CAB Min (10) 44/8]

Budget allocation for 2011/12

- 2 **noted** that a multi-year funding commitment is necessary to allow the sector to plan and invest with a degree of certainty, and to build capability and capacity;
 - 3 **noted** that the Minister of Housing intends to bring further proposals to Cabinet in the course of 2011/12 for an ongoing funding arrangement, in order to provide this certainty as quickly as possible;
 - 4 **noted** that funding for the two main programmes designed to grow third party provision of social housing and address substandard Maori housing – the Housing Innovation Fund and Rural Housing Programme – ends in 2010/11;
 - 5 **invited** the Minister of Housing to report to SOC with more detailed advice on the policy options for growing third party provision of social housing on 13 April 2011;
- [2]

- 8 **agreed in principle to:**
 - 8.1 provide a budget allocation of up to \$45 million for social housing initiatives from Budget 2011, subject to suitable sources of funding being identified as part of the Budget package, and to paragraph 11 below;
 - 8.2 funding the budget allocation from the 2011 Budget Operating Allocation, with the exception of a \$21 million capital withdrawal from the Housing New Zealand Corporation to be used in 2011/12;

[2]

Next steps

[2]

- 11 **noted** that a final decision on the proposal, including agreement to financial recommendations, will be made when the Minister of Finance presents the final Budget package to Cabinet.

Committee Secretary

Reference: CBC (11) 24

Present:

Hon Bill English (Chair)
Hon Gerry Brownlee
Hon Dr Nick Smith
Hon Anne Tolley
Hon Christopher Finlayson
Hon Steven Joyce
Hon Paula Bennett (part of item)
Hon Phil Heatley
Hon Hekia Parata
Hon Peter Dunne

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet