



Cabinet Social Wellbeing Committee

Minute of Decision

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Staged Operating Funding to Support Public Housing Delivery

Portfolio **Housing**

On 7 July 2021, the Cabinet Social Wellbeing Committee:

- 1 **noted** that the Public Housing Plan 2021-2024 sets out the government's public housing supply intentions with a focus on delivering new build supply in priority locations and bespoke responses to different housing needs;
- 2 **noted** that in Budget 2020, Cabinet agreed to \$670 million over four years for the Government Housing Package [CAB-21-MIN-0155.18 (Initiative 12760)];
- 3 **noted** that making up to \$55.525 million of early stage Operating Supplement funding available to Registered Community Housing Providers (CHPs) will support the delivery of the Public Housing Plan 2021-2024;
- 4 **noted** that providing early stage Operating Supplement funding to CHPs has an impact on net core Crown debt in the near term as it involves bringing cash payments forward;
- 5 **agreed** that \$46.747 million of operating funding allocated through Budget 2020 (Initiative 12760) from outside the current forecast period be brought forward to enable up to \$55.525 million of early stage Operating Supplement payments to be available to CHPs by 30 June 2024;
- 6 **noted** that providing early stage Operating Supplement funding to CHPs for payment more than 90 days in advance of service provision constitutes lending under section 65L of the Public Finance Act 1989 and that approval from the Minister of Finance is required;
- 7 **agreed** to establish the following new appropriation to facilitate lending in accordance with section 65P of the Public Finance Act 1989:

Vote	Appropriation Minister	Title	Type	Scope
Housing and Urban Development	Minister of Housing	Community Housing Providers – Prepayment of Staged Operating Funding	Non-departmental Capital Expenditure	This appropriation is limited to prepayment of staged operating funding to Community Housing Providers for the purpose of providing public housing.

8 **approved** an exemption from end-of-year performance reporting under section 15(D)(b)(ii) of the Public Finance Act 1989 on the basis that it is unlikely to be informative due to the technical nature of the appropriation;

9 **agreed** to increase spending to provide for costs associated with the decision in paragraph 5 above, with the following impacts on the operating balance and net core Crown debt:

				\$m – increase/(decrease)				
Vote Housing and Urban Development Minister of Housing				2021/22	2022/23	2023/24	2024/25	2025/26
Operating Balance and Net Core Crown Debt Impact				-	-	-	-	-
Operating Balance Impact Only				-	-	-	-	-
Net Core Crown Debt Impact Only				11.171	22.312	18.736	(2.756)	(2.716)
No Impact				-	-	-	-	-
Total				11.171	22.312	18.736	(2.756)	(2.716)
2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(2.676)	(2.637)	(2.599)	(2.561)	(2.524)	(2.487)	(2.451)	(2.416)	
-	-	-	-	-	-	-	-	-
(2.676)	(2.637)	(2.599)	(2.561)	(2.524)	(2.487)	(2.451)	(2.416)	
2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(2.381)	(2.346)	(2.312)	(2.279)	(2.245)	(2.213)	(2.181)	(2.149)	
-	-	-	-	-	-	-	-	-
(2.381)	(2.346)	(2.312)	(2.279)	(2.245)	(2.213)	(2.181)	(2.149)	
2042/43	2043/44	2044/45	2045/46 only					
-	-	-	-					-
-	-	-	-					-
(2.118)	(2.087)	(2.057)	(2.028)					
-	-	-	-					-
(2.118)	(2.087)	(2.057)	(2.028)					

10 **approved the following changes to appropriations to give effect to the decision in paragraph 5 above:**

						\$m – increase/(decrease)				
Vote Housing and Urban Development Minister of Housing						2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-departmental Capital Expenditure: Community Housing Providers – Prepayment of Staged Operating Funding						11.388	23.301	20.836	-	-

11 **agreed** that the changes to appropriations for 2021/22 in paragraph 10 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

- 12 **agreed** that the capital expenditure incurred in paragraph 10 above be charged against the multi-year capital allowance.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon David Parker
Hon Poto Williams
Hon Damien O'Connor
Hon Kris Faafoi
Hon Jan Tinetti
Hon Dr Ayesha Verrall
Hon Aupito William Sio
Hon Meka Whaitiri
Hon Priyanca Radhakrishnan

Officials present from:

Office of the Prime Minister
Officials Committee for SWC