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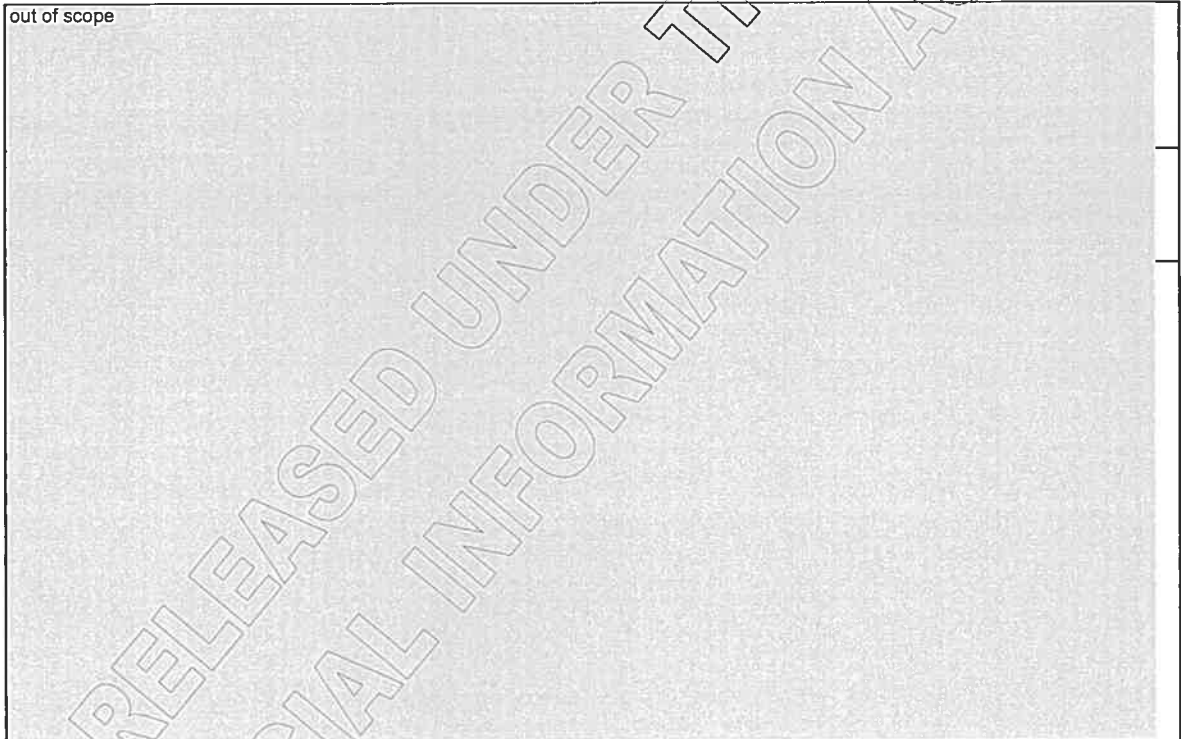
Draft Briefing for PreCab Meeting with the Treasury

14 December 2020

This briefing is based on the Treasury's understanding of the Cabinet agenda for Monday, 14 December 2020, at 11:00am. We will provide an updated briefing on Monday 14 December 2020, ahead of your PreCab meeting with the Treasury, if required.

Papers for Cabinet consideration

out of scope



out of scope



out of scope



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Te Puke Tāpapatanga a Hape (Ihumātao) Proposal

Hon Grant Robertson, Deputy Prime Minister
Hon Dr Megan Woods, Minister of Housing
Hon Willie Jackson, Te Minita Whanaketanga Māori
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Description: The paper proposes to resolve the land dispute at Ihumātao by:

- purchasing the land at Ihumātao under the Land for Housing Programme, and
- developing a Memorandum of Understanding between Kingitanga, mana whenua, the Crown, and Auckland Council. This Memorandum of Understanding would set out how the parties will reach an agreement regarding future use and development of the land at Ihumātao.

Comments:

If Cabinet wants the Crown to purchase the land at Ihumātao, we do not recommend doing so through the Land for Housing Programme. Land for Housing is a KiwiBuild programme focussed on rapidly providing new housing through a recycled capital model. This appears to be at odds with the proposed approach to develop a Memorandum of Understanding across several parties regarding how future use and development will be agreed. There are fiscal risks associated with progressing the proposal using the Land for Housing Programme, detailed below.

Should Cabinet want to progress this proposal, we recommend establishing a tagged contingency of \$30.0m against the between Budget contingency, and authorising the Minister of Finance and te Minita Whanaketanga Māori to create further appropriations in Vote Māori Development to draw funding down to on purchase. Once there is agreement over the future use and development of the land at Ihumātao, futher transfers can occur or appropriations made to reflect the agreement.

Treasury Recommendation

Do not support purchasing the land under the Land for Housing Programme.

If Cabinet agrees to progress the proposal, we recommend tabling alternative recs to create a \$30.0m contingency charged against the between Budget contingency and authorise the Minister of Finance and te Minita Whanaketanga Māori to create further appropriations in Vote Māori Development to draw funding down to on purchase. We will produce draft alternative recommendations on Monday 14 December.

Fiscal Implications

The paper states that any financial implications would be managed through the existing appropriations for the Land for Housing Programme. We do not agree that current and possible financial implications of the proposal can be managed through the existing Land for Housing appropriations. This is because the proposal is at odds with the Land for Housing Programme's intent, operating model, and scopes of related appropriations.

- There is a risk that Audit considers the expense does not fit within the appropriation scope and is unappropriated spend.
- If agreement does not occur within the recycled capital window in the Land for Housing model (10 years), additional funding will be required.
- If part or all of the future use and development agreed does not fit within the Land for Housing appropriation scope or recycled capital model, additional funding will be required.

Pages 3- 7 made been removed as out of scope