



Cabinet Legislation Committee

Minute of Decision

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Infrastructure Funding and Financing Act 2020 - Wellington Sludge Minimisation Facility Levy Order

Portfolio **Housing**

On 20 July 2023, the Cabinet Legislation Committee:

- 1 **noted** that the Infrastructure Funding and Financing Act 2020 enables a funding and financing model for the provision of infrastructure for housing and urban development free of local authorities' funding and financing constraints;
- 2 **noted** that on 2 March 2023, Wellington City Council submitted a levy proposal to use the funding and financing model enabled by Infrastructure Funding and Financing Act 2020 for its Sludge Minimisation Facility;
- 3 **noted** that the proposed Wellington Sludge Minimisation Facility levy would:
 - 3.1 apply from 1 July 2024 to 30 June 2057 to all properties within Wellington City Council's rating area, excluding protected Māori land;
 - 3.2 allow a maximum of \$1,271,444,793 (plus GST, if any) of levy revenue to be collected over the entire levy period;
- 4 **noted** that a special purpose vehicle will raise finance on the strength of the levy and that this finance would enable a special purpose vehicle to provide up to \$400 million towards the construction costs of the Sludge Minimisation Facility project;
- 5 **noted** that the Infrastructure Funding and Financing (Wellington Sludge Minimisation Facility Levy) Order 2023 will authorise the charging of the levy referred to in paragraph 3 above;
- 6 **noted** that section 27 of the Infrastructure Funding and Financing Act 2020 requires the responsible Minister may only recommend the authorisation of a levy order if:
 - 6.1 Satisfied that authorising the proposed levy is appropriate having regard to the matters set out in subsection (4) and in accordance with subsections (5) and (6);
 - 6.2 the responsible Minister has received a recommendation report that includes all endorsements and consents under sections 20, 21 and 24;
 - 6.3 the levy is being recommended on the terms set out in the recommendation report;

7 **noted** that section 28 of the Infrastructure Funding and Financing Act 2020 requires that, before recommending the authorisation of a levy order, the responsible Minister first consult the Ministers responsible for the following Acts:

7.1 the Commerce Act 1986;

7.2 the Credit Contracts and Consumer Finance Act 2003;

7.3 the Local Government Act 2002;

7.4 the Local Government (Rating) Act 2002;

7.5 the Public Finance Act 1989;

8 **noted** that the Minister of Housing considers that the requirements referred to in paragraph 6 and 7 above have been satisfied;

9 **authorised** the submission to the Executive Council of the Infrastructure Funding and Financing (Wellington Sludge Minimisation Facility Levy) Order 2023 [PCO 25434/4.1];

10 **agreed** to delay submission to the Executive Council of the Infrastructure Funding and Financing (Wellington Sludge Minimisation Facility Levy) Order 2023 to 7 August 2023 to enable the Minister of Finance sufficient time to consider the government Support Package;

11 **noted** that the Infrastructure Funding and Financing (Wellington Sludge Minimisation Facility Levy) Order 2023 comes into force on 1 October 2023, however, levies will not begin to be charged until 1 July 2024;

12 s 9(2)(f)(iv)

13

Rebecca Davies
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Andrew Little
Hon Kiri Allan
Hon David Parker
Hon Peeni Henare
Hon Kieran McAnulty
Hon Barbara Edmonds
Hon Dr Duncan Webb
Hon Dr Deborah Russell
Tangi Utikere, MP (Chief Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG