



Cabinet Legislation Committee

Minute of Decision

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Infrastructure Funding and Financing Act 2020 – Western Bay of Plenty Transport System Plan Levy Order

Portfolio **Housing**

On 24 November 2022, 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 September 2022, Tauranga City Council submitted a levy proposal to use the funding and financing model enabled by Infrastructure Funding and Financing Act 2020 for up to 13 projects within its Transport System Plan;
- 3 **noted** that the proposed Transport System Plan levy would:
 - 3.1 apply from 1 July 2024 to 30 June 2054 to all properties within Tauranga City Council's rating area, excluding protected Māori land;
 - 3.2 allow a maximum of \$524,846,339.54 (plus GST, if any) of levy revenue to be collected over the entire levy period;
- 4 **noted** that a special purpose vehicle would raise finance on the strength of the levy and that this finance would enable a special purpose vehicle to provide approximately \$170 million towards the construction costs of some or all the 13 selected Transport System Plan projects;
- 5 **noted** that section 27 of the Infrastructure Funding and Financing Act 2020 requires that the responsible Minister may only recommend the authorisation of a levy order if:
 - 5.1 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);
 - 5.2 the responsible Minister has received a recommendation report that includes all endorsements and consents under sections 20, 21 and 24;
 - 5.3 the levy is being recommended on the terms set out in the recommendation report;

- 6 **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:
- 6.1 the Commerce Act 1986;
 - 6.2 the Credit Contracts and Consumer Finance Act 2003;
 - 6.3 the Local Government Act 2002;
 - 6.4 the Local Government (Rating) Act 2002;
 - 6.5 the Public Finance Act 1989;
- 7 **noted** the advice of the Minister of Housing that the requirements referred to in paragraphs 5 and 6 above have been met;
- 8 **noted** that the Minister of Housing, as responsible Minister for the Infrastructure Funding and Financing Act 2020, recommends that the levy referred to in paragraph 3 be authorised on the terms set out in the recommendation report prepared by the Ministry of Housing and Urban Development as recommender pursuant to section 26 of the Infrastructure Funding and Financing Act 2020;
- 9 **agreed** to authorise the use of the levy referred to in paragraph 8 to enable Tauranga City Council to fund eligible costs for up to 13 eligible projects within its Transport System Plan;
- 10 **noted** that the Infrastructure Funding and Financing (Western Bay of Plenty Transport System Plan Levy) Order 2022 gives effect to the decision referred to in paragraph 9 above;
- 11 **noted** that the Infrastructure Funding and Financing (Western Bay of Plenty Transport System Plan Levy) Order 2022 (the Order) has been drafted by the Parliamentary Counsel Office in advance of Cabinet policy approval in accordance with the approval of the Attorney-General provided on 9 November 2022;
- 12 **authorised** the submission to the Executive Council of the Infrastructure Funding and Financing (Western Bay of Plenty Transport System Plan Levy) Order 2022 [PCO 25024/4.0];
- 13 **noted** that the Order comes into force on 1 January 2023, however, levies will not begin to be charged until 1 July 2024.

Rebecca Davies
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Poto Williams
Hon Jan Tinetti
Hon Dr David Clark
Hon Kieran McAnulty
Dr Duncan Webb, MP

Officials present from:

Office of the Prime Minister
Officials Committee for LEG

