

Housing Infrastructure (GST-sharing) Bill

Member's Bill

Explanatory note

General policy statement

This Bill introduces a GST-sharing scheme to fund infrastructure across New Zealand. ACT would encourage local councils to let more homes get built. ACT's GST-sharing scheme would provide councils with more resources to cope with a growing population. Government would share 50 percent of the GST revenue of a new house with the local council that issued the consent to help them cover the infrastructure costs associated with new housing developments. This would provide the environment for local councils to approve more housing consents and enable builders to build houses with less delay. We need an enduring and practical solution for meeting the need for more and better infrastructure. By providing financial incentives for councils to support new housing we'll see more development.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause and provides for the Bill to come into force on the day after it receives the Royal assent.

Clause 3 sets out the purpose of the Bill.

Clause 4 contains definitions for some terms used in the Bill.

Clause 5 and *Schedule 1* provide for transitional matters.

Clause 6 provides that the Bill binds the Crown.

Clauses 7 and 8 require Kāinga Ora—Homes and Communities to make housing infrastructure payments to territorial authorities. The Statistician has a role in determining the factors that are used to calculate the amount of the payment to each territorial authority.

Clause 9 makes a consequential amendment to another Act.

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Housing Infrastructure (GST-sharing) Act **2022**.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

Part 1 Preliminary provisions

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3 Purpose

The purpose of this Act is to provide an incentive for territorial authorities to increase housing supply in their districts by requiring Kāinga Ora–Homes and Communities to contribute to infrastructure costs.

4 Interpretation

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In this Act,—

district has the meaning given to it by section 5(1) of the Local Government Act 2002

financial year means a period of 12 months commencing on 1 July and ending with 30 June

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GST means the tax imposed on taxable supply under section 8 of the Goods and Services Tax Act 1985

Kāinga Ora–Homes and Communities means the Crown entity established under section 8 of the Kāinga Ora–Homes and Communities Act 2019

Statistician has the meaning given to it by section 2 of the Statistics Act 1975

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territorial authority has the meaning given to it by section 5(1) of the Local Government Act 2002.

5 Transitional, savings, and related provisions

The transitional, savings, and related provisions (if any) set out in **Schedule 1** have effect according to their terms.

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6 Act binds the Crown

This Act binds the Crown.

Part 2 Housing infrastructure payments

7 Determination of new dwelling consents and actual value of new residential building work

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- (1) As soon as practicable after the end of each financial year, the Statistician must—

- (a) determine the actual value of new residential building work put in place in each district in the financial year; and
- (b) provide the determinations to Kāinga Ora–Homes and Communities.
- (2) The Statistician may determine the following matters in order to make a determination under **subsection (1)**: 5
- (a) concepts or terms (for example, classifications or definitions); and
- (b) the data and statistical methodology; and
- (c) any other matter that the Statistician considers is necessary or desirable to determine in order to make the determination.
- (3) The provisions of the Statistics Act 1975 that relate to official statistics apply to the Statistician in performing duties or functions under this Act unless this Act provides otherwise or those provisions are inconsistent with this Act. 10

8 Housing infrastructure development payments

- (1) After each financial year, Kāinga Ora–Homes and Communities must pay each territorial authority an amount calculated in accordance with the following formula: 15

$$a = b \times c \times 0.5$$

where—

- a is the amount to be paid to the territorial authority
- b is the actual value of new residential building work put in place in the district in the financial year as determined under **section 7** 20
- c is the rate of GST that applied in the financial year.
- (2) If, during the financial year, the rate of GST changed, variable c in the formula in **subsection (1)** must be calculated as an average of the GST rates that applied in the financial year, with each rate weighted according to the number of days in the financial year that that GST rate applied. 25
- (3) Kāinga Ora–Homes and Communities must make the payment required under **subsection (1)** within 3 months of having received the Statistician’s determinations under **section 7**.
- (4) Each financial year, the Minister of Housing must, on behalf of the Crown and without further appropriation than this section, pay to Kāinga Ora–Homes and Communities an amount equal to the total amount paid by Kāinga Ora–Homes and Communities under this section. 30

9 Consequential amendment to Kāinga Ora–Homes and Communities Act 2019 35

- (1) This section amends the Kāinga Ora–Homes and Communities Act 2019.
- (2) After section 13(1)(e), insert:

(ea) to administer housing infrastructure development payments under the Housing Infrastructure (GST-sharing) Act **2022**:

Schedule 1
Transitional, savings, and related provisions

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Part 1
Provisions relating to this Act as enacted

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There are no transitional, savings, or related provisions relating to this Act as enacted.