



# Cabinet Legislation Committee

## Minute of Decision

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### New Zealand Green Investment Finance Limited: Orders in Council

**Portfolio**                      **Revenue**

On 21 May 2019, the Cabinet Legislation Committee:

- 1        **noted** that on 7 November 2018, the Cabinet Economic Development Committee (DEV) agreed that the New Zealand Green Investment Fund (NZGIF) be established as an independent 100 percent Crown-owned company listed in Schedule 4A of the Public Finance Act 1989 (DEV-18-MIN-0257);
- 2        **noted** that NZGIF will initially be subject to the financial powers restrictions in sections 161 to 164 of the Crown Entities Act 2004;
- 3        **noted** that once NZGIF has established appropriate risk management frameworks it will apply to its shareholding Ministers for joint approval to exercise the financial powers it requires;
- 4        **noted** that the Public Finance (New Zealand Green Investment Finance Limited) Order 2019 gives effect to the decisions referred to in paragraphs 1 and 2 above;
- 5        **noted** that section 3AB(1) of the Public Finance Act 1989 provides that an Order in Council may be made under that section only if:
  - 5.1        more than 50 percent of the issued ordinary shares in the capital of the company to which the Order relates are held by Ministers of the Crown on behalf of the Crown; shares in the company are not listed on a registered market (within the meaning of the Securities Markets Act 1988); and
  - 5.2        the company is not a Crown entity or a State enterprise named in Schedule 1 of the State-Owned Enterprises Act 1986;
- 6        **noted** that the requirements in paragraph 5 above have been met by NZGIF and accordingly the Minister of Finance has recommended that the company be added to schedule 4A of the Public Finance Act 1989;
- 7        **noted** that Schedule 4A companies must comply with certain provisions of the Crown Entities Act 2004, the Official Information Act 1982 and the Ombudsmen Act 1975;
- 8        **authorised** the submission to the Executive Council of the Public Finance (New Zealand Green Investment Finance Limited) Order 2019 [PCO 22003/2.0] inserting the name of NZGIF into Schedule 4A of the Public Finance Act 1989 and applying sections 161,162,163 and 164 of the Crown Entities Act 2004 to NZGIF;

- 9 **noted** that on 29 March 2019, the Minister of Revenue agreed that NZGIF should be added to Schedule 35 of the Income Tax Act 2007;
- 10 **noted** that the Income Tax (New Zealand Green Investment Finance Limited) Order 2019 gives effect to the decision referred to in paragraph 9;
- 11 **noted** that section CW 38B of Income Tax Act 2007 provides that an Order in Council may be made under that section only if: the company is listed in Schedule 4A or it is a subsidiary of a company listed in Schedule 4A; Ministers of the Crown hold, on behalf of the Crown, more than 50% of the voting interests in the company; all other voting interests, if any, in the company are held by local authorities; and the company's primary purpose is the carrying out of a public policy objective of the Government;
- 12 **noted** that NZGIF meets the criteria in paragraph 11;
- 13 **authorised** the submission to the Executive Council of the Income Tax (New Zealand Green Investment Finance Limited) Order 2019 [PCO 22050/4.0] inserting the name of NZGIF into Schedule 35 of the Income Tax Act 2007;
- 14 **noted** that a waiver of the 28-day rule is sought:
- 14.1 so that the Orders can come into force as soon as possible;
- 14.2 on the grounds that the Orders have little or no effect on the public; and
- 15 **agreed** to waive the 28-day rule so that the Orders can come into force on the day after the date of their notification in the Gazette.

Vivien Meek  
Committee Secretary

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**Present:**

Hon Chris Hipkins (Chair)  
Hon Stuart Nash  
Hon Iain Lees-Galloway  
Hon Tracey Martin  
Hon Kris Faafoi  
Hon Penni Henare  
Hon Eugenie Sage

**Officials present from:**

Office of the Prime Minister  
Officials Committee for LEG

**Hard-copy distribution:**

Minister of Revenue