

Submission

INFRASTRUCTURE FUNDING AND FINANCING BILL

March 2020

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By: Waipā District Council

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Introduction

Waipā District Council (the Council) welcomes the opportunity to provide comment on the *Infrastructure Funding and Financing Bill* ('the Bill'). However, it is noted that the time frame for public consultation on this Bill and other legislation, has restricted our ability to engage with our Elected Members in a meaningful way. This submission has been prepared by staff and is endorsed by our Mayor and Chief Executive. It will be reported to our Elected Members retrospectively.

General Comments

1. Waipā District is experiencing significant growth. Our District Growth Strategy, Waipā 2050, notes that by 2050, it is anticipated the district will be home to an additional 25,000 people. We're working hard to implement an ambitious 2018-28 Long Term Plan to ensure that we successfully deliver on our Council's Vision, *Waipā Home of Champions – Building the Future Together*, and our Community Outcomes. We are proposing that our 2021-31 Long Term Plan will continue to provide for the delivery of a significant capital works programme whilst also building the foundations for the development of communities which are great places to live, work and play.
2. Whilst growth provides us with opportunities in terms of economic development and diversity of our communities, it puts pressures on the capacity of our infrastructure, the timing for construction of capital works, and our ability to fund growth. We believe this bill falls short in providing mechanisms to fund growth.
3. Further, the Bill and the National Policy Statement on Urban Development, each encourage greenfield development and discourage the development of brownfield areas. The Council, through our District Growth Strategy, Waipā 2050, and the delivery of an ambitious capital works programme in accordance with our 2018-28 Long Term Plan, is proactively seeking to plan and provide for development in both greenfield and brownfield areas in a way that successfully delivers on our Council Vision, Community Outcomes and the four wellbeings.
4. We endorse the intent of the Bill to provide an innovative funding and financing model for the provision of infrastructure to support housing and urban development. However, from the development of Milldale north of Auckland, we anticipate that any decrease in developer costs through reduced development contributions is unlikely to be benefit private landowners in the form of decreased land prices. Further, the framework is complex, comprising this Bill, guidance material (which we understand is still being prepared), and levy administration agreements which are to be agreed between the levy authority and the SPV.
5. We support the submissions made by SOLGM and Hamilton City Council in respect of this Bill.

Specific Comments

1. Subpart 1 – Consideration of levy proposal

This section of the Bill contains provisions relating to the development of a levy proposal, assessment by a recommender, the scope of endorsements, consents pertaining to protected Maori land, recommendations and approvals.

- 1.1 With respect, it is submitted that the provisions in this section of the Bill are not clear and are insufficiently detailed.
- 1.2 It is recommended that the provisions should more clearly outline the key components of the process relating to: the development of a levy proposal; recommendations and approvals. This includes the specification of any steps that a proposer is required to undertake to engage with a levy authority in preparing a proposal pursuant to clause 18.
- 1.3 More specifically, it is recommended that clause 26 be amended to include asset and levy endorsements; and protected Maori land owner consents, as mandatory components of the recommendation report.

2. Subpart 2 – Levy Order

This section of the Bill contains provisions relating to the use of a levy for the purpose of funding the eligible costs of eligible infrastructure.

- 2.1 The Council has previously submitted to the Crown expressing concern as to the impact of a levy being imposed in growth cells (C1, C2 and C3 for Cambridge by way of specific example) comprising fragmented land ownership.
- 2.2 Clause 32(1) appears to respond in part to those concerns by providing for the creation of 1 or more categories of leviable land in the levy area. Further, clause 32(2) provides for the setting of a levy order on a uniform basis or differentially for different categories. The Council supports these mechanisms.
- 2.3 Clause 58 provides that a levy assessed in respect of a rating unit is a charge against that unit. Whilst we understand that this charge is 2nd behind rates, this is not specifically referenced in the Bill.

3. Subpart 3 – Responsible levy authority administers levy

- 3.1 Clause 61 of the Bill requires the levy authority to include levy-related information about rating units in the levy area in its Rating Information Database.
- 3.2 The Council supports this requirement, but further submits that a levy should be required to be registered on the Certificate of Title (CT) as a notice to any prospective purchasers. It is Council's view that the cost of registering the levy on the CT is outweighed by the public benefits derived from the same.

4. Transitional Provisions

- 4.1 The Bill is silent on consultation requirements pertaining to key stakeholders and the wider public in general. Whilst it is acknowledged that there are other applicable legislative provisions available, the Council submits that it is best practice to provide for consultation as part of the development of the Long Term Plan. Given limitations as to timing for development of the 2021-31 Long Term Plan, it is further submitted that transitional provisions be included within the scope of the Bill.



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