

[date]

ROA 05 01/2020  
02/2020 RT/OH

Committee Secretariat  
Transport and Infrastructure Committee  
Parliament Buildings  
WELLINGTON

Dear Sir or Madam,

### **HORIZONS REGIONAL COUNCIL SUBMISSION – INFRASTRUCTURE FUNDING AND FINANCING BILL**

Thank you for the opportunity to make a submission on the Infrastructure Funding and Financing Bill (the Bill). Horizons Regional Council is the regional authority for the Manawatū-Whanganui Region.

Horizons believes that our region is a great place to live, work and play. Our responsibilities include managing the region's natural resources, flood control, monitoring air and water quality, pest control, leading regional transport planning, and coordinating our region's response to natural disasters.

Across the Horizons region we been advancing our Accelerate25 programme which set out a range of opportunities and key enablers to help realise our Region's economic potential. The action plan sets out a path to grow our regional prosperity between now and 2025. An expected outcome of the Accelerate25 programme is to see managed urban growth and increased economic activity on our region.

Coupled with our functions as a key environmental regulator (exercising functions and powers under the Resource Management Act), Horizons takes strong interest in Government's suite of proposals to increase urban development and enable related infrastructure. The Council maintains the Horizons One Plan, which is our combined regional policy statement and regional plan for the Horizons region.

Overall, the Council welcomes the intent of the Bill to provide additional funding tools, particularly to address rapid growth in regions. However, we strongly implore the Committee to consider the addition of regional councils to be able to access these new tools. Council would welcome the opportunity to have the ability to apply a funding recovery mechanism that has equivalence to development contributions (which can be accessed by city and district councils).

Intensified urban development has knock-on effects for the infrastructure provided by the regional council, particularly with regard to the related impacts on stormwater management and flood protection services. Regional Councils have limited tools at their disposal to respond to a rapid surge in urban development across the region, and need to be able to

develop infrastructure that is complementary to the district and city councils expansion plans.

While traditionally Horizons has been a region that has remained relatively static (with some districts within the region experiencing population decline), with the Government's current investment in infrastructure and provincial growth, the region has experienced new and emergent growth pressure.

These new and emergent pressures have quickly led to escalating property prices in both the cities (Palmerston North and Whanganui) and satellite towns. Demographically, the region is also experiencing greater growth in population of the over-65 age group. This group traditionally prefer smaller, densely sited dwellings; leading to infrastructure pressures for both the city/district councils and for Horizons.

In terms of the current design of the Bill, the Council notes that it does not provide the same assurance or conditions that were set out in the Milldale development. Some of these factors were potentially critical to the successful implementation of the Milldale structure. This could potentially undermine the effective implementation of this Bill once it becomes law.

In our view, the introduction of the special purpose vehicles and associated levy funding mechanisms needs to be appropriately framed if it is to be accessed by private developers who will eventually be vesting this infrastructure in public bodies. While some safeguards have been built into the Bill, we invite the Committee to give particular considerations as to whether these safeguards are sufficient for both existing and intending residents who may occupy a future levy area.

Both the recommender and monitoring functions appear to be complex, and could be more directive and simplified. In our view the Monitor would need sufficient powers to be able to act immediately if there was any risk to levy payers. It would also be disappointing to see levy payers in a situation where they had overpaid for infrastructure services. While we acknowledge there is provision to refund any overpayment to levy payers, the incentives should be balanced appropriately in the Bill to ensure this is highly unlikely to occur.

Once again, thank you for the opportunity to submit on the Infrastructure Funding and Financing Bill. We reserve the right to be heard at Select Committee on our submission.

Yours sincerely,

Rachel Keedwell  
**CHAIR**