

File No: 25 12 05  
Document No:  
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10 February 2026

Committee Secretariat  
Finance and Expenditure Committee  
Parliament Buildings  
Wellington

Email: [fe@parliament.govt.nz](mailto:fe@parliament.govt.nz)

Dear Sir/Madam

**Waikato Regional Council's submission to the Infrastructure Funding and Financing Amendment Bill**

Thank you for the opportunity to submit on the proposed Infrastructure Funding and Financing Amendment Bill. Please find attached the Waikato Regional Council's (the Council's) submission regarding this document. The submission was formally endorsed by the Council's Strategy and Policy Committee on **10 February 2026**.

Should you have any queries regarding the content of this document please contact Paul Bowman, Principal Strategic Advisor, Strategic and Spatial Planning directly on (07) 8590517 or by email [Paul.Bowman@waikatoregion.govt.nz](mailto:Paul.Bowman@waikatoregion.govt.nz).

Regards,

A handwritten signature in black ink, appearing to read "Tracey May".

Tracey May  
**Director Science, Policy and Information**

## **Submission from Waikato Regional Council on the Infrastructure Funding and Financing Amendment Bill**

### **Introduction**

1. We appreciate the opportunity to make a submission on the proposed amendments to the Infrastructure Funding and Financing Amendment Bill.
2. Waikato Regional Council (the Council) recognises that the Government is proposing a major shift in how growth-related infrastructure is funded. We acknowledge this shift is intended to support the *Going for Housing Growth* programme and together with the introduction of development levies seeks to remove current barriers to funding and delivering infrastructure for housing and urban growth.
3. The Council supports the use of Special Purpose Vehicles (SPVs) to enable infrastructure projects to be delivered free of local authorities financing constraints.
4. Regional councils often deliver infrastructure that supports growth indirectly through provision of public transport, flood management, environmental protection, and regional water services.
5. Sustaining levels of service in response to growth pressures demands more than routine upkeep and requires a deliberate, long term view approach to managing the Council's flood protection and drainage network. The burden to fund this level of service currently falls largely on the ratepayers.
6. The Council considers that the proposed amendments should consider broadening eligibility to regional councils, or whatever entity might replace their function, in addition to key agencies like Waka Kotahi, KiwiRail and new water entities. This is even more relevant given plans for the re-organisation of local government over the next couple of years combined with a potentially constrained rates capping environment.
7. These amendments could provide an additional tool for flood protection infrastructure, regional transport corridors, rail improvements, or other catchment-level water infrastructure deemed to have regional impacts. The broader use of this tool would assist in the need for greater alignment with regional land-use and transport strategies.
8. We set out our more detailed responses to the Amendment Bill below.
9. The Council wishes to make an oral submission and present its views to the Committee.

### **Submitter details**

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## Key comments on the Infrastructure Funding and Financing (IFF) Amendment Bill

10. The Council supports the Bill and the broader eligibility for agencies under the IFF Act. We seek that eligibility under this Bill is broadened further to also include regional councils or whichever entity provides the regional function for strategic transport planning and public transport, major catchment upgrades, and stormwater infrastructure.
11. The Waikato region is experiencing sustained development pressure driven by population growth, Hamilton-Auckland corridor integration, and increased demand for housing. Under the current development contributions (DC) model, regional councils like WRC are constrained because cost recovery largely depends on territorial authorities' policies and is limited to planned, costed, in-sequence projects. This results in increasing pressure for level of service upgrades in peri-urban areas that have rural drainage levels-of-service that are inadequate to meet newly intensified urban requirements.
12. The effects are evident across both scheme and non-scheme areas. In catchments without formal flood management protection, increased runoff mimics the impacts of more extreme weather. In protected areas, the consequences include higher pumping demand, increased flooding risk, more debris at pump stations, and larger maintenance burdens.
13. Flood management protection and drainage services are funded by both targeted and general ratepayers. Those who directly benefit - targeted ratepayers - cover a significant portion of flood management and protection costs, with the remainder funded by ratepayers across the wider region.
14. Flood management, river control works and drainage services are one of the Council's core 'groups of activities', but changing circumstances mean that the current approach to investment, and the necessary funding, are potentially creating challenging financial times and hardship, particularly for some targeted ratepayers, who fund the bulk of expenditure in this area.
15. This reduces the Council's ability to fund major regional infrastructure such as flood protection, stormwater catchment systems, and public transport.
16. IFF improvements using special purpose vehicles (SPVs) could help finance costly early three waters infrastructure, especially stormwater and drainage management, through level of service costs identified in Integrated Catchment Management Plans (ICMPs) and identified catchments for greenfield areas.
17. The SPV model could help unlock growth related investment in:
  - Flood protection and drainage infrastructure
  - Stormwater management
  - Waters infrastructure linked with future water service entities
  - Regional transport network improvements and public transport.
18. The Council strongly supports broadening eligibility to agencies like Waka Kotahi and KiwiRail, but considers that this should also be integrated with the role of regional transport planning. This has several additional benefits:
  - a) Alignment with regional plans: Area-wide levies appear more consistent with integrated regional land use and transport planning, supporting long-term network performance rather than piecemeal infrastructure delivery.
  - b) Equity and consistency: Levies have the potential to more fairly distribute transport infrastructure costs across emerging growth areas, reflecting cumulative impacts rather than disproportionate requirements on individual developments.
  - c) Public transport timing and funding gaps: There is an ongoing challenge funding the upfront operating costs of public transport services in the early stages of development. Ideally, services are needed from day one, before demand is fully established, to support behaviour change and patronage growth. Consideration of whether levies

could also contribute to early-stage public transport operating costs, in addition to infrastructure, would be beneficial.

19. The Council considers that the regional council transport function should have the ability to access an SPV-funded tool like the Western Bay of Plenty Transport System Plan.

20. Transparency under the new system of (IFF Levy vs Development Levy vs targeted rates) will be important to show cost allocation and prevent a perception of double dipping of household costs revenue.

21. We recommend:

a. Amending *Part 1, Section 9A (7)—Meaning of a responsible levy authority or RLA* to include a new subpart 7 c) The responsible levy authority or RLA, in relation to the levy area, means - for the purposes of stormwater services and regional transport infrastructure, those matters and functions identified by the regional authority for the district in which the levy area is located in.

b. Removing *Section 27A - When analysis is not required of long-term interests, affordability, and sustainability of payment* as written, as the support of current landowners or future identified purchasers at the time of levy imposition does not constitute an assessment of affordability of the levy for future residents and the long-term sustainability of its payment.

Removing this analysis of affordability does not consider cumulative rates increases or any additional development levy imposition by agencies under the Local Government (infrastructure Funding) Amendment Bill.