

Infrastructure New Zealand:

**Submission to the Transport
and Infrastructure
Committee on the
Infrastructure Funding and
Financing Bill**

Paul Blair, CEO

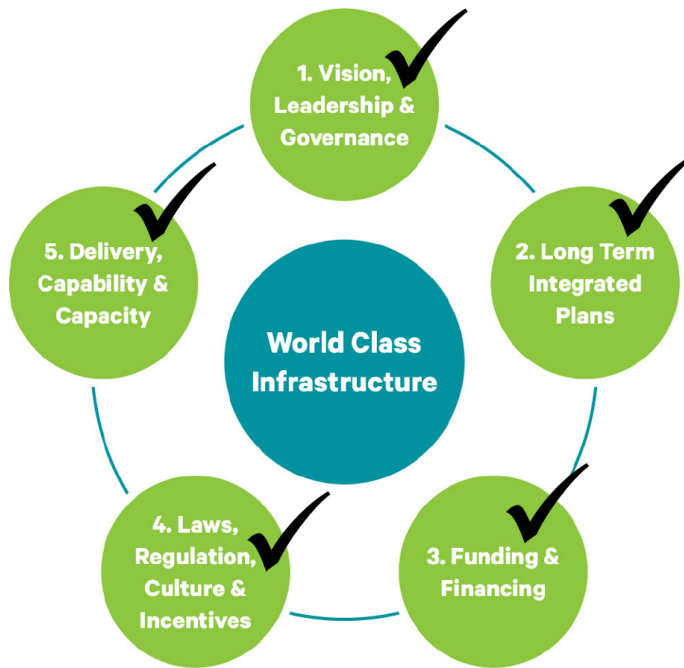


Key points

- We support the Bill
- The IFF model will help deliver infrastructure and support urban development
- But it will not be sufficient to promote the purpose of the Act (functioning urban land markets)
- Urban development policy uneasy mix of market and government-led
- Existing NZ governance arrangements geared for central government leadership and investment

Our preferred model: Building regions

Building Regions: A Waikato Example



1. The Waikato Regional Partnership established to deliver *Waikato 2050* vision. Regional heads of key Crown agencies, Tainui, and representatives of 11 Mayors govern and appoint WRP SPV as delivery agent
2. Waikato Spatial Plan translates the vision into joined-up 30-year investment plan
3. Crown borrows \$100m at 1.3%, provides 10-year grant funding to WRP. Waikato councils borrow \$250m against grant income. WRP funds 7,000 new home lots (\$50k infrastructure per home)
4. IFF and Kāinga Ora powers further assist delivery. ‘Mum and Dad’ buyers put up 150 sqm home at \$2,000/sqm (\$2.1b investment on \$350m infrastructure). Crown receives \$367m GST (ignoring personal & corporate taxes) on \$100m investment.
5. WRP obtains ‘C’ Investor Confidence Rating (same as NZTA). WRP can obtain 10% cost savings (\$35m) through 10-year procurement deal that also specifies local employment, purchasing, and apprenticeship content.

Building Regions

A vision for local government, planning law and funding reform.

August 2019



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