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SUBMISSION TO FINANCE AND EXPENDITURE SELECT COMMITTEE ON THE INFRASTRUCTURE FUNDING AND FINANCING AMENDMENT BILL

Queenstown Lakes District Council (QLDC) welcomes the opportunity to make a submission on the Infrastructure Funding and Financing Amendment Bill (the Bill).

QLDC is supportive of alternative funding and financing mechanisms that enable the delivery of strategically aligned and integrated local infrastructure. The Infrastructure Funding and Financing Act 2020 (the Act) provides a useful and proportionate framework to support such outcomes, while maintaining appropriate planning, affordability, and accountability safeguards.

Although, QLDC is concerned that the proposed amendments risk weakening key elements of the current infrastructure funding and financing (IFF) regime. Proposed changes to broaden the types of infrastructure and delivery agencies that may access the IFF regime, reduce the role of local authorities in endorsement and integration, the Bill increases the risk of fragmented infrastructure delivery and misalignment with adopted spatial and infrastructure plans.

This submission outlines QLDC's feedback and recommendations. It focuses on retaining the strengths of the existing Act to ensure infrastructure enabled by the IFF regime remains strategically aligned and sustainable over the long-term, protects housing affordability in high-growth districts such as Queenstown Lakes, and manages the operational and accountability risks arising from concurrent reform of development funding tools. QLDC considers that targeted amendments to the Bill, and the deferral or staging of the proposed changes, would help ensure the IFF regime can operate efficiently and effectively as part of a coherent infrastructure planning and funding system.

QLDC has also made a submission on the partial exposure draft of the Local Government (Infrastructure Funding) Amendment Bill which is also currently under consultation.

QLDC would not like to be heard at any hearings that result from this consultation process. It should be noted that due to the timeline of the process, this submission will be ratified by full council retrospectively at the next council meeting. Thank you again for the opportunity to comment.

Yours sincerely,



John Glover
Mayor



Michelle Morss
Acting Chief Executive

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1.0 Context of the Infrastructure Funding and Financing Amendment Bill in relation to QLDC

- 1.1 The Queenstown Lakes District (QLD) is one of Aotearoa New Zealand's premier visitor destinations, drawing people from across the world to experience its outstanding natural landscapes, world-renowned alpine environments, and adventure tourism offerings. The QLD supports a diverse range of high-value recreational and lifestyle activities, including internationally recognised cycling and trail networks, premium golf courses, winery and viticulture activity, and a growing events and hospitality sector. The QLD makes a significant contribution to regional and national economic activity; for the year to September 2025, data shows the district contributed almost \$4.8 billion to national GDP (2024 prices)¹.
- 1.2 The QLD has a current resident population of 54,440, after adjusting for visitor numbers, the average daily population is 81,660 and peak daily population is 122,490. By 2055, these populations are forecast to increase to 147,518 and 221,276 respectively.² The dwelling stock is forecast to expand substantially, increasing to nearly 50,000 homes by 2055. This equates to a net addition of around 23,500 dwellings³. The QLD is one of the fastest growing areas in Aotearoa New Zealand, experiencing sustained resident and visitor growth that has consistently exceeded predictions. This growth generates high levels of subdivision and development activity which place increasing pressure on the assets and services provided by QLDC. Over the Long-Term Plan period 2024-2034, QLDC has forecasted that growth related capital spending would make up 40% of total capital cost (\$979M)⁴.
- 1.3 The extent to which resident and visitor populations grow in the QLD is a critical determinant of the type and scale of infrastructure required. In addition to providing for the high and sustained growth in the resident population, local infrastructure also needs to support significant population peaks when visitor numbers are high. These variable demand patterns require careful and coordinated network planning and integration to ensure infrastructure services remain efficient, affordable, and sustainable.
- 1.4 QLDC recognises the existing Infrastructure Funding and Financing Act 2020 (the Act) as a useful legislative tool that enables infrastructure projects to be ring-fenced from local authority balance sheets and debt limits. QLDC is currently exploring the IFF regime as a mechanism to meet the significant local growth-infrastructure needs.

2.0 Local authority involvement is critical to integrated, efficient, and sustainable infrastructure outcomes

- 2.1 Carefully planned, sequenced, and integrated infrastructure investment ensures servicing capacity and land use can be optimised. The efficiencies gained through considered and coordinated investment across infrastructure types and areas supports the long-term sustainability and affordability of infrastructure service provision.
- 2.2 Local authorities have an important role in coordinating the planning, sequencing, and delivery of infrastructure to manage cumulative growth effects, realise long-term network and asset efficiencies, and ensure reliable and compliant service delivery. This is achieved by integrating infrastructure delivery with spatial plans (in future, regional spatial plans), infrastructure strategies, and Long-Term Plans, and comprehensive assessment of developer-led infrastructure servicing proposals.

¹ <https://quarterly.infometrics.co.nz/queenstown-lakes-district/economic/gdp?compare=new-zealand>

² <https://www.qldc.govt.nz/community/population-and-demand>

³ <https://www.qldc.govt.nz/media/4x3b0dng/qldc-demand-projections-methodology-may-2025.pdf>

⁴ <https://www.qldc.govt.nz/your-council/council-documents/long-term-plan-ltp/>

2.3 By broadening eligibility and reducing involvement of local authorities, the proposed amendments increase the likelihood of developments occurring outside of agreed spatial or infrastructure servicing plans. The amendments would likely favour project-level expediency over long-term integration and servicing efficiency, heightening the risk of fragmented and duplicative solutions that are complex and costly to manage over time. Requiring proposals to demonstrate direct alignment with relevant spatial and infrastructure planning documents would provide an additional safeguard to ensure long-term infrastructure integration and efficiency risks arising from the amendments are reduced.

2.4 Retaining local authorities' role as required endorsers of proposals will ensure IFF-enabled infrastructure is integrated with broader strategy, optimally sequenced, efficient and sustainable to operate and maintain across the asset lifecycle, aligned to agreed service outcomes, and accountable to communities.

Recommendations:

- R.1.** Retain the requirement for local authority endorsement of all levy proposals, including where proposals may affect existing or planned spatial strategies, infrastructure networks, service levels, or funding arrangements.
- R.2.** Amend the Bill to require all levy proposals to demonstrate direct and material alignment with relevant adopted spatial and infrastructure planning documents.

3.0 Protect housing affordability and equitable long-term cost outcomes

3.1 Significant long-term affordability and housing outcome risks could arise from the combined effects of:

- removing ministerial consideration of affordability and long-term impact on ratepayers in some circumstances,
- expanded eligibility of infrastructure types, and
- reduced involvement of local authorities as endorsers of a proposal.

3.2 The QLD economy depends on the availability of a diverse and affordable mix of housing types and tenures to support its workforce across tourism, construction, health, education, and other service sectors. Increasing housing costs already present a significant risk to, and constraint on, local labour supply and economic growth. Care must be taken to ensure policy changes do not further exacerbate existing housing affordability pressures.

3.3 Broader access to the IFF regime could result in multiple levies being applied to the same properties over time, particularly in high-growth districts such as Queenstown Lakes. This will create a more complex set of financial obligations for homeowners and purchasers, particularly where levies may relate to infrastructure that has typically been funded from sources other than ratepayers or developers (e.g. state highways). Over time, the accumulation of levies could lead to complex revenue and reputational management challenges for local authorities, and significant housing affordability issues.

3.4 QLDC considers that the IFF regime should complement rather than displace established funding and delivery arrangements for infrastructure that is typically planned, prioritised, and funded through existing frameworks. Where those arrangements are available and appropriate (for example, for nationally funded and delivered transport infrastructure), they should be used in preference to an IFF levy to avoid duplicating charges or shifting additional infrastructure costs onto households.

Recommendations:

- R.3.** Retain Ministerial consideration of affordability and long-term impacts on ratepayers for all levy proposals.
- R.4.** Amend the Bill to introduce additional safeguards where levy proposals relate to infrastructure that has not traditionally been funded or delivered by local authorities, including clear accountability arrangements and explicit consideration of affordability and cumulative levy impacts.

4.0 Safeguard local authorities from increased administrative complexity and reputational risk

- 4.1 The proposed replacement of development contributions with a development levy regime will create more flexibility and certainty for local authorities in the funding of growth infrastructure. The interaction of this new system with a more accessible IFF regime has the potential to be complex and requires further consideration before implementation. Developer-led IFF proposals could distort the wider development levy programme, particularly where development levies have been set across large catchments to spread costs and accelerate network investment payback. As uptake of the IFF tool increases, local authorities may face additional administrative burden from repeatedly recalibrating development levies to exclude IFF-funded components.
- 4.2 QLDC notes uncollected IFF levies can be assigned to local authorities for recovery, irrespective of whether the local authority endorsed a levy proposal or controlled its design. This arrangement effectively transfers long-term reputational risk and customer-facing impacts to local authorities to manage. Where an IFF levy has not been endorsed by a local authority, the infrastructure provider should be required to directly administer levy collection. This will provide greater consumer clarity and avoid the reputational risk to local authorities that will otherwise be perceived to be responsible for levies, service levels, or outcomes that they did not endorse or control.

Recommendations:

- R.5.** Amend the Bill so that local authorities are not assigned responsibility for collection of levies for proposals they did not endorse, unless an explicit agreement and appropriate resourcing arrangements are in place.
- R.6.** Defer or stage the commencement of the Bill's amendments until the interaction with the new development levy regime is fully assessed and implementation guidance can be issued to manage administrative, financial, and accountability risks.