



Crombie Lockwood Tower
Level 16, 191 Queen Street
PO Box 7244
Wellesley Street
Auckland 1141
New Zealand
Email: office@infrastructure.org.nz

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Infrastructure New Zealand Submission on Auckland Council's Future Development Strategy

1. Introduction

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to submit on the Auckland Future Development Strategy 2023-2053 (Strategy).
- 1.2 INZ is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and operators.

2. General Remarks

- 2.1 We support taking a strategic approach to planning for the growth of Tāmaki Makaurau that recognises the critical role of infrastructure in supporting the region's development aspirations.
- 2.2 We are encouraged that infrastructure is reflected throughout the Strategy, meeting the National Policy Statement on Urban Development (NPS-UD) requirements to integrate strategic planning and infrastructure planning and funding. However, we see opportunities to improve the way in which infrastructure planning, funding and delivery is integrated, which we discuss below.

- 2.3 We generally agree with the framing of the challenges, principles for growth and outcomes. The Strategy appropriately recognises the challenges to future development posed by an uncertain and changing environment, financial constraints, environmental impacts, and equity. The Strategy should also recognise the infrastructure deficit as a key challenge, making it clear that the starting point is insufficient provision of infrastructure (and housing stock) with substantial further investment required on top of this to support future growth.
- 2.4 As with any strategic plan, its success will depend on how effectively it is implemented. We expand on this below.

3. Investment should be prioritised to achieve outcomes, requiring flexibility where appropriate

- 3.1 The Strategy articulates a quality compact approach, providing that investment needs to be prioritised in locations that will achieve the greatest benefits, across multiple outcomes. It says that this means investing primarily in existing urban areas, along with less reliance on expansion into future urban areas. This aims to provide relative certainty as to where future investment and growth will occur in the shorter term.
- 3.2 We support identifying spatial priority areas as a focus point for growth and investment. However, it is important to retain flexibility for growth to occur where it can best provide benefits for the whole region, especially in the longer term. The means undertaking development where appropriate and being clear about the factors that inform land supply decisions, rather than being beholden to specifically pre-defined spatial areas. The Strategy should make this explicit.

4. Making use of the full funding and financing toolkit

- 4.1 The Strategy recognises that funding and financing pressures have increased and are a key challenge for achieving the desired outcomes with Auckland Council planning invest over \$180 billion over the next 30 years. This is exacerbated by the debt limits and constraints on available funding tools for Council.
- 4.2 We emphasise that alternative methods of funding and financing are a critical lever to alleviate these challenges. Council should consider the use of targeted rates, public-private partnerships, Special Purpose Vehicles through the Funding and Financing Act and Specified Development Areas through the Urban Development Act – alongside Development Contributions.
- 4.3 The implementation plan overview identifies the need to link funding to planning. It should also commit to exploring these options, including whether current development contributions policy remains fit for purpose given the quality compact approach.
- 4.4 A key part of transition to new ways of pricing and funding infrastructure is building public understanding and acceptance of this. Communication should develop public understanding

of the link between how infrastructure is paid for, the quality of services that are provided and the equity implications. The implementation plan should consider this.

5. Considerations for implementation

Implementation requires alignment with the key infrastructure providers across all forms of infrastructure

- 5.1 The Strategy is dependent on infrastructure development and service undertaken by central Government agencies and other providers. This includes social infrastructure, transport, and utilities. It is not clear whether these agencies have been engaged throughout the process to ensure alignments and dependencies are clear and understood. We emphasise the need for transparency and close engagement going forward to ensure strategies and plans are aligned, and so funding can be secured through budget bids and other sources of financing. This engagement should be provided for in the implementation plan.

Implementation should consider non-built options, including congestion charging

- 5.2 We support the Strategy's use of Te Waihanga's infrastructure investment hierarchy which recognises that demand can be managed through the "adoption of a variety of tools such as pricing and the provision of information to encourage more efficient use of transport and other forms of infrastructure."
- 5.3 Congestion charging is a key method of easing congestion, with a 2017 NZIER study estimating the benefits of decongestion in Auckland being between \$0.9 billion and \$1.2 billion per annum (approximately 1% to 1.5% of Auckland's GDP). This has been thoroughly examined by the Transport and Infrastructure Select Committee which recommended the government implement a congestion pricing scheme in Auckland.
- 5.4 We continue to see congestion charging as a critical part of the toolkit and urge central government to put in place enabling legislation so that Auckland Council can leverage this as a means for managing demand and raising revenue to support improved transport infrastructure in the region, in particular alternative travel options for those that will be most adversely impacted by congestion charges.
- 5.5 Other non-built options include making better use of existing infrastructure by adapting or reusing it and using regulation and education. These are important and complementary solutions alongside the substantial investment required to address Auckland's infrastructure deficit.

Resource management policy and plans

- 5.6 The implementation overview recognises that this strategy will translate into changes to resource management plans:
- a. Changes should enable the protection of infrastructure corridors in advance of growth (should this not already be done). The 'changes to the AUP' section of the Strategy does not identify this.

- b. We appreciate the use of triggers to ensure development capacity becomes available when it can be supported through bulk infrastructure. This will need careful implementation to ensure that triggers do not unnecessarily slow development and prevent overlapping works. This is particularly important given planning processes can be lengthy and authorisations are typically required before actual construction work can begin.

Key assumptions should be subject to ongoing review

- 5.7 The Strategy relies on a set of assumptions and forecasts for the future, with the consideration of conceptual growth scenarios informing the spatial response. There should be ongoing monitoring of growth and development and review of the assumptions to ensure the basis for the Strategy remains sound. This includes population forecasts, where growth and development occur (new projects and the performance of existing infrastructure), and environmental factors and hazards. Any changes to the Strategy also need to be balanced with a need for the certainty required for long-time infrastructure investment and planning and the impacts this may have for investment that has already been committed.

Digital twins can enhance understanding

- 5.8 Implementation should explore the use of a regional and urban digital twins. A digital twin is a digital representation of a city or region, comprised of data that models buildings and assets, surface or regulatory data, or real-time data from sensors. Twins can be used to help integrate land use and infrastructure planning, by anticipating, modelling, and testing growth scenarios. Wellington City Council has been developing a digital twin to help with adaptation planning.

6. Conclusion

- 6.1 INZ supports taking a strategic approach to planning for the growth of Tāmaki Makaurau that recognises and provides for the critical role of infrastructure.
- 6.2 The success of this Strategy depends on its implementation. Key points for Infrastructure New Zealand are investing flexibly for the maximum benefit, use of the full toolbox of funding and financing options, alignment with the full scope of infrastructure types required, use of non-built options and congestion charging, appropriate implementation into resource management plans, ongoing review of assumptions and use of new technology with digital twins.

Yours sincerely,



Michelle McCormick

Policy Director

Infrastructure New Zealand