

23 June 2021

Infrastructure Commission  
Level 7  
The Todd Building  
95 Customhouse Quay  
Wellington 6011

**Postal Address**

Private Bag 544  
Ngaruawahia, 3742  
New Zealand

0800 492 452

[www.waikatodistrict.govt.nz](http://www.waikatodistrict.govt.nz)

Email - [info@infracom.govt.nz](mailto:info@infracom.govt.nz)

Dear Sir/Madam,

**RE: Feedback on the Infrastructure Commission's Infrastructure Strategy Consultation Document - *He Tuāpapa ki te Ora* Infrastructure for a Better Future**

The Waikato District Council (WDC) welcomes the opportunity to provide feedback on the Infrastructure Commission's Infrastructure Strategy *He Tuāpapa ki te Ora* Infrastructure for a Better Future.

WDC complements the Commission for having a vision with regards to making sure New Zealand's infrastructure challenges are addressed by 2050.

WDC is supportive of Taituarā's submission which represents the views of Local Government managers. That submission helps provide the detailed responses to some of the questions posed in the Infrastructure Strategy Consultation Document. We also concur with Taituarā that this has not been an easy document to assess, and we too see this document as a work in progress. Whilst WDC's submission does not specifically address every single question posed in the consultation document, we have kept our submission to point by highlighting some important matters relevant to growth districts such as ours which we believe will better align the Commission's approach to the infrastructure challenges facing New Zealand.

WDC supports the view that the infrastructure challenges facing the country cannot be achieved without institutional and governance reform; the need for better pricing strategies to manage infrastructure capacity and demand; supporting the provision of housing; supporting a zero-carbon economy; and making use of technology to provide more efficient and effective services. We commend the Commission for identifying the challenges posed by climate change, technological change and population growth and agree that these are major challenges that should form the corrective thrust of any strategy. However, the Commission needs to better acknowledge the nature of growth and development across the regions to enable more targeted and strategic support to address growth and infrastructure challenges.

**Not be just a big city/urban centre challenge**

WDC would like to highlight that the Commission's Infrastructure Strategy has a very urban/city focus whilst ignoring the challenges faced by district Council's which are also impacted by growth.

Waikato district is sandwiched by two big cities – Auckland in the north and Hamilton in the south. Additionally, we are at the centre of the ‘golden triangle’ which encompasses these two cities and Tauranga.

Our district is therefore a hotbed for growth due to its location and the comparatively lower median land and housing prices compared to Auckland, Hamilton, and Tauranga. This presents both opportunities and challenges. Whilst Council has done the necessary planning to provide for zoned land to cater for residential and business growth, the (financial) challenge we face is in upgrading the bulk infrastructure needed to enable growth paying for growth.

Land availability is not the issue – it is providing the infrastructure to support and activate growth that is the issue. The recent Housing and Business Capacity Assessment done by Waikato District Council as part of the Future Proof partnership indicates that the district has sufficient supply of housing and business land for the next 30 years. Targeted support by Central Government to districts such as ours which are strategically located between two big cities to accommodate growth and provide more affordable housing must be one of the central planks of any infrastructure investment strategy. This would also directly support government’s sub-regional Urban Growth Partnerships such as the Hamilton to Auckland Corridor Initiative.

### **Sub-Regional Urban Growth Partnerships**

There is no recognition of current urban growth partnerships (such as the Hamilton to Auckland Corridor Initiative) between Crown, Councils, and Iwi in the draft Infrastructure Strategy. These partnerships were fostered by central government to give effect to the Urban Growth Agenda and whilst a lot of planning has been done through the Hamilton to Auckland Corridor Initiative, the ability to fund key infrastructure projects (principally three waters and transport) to support growth and development is going to be the difference between the success and failure of such initiatives. It is paramount that He Tūāpapa ki te Ora Infrastructure for a Better Future a) recognises these partnerships and b) advocates for targeting government funding to facilitate implementation of key projects. This is a good place from which the Commission can help identify a list of priority actions which is required. It is also important that the Crown, as key partner and the initiator of the Hamilton to Auckland Corridor work, support the implementation of the programmes with a funding contribution rather than leave it to cash-strapped local councils.

### **Co-ordinated effort to address housing**

It is important that the Commission’s Infrastructure Strategy also recognises collaborative housing initiatives underway such as the Waikato Housing Initiative project led by the Waikato Mayoral Forum. The Waikato Housing Initiative has a coordinated programme of housing for the region that covers the housing spectrum. The region, through the programme can then prioritise and coordinate the support to not only the readiest, but to those that meet a criterion established for housing priorities through a matrix that the Waikato Housing Initiative has developed. The key players are already at the table to help with alignment, and it is important that the Commission recognises the thought capital and human capital (both at a political level and official level) already in place through such initiatives and explicitly get Government to activate delivery of infrastructure associated with the identified housing pipeline.

### **Three Waters Infrastructure**

Whilst Government’s waters reform is welcomed the identification of projects which will better support the provision of three water services whilst ensuring environmental outcomes are realised

needs to happen together with targeted central government funding to growth regions. This will help support existing growth pressures whilst creating the capacity to accommodate further growth. Mitigating ratepayer financial burden imposed by Local Territorial Authorities needs to be an important consideration in the Commission's Infrastructure Strategy. As an example, the Waikato district has identified the upgrade of both the Huntly, Te Kauwhata and Raglan Wastewater Treatment plants as key wastewater projects in the 2021-2031 Long Term Plan. These upgrades will place a significant rating burden on our ratepayers. Such infrastructure (in addition to the sub-regional wastewater treatment solutions being considered through the Hamilton-Waikato Wastewater Detailed Business Cases) should be considered strategic projects identified for funding by central government to activate and sustain growth whilst removing the burden on growth authorities with a small rating base. Related work happening in the waters space will also require funding support to support growth in the Hamilton to Auckland corridor.

WDC also acknowledges its mandate to prioritise improvements in asset condition and performance for stormwater assets. We have and will continue doing our bit in this regard. However, the perpetual challenge is that these are currently required to be funded through a small rating base for a district which occupies a significant geographic extent.

The increasing expectations and compliance costs for waters being driven by the government is also not affordable to a council like WDC.

## **Transport**

WDC would also like to emphasise Taituarā's view that it is important for the Commission to understand that economic growth and transport use are related. This is especially the case for a district through which contains 70% of the Hamilton to Auckland Corridor (New Zealand's most significant economic corridor).

WDC would support alternative sources of revenue being generated by road users to ensure that this money can be reinvested in improving capacity and safety of existing roads. We would support the view that the Land Transport Management Act be amended as soon as practicable to empower road-tolling on any road.

WDC supports a multi-modal form of transport which acknowledges the role of road, rail, walking and cycling in providing a suite of transport options to get New Zealand moving. Whilst investments in roading capacity and road safety is important, investments in other forms of active transport should also be supported.

Sub-regional transport services such as passenger rail should be 100% taxpayer funded rather than ratepayer funded. WDC has been a partner in the recently launched Te Huia rail service between Hamilton to Auckland and whilst we appreciate the 90% (of the total cost) investment in this project from Government (through Waka Kotahi) the long-term financial sustainability of this service (and any subsequent improvements to it) requires long term financial commitment from government. Such strategic sub-regional transport infrastructure should be explicitly recognised in the Infrastructure Strategy as requiring long term government funding if the goal of getting more people to use public transport and reducing carbon-emissions are to be realised.

A concerted focus on supporting sub-regional public transport in the Hamilton to Auckland Corridor is imperative. This includes the potential to connect communities in the north of the Waikato district (Tuakau, Pokeno and Te Kauwhata especially) into the Auckland rail network. It is critical that the Commission recognise the importance of cross boundary planning between the



Waikato district and Auckland. The extension of rail electrification from Pukekohe to Tuakau and Pokeno is critical to address the congestion challenges being experienced the southern motorway into Auckland. This will also support the strong social and economic relationships between the northern Waikato and Auckland and help enhance productivity.

### **Community Assets**

For the reasons set out in the previous sections WDC would support the Commission setting out a process for identifying community assets beyond those run by central government and bringing them into future editions of the strategy. Targeted support for local authorities in the provision of these services should be considered together with those assets run by central government to ensure fit-for-purpose and a seamless provision of community services associated with such infrastructure.

### **Compliance costs associated with central government funding**

Whilst this and past governments have signalled good intentions to facilitate housing provision through the Housing Infrastructure Fund (HIF), the soon-to-be released Housing Acceleration Fund (HAF) and even the waters stimulus package announced in 2020, we would like to highlight that the compliance costs associated with these types of funds places a significant burden on councils trying to access such funds. Large upfront cost makes the application process inefficient and expensive. The compliance cost associated with Government funding provision therefore needs urgent review. The Infrastructure Strategy needs to highlight this as an issue if central government funding is to be leveraged to make projects happen faster.

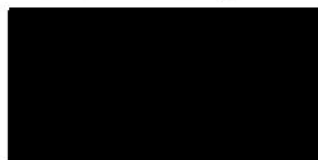
### **Development contribution**

WDC supports the inclusion of a recommendation in the Infrastructure Strategy supporting the removal of Crown exemption from paying development contributions.



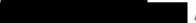
WDC thanks the Commission for this opportunity to provide feedback on *He Tuāpapa ki te Ora* Infrastructure for a Better Future. We hope that the Commission acknowledges the views expressed herein which are that of a unique Council which has a relatively small ratepayer base, a very large geographic area and straddled by Auckland in the north and Hamilton in the south.

My staff will be happy to have a further discussion with the Commission on the contents of this submission if necessary.

Yours faithfully,



**CHIEF EXECUTIVE**

cc:  Chief Operating Officer – WDC  
 Chief Financial Officer – WDC  
 Acting General Manager Community Growth - WDC