

By email

New Zealand Infrastructure Commission – Te Waihanga
info@tewaihanga.govt.nz

Tēnā koutou

SUBMISSION ON THE DRAFT NATIONAL INFRASTRUCTURE PLAN

Te Uru Kahika welcomes the opportunity to provide comments on the New Zealand Infrastructure Commission's Draft National Infrastructure Plan (draft Plan).

Te Uru Kahika – Regional and Unitary Councils Aotearoa – represents New Zealand's sixteen regional and unitary councils as we work collectively on areas of common interest while retaining our own regional voices and priorities.

This submission focuses on two roles our members have responsibility for performing:

- Public transport infrastructure and services as Public Transport Authorities (PTAs) under the Land Transport Management Act 2003 and Local Government Act 2002
- Flood risk management infrastructure under the Soil Conservation and Rivers Control Act 1941 and the Local Government Act 2002

We note our members may make their own submissions on area of interest in the draft plan to them and their region. We support these submissions.

Regional councils collectively invest over \$200 million annually in maintaining and upgrading flood infrastructure. These long-life assets are vital for safeguarding communities, the economy and Crown-owned infrastructure from New Zealand's most frequent natural hazard. Regional and Unitary councils alongside the New Zealand Transport Agency (NZTA) are the major funders of public transport services and infrastructure in New Zealand. The investment in public transport is guided by the Government Policy Statement on Land Transport (GPS), the National Land Transport Programme and each individual councils Long Term Plans.

Our members have a large amount of collective expertise in flood management and public transport (likely the largest in New Zealand) and we are happy to assist you in tailoring specific wording as needed in these spaces.

OPENING COMMENT

Te Uru Kahika welcomes the delivery of the draft Plan by the New Zealand Infrastructure Commission. We acknowledge that while New Zealand is investing in infrastructure, we aren't getting great value for money from that investment. We also agree that the public sector needs

to be collectively better in the planning, funding and delivery of major infrastructure projects to help New Zealand to achieve the economic, social and environmental outcomes we are seeking.

The draft Plan provides a clear and coherent pathway for New Zealand to improve the operating environment for better infrastructure investment and delivery.

Major flood events result in billions of dollars of damages directly to New Zealand's economy—and even more when considering the effect of flooding on business and consumer confidence to invest in the productive economy, and the impacts on the wellbeing and safety of New Zealanders. Flood infrastructure provides flood risk resilience to all other critical assets on floodplains such as roads, towns, communications, schools, hospitals and energy-supply systems. The draft Plan should more clearly recognise this.

Please also note that flood infrastructure here references flooding from both pluvial and fluvial flooding events. Flood management and drainage is fundamentally different in nature and the issues such infrastructure manages from the provision of potable water and wastewater services.

We strongly recommend flood risk mitigation infrastructure be addressed more explicitly in your draft Plan. We also encourage stronger consideration of New Zealand's need to adapt infrastructure to the effects of climate change.

We value the engagement our members have had with the New Zealand Infrastructure Commission to date and look forward to further engagement on the points we raise in this submission in the months ahead. More detailed discussion of aspects of the draft Plan follows.

CLEAR THE WAY FOR INFRASTRUCTURE

Te Uru Kahika supports the recommendations put forward in relation to clearing the way for infrastructure and more effectively quantifying and prioritising New Zealand's infrastructure investment needs. We submit that a clear and predictable pipeline of infrastructure projects, combined with a stable regulatory environment, is critical to attracting and maintaining the necessary workforce and investment to get better value for money from our infrastructure spend and a better and more wealthy future for New Zealanders.

Public Transport

We agree that spatial planning and land-use needs to maximise the use of existing and new infrastructure by as many people as possible. In terms of existing public transport infrastructure and services, enabling more development around existing routes/services will help us to deliver more cost-effective services without having to take on additional costs associated with greenfield growth that is disconnected from our current public transport network.

We submit that bipartisan agreement to a long-term investment infrastructure pipeline is needed to provide certainty to all participants involved in the planning, building, and funding of major infrastructure projects. This stability is critical to getting the outcomes sought from this draft Plan.

We submit that the draft plan must highlight the need for all parties involved in the planning, funding and delivery of infrastructure to work collaboratively to ensure that investment by one party is not undermined or uncut by decisions made by another party. Alignment at place across infrastructure providers—Crown, local government, and private—is crucial.

This especially needs to be considered in the context of new roading infrastructure and how this integrates into the planned land transport network. This may require some parties to go beyond immediate need and build infrastructure to accommodate future capacity even if that extra capacity may be a few years away. For example, the Roads of National Significance (RoNS) will stimulate housing growth adjacent to them but there may be a lag between the RoNS being completed and housing being consented and built.

An integrated approach is also needed to ensure that options for other infrastructure types, such as flood protection, are not limited by decisions taken on road or rail infrastructure. Flood infrastructure also protects critical lifeline corridors through the land transport systems that people rely on in an emergency.

Flood Protection

We submit that the draft Plan needs to signal clearly the need for further investment in flood protection infrastructure. Cumulatively, floods are the most expensive hazard we face in New Zealand, with increasing risk over time from climate-driven adverse weather events. Billions of dollars of public and private assets are protected by flood protection schemes—including Crown assets like schools, hospitals, state highways, railway, and housing.

While we agree with both recommendations 1 and 2, we note that the impact of inconsistent investment on workforce development and capability presents a barrier. We recommend that the Plan more fully address the effect of the current boom and bust investment cycle on work force capability and capacity.

We also agree with Recommendation 3. Spatial planning, land-use and infrastructure provision need to all work in concert to maximise the return on existing and new infrastructure. New development demands a commensurate investment in flood risk information. Flood protection infrastructure will always have defined levels-of-service. By definition, that level of service may be exceeded on occasion. We see potential for the National Infrastructure Plan to provide strong signals to guide resource management reform. As a sector, we are working to systematise interface between flood risk, asset condition, cost-benefit assessment, climate change and investment prioritisation.

We agree with recommendation 9 that plans need to be more enabling of flood risk management infrastructure. This infrastructure is, by its nature, frequently adjacent to, and cannot avoid, waterways. This needs to be enabled, provided certain conditions are met.

We also submit that multiparty agreement for a long-term investment infrastructure pipeline is needed to provide certainty to all participants involved in the planning, building, and funding of major infrastructure projects. This stability is critical to getting the enduring outcomes sought from this draft Plan.

In this context, we see a need to better enable infrastructure for a geographical area or catchment, rather than by type. Flood infrastructure along a river may require road and rail infrastructure to be upgraded at the same time to achieve the full benefits. The current system of prioritisation by infrastructure type does not accommodate this need for joined-up decision making, as illustrated in challenges coordinating across agencies in places like Gore, Mataura and the Hutt Valley.

ESTABLISH AFFORDABLE AND SUSTAINABLE FUNDING

Public Transport

Te Uru Kahika supports the recommendations put forward in relation to establishing affordable and sustainable funding. We submit that new pricing and funding approaches should be considered to ensure all parties that benefit from infrastructure investment are contributing to the costs of providing it. This is a key issue for our members.

Some of our member councils are seeking to explore additional funding mechanisms with our partners, including development levy and congestion charging, with the goal of securing sustained investment in public transport infrastructure, while incentivising cost-effective land use and urban development that lowers the overall cost of infrastructure, housing and transport.

While we generally support a user pays approach to closing the funding gap, we note that equity in who pays should also be considered. Some users can bear the costs better than others.

For example, while public transport services are generally designed to try to move as many people as possible efficiently around major urban centres, public transport also plays a key role in helping people in rural and/or lower socio-economic areas to participate in society (e.g. go to work or school, or to access health and social services) and these benefits should not be lost in the drive to close any funding shortfall.

We note that in some regions, most users of public transport services are SuperGold card users who may be unable to use other modes of transport. We believe this trend will continue to grow, as noted by the analysis in the draft plan, we are facing an aging population with an associated decrease in the ratio of working people to retirees to 2 to 1 in 2050. Continuing to provide affordable transport choices for all New Zealanders will be an ongoing issue for regional and unitary councils.

We also note that section 35 of the Land Transport Management Act 2003 (LTMA) requires everyone involved in the land transport system to consider the needs of people who are transport-disadvantaged when preparing any programme or plan under the LTMA. Therefore, we are required by law to consider how we provide transport choice for those who may not be able to fully contribute to the cost of the public transport services and infrastructure we provide.

We believe the benefits that use of public transport provides for other road users (congestion relief), communities (less land needed for roads and parking), our emergency services and health systems (less road crashes, health benefits) also need to be recognised. Users pay models in a land transport network sense needs to be nuanced to accurately reflect the true cost (and benefits) of different travel modes and choices.

Therefore, we urge caution in treating the investment/funding in public transport infrastructure the same as investing in other types of land transport infrastructure (e.g. State Highways).

Flood Protection

We support recommendations 3, 6, 11 and 13.

Our legislation requires that beneficiaries contribute to the cost of implementing and maintaining flood infrastructure, yet Councils are unable to rate the Crown. NZIER research shows the Crown to be a major beneficiary of this type of infrastructure. We submit that the Plan should address the need for a stable and long-term commitment to co-investment from Government, to reflect the role flood infrastructure plays in protecting nationally significant and state-owned assets.

While the plan makes little comment on flood infrastructure, on the few occasions it is referenced, it seems to generally be included under “water” assets. As we have noted in our introductory comments, this is anomalous. Because of its unique purpose, and public safety is a significant element of flood infrastructure, we suggest it would be better addressed separately, perhaps under the social infrastructure category of the Plan. We would also like to see the public value of flood infrastructure—and the contribution that flood management and drainage make to regional and national economies—acknowledged more fully in the Plan’s narrative.

START WITH MAINTENANCE

Te Uru Kahika supports the recommendations put forward in relation to starting with maintenance. Te Uru Kahika submits that managing all New Zealand’s existing infrastructure and improving its resilience should be a focus going forward as we experience more adverse weather and other natural hazard events.

Public Transport

We note that when there is funding pressure, the first thing to get cut back is spending on maintenance, forcing infrastructure owners “sweat” their existing infrastructure assets. Forgoing maintenance in the short term can lead to larger maintenance costs in the long run or can lead to renewals/replacements being needed earlier. The current maintenance deficit is a result of flat lined maintenance and renewal expenditure over the nine years leading up to the current National Land Transport Plan. The transport network has been pushed to a point by sweating the asset that failures are now inevitable. We believe that sweating the asset will not be an option in the future.

Therefore, a commitment to the “starting with maintenance” recommendations must be accompanied by a commitment to funding the necessary maintenance by all parties.

We submit that asset management plans are useful tools to understand what maintenance and renewals any organisation needs to make to ensure their assets are managed well. We note that many of our members are starting to implement asset control or management strategies to bring key infrastructure under their direct control (e.g. bus depots to secure these sites for the long term) and these strategies come with their own funding and investment challenges for PTAs. The Local Government sector has been developing our asset management and forecasting capacity

for the past nine years through the Road Efficiency Group (REG) to the extent that our forecasts of future need can now be substantially relied on.

Flood Protection

Te Uru Kahika supports the “maintenance” recommendations 12, 18 and 19.

As with public transport, asset management plans are an essential tool to understand what maintenance and renewals any organisation needs to make to ensure their flood management assets remain fit for purpose.

One difficulty here is that the risk of flooding is changing with more frequent and more severe storms. This changing risk profile is difficult to address in an asset management plan. “Decision making under deep uncertainty” is an approach to addressing this matter. We recommend that this approach be incorporated into any new infrastructure investment policy, particularly related to flood risk management and land use.

RIGHT-SIZE NEW INVESTMENT

Both right-sizing and *aligning* new investment are important: doing it once and doing it right, with integrated infrastructure planning and delivery across disciplines.

Public Transport

Te Uru Kahika supports the recommendations put forward in relation to right-sizing new investment. Te Uru Kahika submits that large transport projects pose the biggest challenge when considering the right option to pursue, given the issues New Zealand currently faces with getting good value for money from our infrastructure investments. We submit that careful planning, evaluation, and business casing will be important in ensuring that the choices made are informed and in the national interest.

A rigorous approach is made more difficult by infrastructure projects that are proposed at short notice, without due diligence, and being prioritised for funding over well signalled and investigated infrastructure projects.

Flood Protection

Te Uru Kahika supports the recommendations 14, 15, 16 and 17. We agree that careful planning, evaluation, and business casing will be important in ensuring that the choices made are informed and in the national interest.

Our comments in relation to maintenance also apply to right-sizing. Changing risk profiles, as a result of climate change, must be acknowledged and incorporated into any right-sizing of new investment. This may require a different approach, such as “decision making under deep uncertainty”.

Right-sizing must also be (re)considered in the aftermath of significant events such as Cyclone Gabrielle. Simply building back may not be appropriate for the future, in light of a changed risk profile.

OTHER MATTERS

Te Uru Kahika agrees that deferring or delaying investment in New Zealand's infrastructure cannot continue. Action needs to be taken now as the current investment approach that result in the constant churn of prioritising and then deprioritising of major infrastructure projects ultimately ends up costing New Zealanders more in the long run. An agreed clear and predictable pipeline of infrastructure projects combined with a stable regulatory environment is key to helping us address the current investment deficit.

Public Transport

We wish to raise an issue facing our members with large rural areas in the maintenance and replacement of small bridges and culverts. We know of local authority partners struggling with these costs and as the draft plan notes they are facing their own funding issues. While these bridges generally cost less than \$1 million to replace, the sheer volume of bridges needing maintenance or replacement means the total combined cost across the country will be significant. These bridges act as lifelines for rural communities and need to be resilient so people and freight can be moved in and out of these areas when there is an emergency such as an adverse weather event.

Who invests in these lifeline corridors and infrastructure (including flood protection) and how these costs are apportioned is becoming a major issue for our members as we see more adverse weather events and recovery impacted the budgets of local councils.

Flood protection and these lifeline corridors help provide protection to and maintain access/operation of other key infrastructure (e.g. the energy grid, schools, hospitals and productive rural land) and how these should contribute to the cost of improving the overall resilience of flood protection and roading infrastructure remain unclear.

We would like to see the draft plan raise this issue to help stimulate a broader discussion on the investment in and funding of resiliency infrastructure. The benefits of investment in this infrastructure are not well understood. Recent adverse weather events in Te Tairāwhiti, Marlborough and Tasman have highlighted the costs of recovery from these types of events and that we need to be much more proactive in this space.

Flood Protection

We note below some point of detail that we would like to see reflected in the final Plan:

Page 7 – Pricing should acknowledge that flood infrastructure cannot be funded in the same way as “Water” which can draw on user or consumption charges.

Page 15 – Box 1 should recognise the “Safety to life and Security” of flood infrastructure.

Page 19 – We ask that stronger recognition be given to flooding as New Zealand’s most significant natural hazard.

Page 68 – Goal 3. Where there is a significant public benefit, as there is with flood infrastructure, we believe that the Crown should contribute as a beneficiary. This is distinct from providing a subsidy or paying user charges.

Page 135 – Section 7.3. The “Water and Waste” section of the draft Plan focuses on water supply and wastewater. Different water needs should be more clearly separated out. Fluvial and pluvial flooding infrastructure (river and stormwater flooding) should be addressed as a separate matter from potable and wastewater, with a recognition that different funding and prioritisation mechanisms are required.

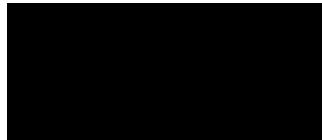
CLOSING COMMENTS

Te Uru Kahika broadly supports the draft Plan. The comments above aim to ensure the Plan addresses issues in the planning, funding and delivery of major infrastructure projects—thereby helping New Zealand to achieve the economic, social and environmental outcomes we all seek.

If you have questions about the content of this submission, please contact:

- Public Transport – [REDACTED] by email at [REDACTED]
- Flood Protection – [REDACTED] by email at [REDACTED]

Nāku iti noa, nā



[REDACTED] REGIONAL CHIEF EXECUTIVE OFFICERS
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