



Office of the Mayor

30 June 2021

The New Zealand Infrastructure Commission,
Te Waihangā
Level 7, The Todd Building
95 Custom House
Quay, Wellington 6011

Kia ora

**'HE TŪĀPAPA KI TE ORA - INFRASTRUCTURE FOR A BETTER FUTURE'
CONSULTATION DOCUMENT – NELSON CITY COUNCIL SUBMISSION**

Nelson City Council (NCC) thanks the New Zealand Infrastructure Commission Te Waihangā for the opportunity to submit on the Consultation Document.

Nelson City faces the same issues and infrastructure needs covered in the Consultation Document. NCC is a unitary authority in Te Taihū serving approximately 54,700 people and is experiencing growth and an ageing population. Key challenges identified in NCC's 2021-31 Long Term Plan (LTP) include climate change and addressing emissions (NCC declared a Climate Change Emergency in May 2019), Debt v Rates, Housing, Environmental wellbeing, and responding to central government initiatives (e.g. Essential Freshwater new rules and regulations). An amount of \$491M is proposed in the LTP for funding of essential infrastructure and \$52M on projects for Climate Change adaptation.

Overall

1. The Consultation Document contains a wealth of information and is a significant step towards a national strategy. NCC notes the Consultation Document explains that its purpose is to set a proposed *direction* for the Infrastructure Strategy, and to seek feedback, ideas, and views. It has a focus on improving the infrastructure system but is not yet a final draft strategy with clear priorities, targets, accountabilities, and measures. This is also referenced in the submission from Te Kāhui Kaunihera o Aotearoa (LGNZ). A further opportunity for local government to comment on a draft Infrastructure Strategy would be welcomed.
2. The table provided in the Consultation Document on pages 94/95 clearly shows the significant role that local government, as well as private providers, play in the provision of essential infrastructure. A partnership approach between central government, local government, private providers, and iwi would be welcomed for the further development of the strategy. This is also reflected in the submission from LGNZ.



3. In principle, NCC support the submissions from LGNZ and Taituarā – Local Government Professional Aotearoa, and the Taituarā Transport Special Interest Group (TSIG). Those responses and comments will not be replicated in this submission. The purpose of NCC's submission is to provide some general comments with a focus on the proposed priorities in the Consultation Document (pages 13 and 14) and the 'time critical' issues identified in the submission from Taituarā.

General Comments

Consultation Document

4. Outcomes and Principles

NCC notes the comments and proposed additions made by LGNZ on the outcomes and principles. NCC believes that councils are already focused on being efficient, equitable and affordable (and to an extent are required to be so under the Local Government Act 2002). With the challenges at stake, where overcoming them will require joint efforts and with the speed of change in today's world, the outcomes could be more focused, for example *Adaptable: Collaborative: Resilient*.

5. Proposed Priorities

The Consultation Document identifies priorities on pages 13 and 14, which are grouped under five categories and which are stated as areas that have the '*potential to make the biggest difference to our infrastructure system*'.

The priorities focus on the following:

1. Institutional and governance reform
2. Getting the price right
3. Supporting housing supply
4. Supporting a zero-carbon economy and preparing for climate change
5. A digital future.

The priorities are not included in the discussion questions in the consultation document, but they are worthy of comment. There is some alignment between these priorities and those identified by the public in response to the Commission's 'Our Aotearoa 2050' survey but there may be a need for more cohesive alignment between these and local government priorities.

5.1 Institutional and governance reform

The LGNZ submission provides extensive commentary on this area, noting the lack of alignment across the local government reforms and the need for infrastructure to be a policy priority in the resource management reform work. LGNZ also notes the lack of an overarching vision with the need for a framework to '*cover institutional settings and structures and to guide the allocation of roles and responsibilities for the provision of public services and suitably enabled funding mechanisms*'. LGNZ does not support the review of the Future of Local Government

being used to look at the hard questions on how to best manage functions related to infrastructure.

NCC believes it would be better to develop a national vision for New Zealand rather than a 2050 vision being developed solely through one strategy. This could identify national objectives to inform integrated policies, strategies, and legislative change to support the vision. This would also assist with identifying the institutional and governance structures required to support the vision.

Whilst proposed regional spatial strategies can provide more context to assist councils to develop their Long Term Plans, a national context would also be helpful. The key document at central government level appears to be the Budget which drives work programmes rather than an agreed vision and goals, noting that the Ministry of Environment Panel responsible for reviewing the RMA also found a need for national direction.

A significant local government reform programme is underway. This will inevitably mean that over the next 5 to 10 years considerable effort and cost will be prioritised to achieve that change. An inward and short-term focus is likely rather than addressing resilience to climate change events, housing supply and transport issues. A more future focused strategy may be best developed once there is more certainty around roles, responsibilities, and funding.

5.2 Getting the price right

NCC understand that pricing (for road use, parking charges, water metering, waste disposal and for carbon emissions) provides a tool to change behaviours, address emissions and increase funding. However, the priorities need to have a more urgent focus on the recommendations from the Productivity Commission's report and the recommendations and funding initiatives set out in LGNZ's submission. These identify a need for more central government funding to support transport, housing, infrastructure developments and climate change adaptation.

5.3 Supporting Housing supply

The proposals to address housing supply through more consistent planning rules, regional spatial plans and combining regional and district plans are already being addressed through the reforms. The suggestion of creating targets for new housing development opportunities in cities and setting housing requirements through national direction (as per the UK approach) requires further discussion. As seen with the Kiwibuild programme, targets can be problematic. Consideration needs to be given to all mechanisms to address housing supply, with both central and local government working together on solutions.

5.4 Supporting a zero-carbon economy and preparing for climate change

The proposals on moving to a zero-carbon economy and preparing for climate change, whilst supported, do not address the need for funding and commencing climate change adaptation. NCC supports the work of He Pou a Rangi - the Climate Change Commission and Manatū Mō Te Taiao - the Ministry for the Environment in leading a national response to climate change.

5.5 A Digital future

NCC agrees that there is a need for better data collection and open data for the infrastructure sector. However, there is a need to look to the future and the changes which may arise from an ageing population and from a younger generation who may live and work differently. Remote working, flexible working and travel for leisure rather than work may become more of the norm for all ages, and there will be changes with future forms of transport of goods, services and people through technology (e.g. motorised scooters, drones, jetpacks, use of airspace). It is noted though that the strategy intends to have a primary focus on one decade at a time.

Taituarā's submission

6. Taituarā's identifies the issues below as 'time critical' (p8 of their submission):

- Addressing the current skills shortages in construction and asset management
- The rising costs of construction and infrastructure for local government
- The need for spatial planning (incorporating social planning)
- The need for a secure and resilient telecommunications network and cybersecurity infrastructure
- The lack of *shared* data and knowledge on assets (the Three Waters Request for Information process was the first initiative in this space)
- The need for transition plans for pricing to get underway (for road use, wastewater etc.)
- The need for more transport corridor protection.

NCC believes local government funding and financing, and transport funding, not just pricing is also critical although understands the need to change behaviours and change the way existing infrastructure is used before any new builds are undertaken. NCC also supports the recommendations and comments on the need for funding for climate change adaptation, housing related infrastructure, public transport, and Three Waters and for more investment in stormwater management. NCC provides some further comments on Taituarā's submission below.

6.1 Transport

NCC supports the recommendations that the proposed Climate Change Adaptation Act provide for the development of a set of long-term carbon abatement values based on forecast carbon prices, and for a framework to assess climate change impacts as part of business case analysis, as

this will assist with gaining consistency when preparing business cases and funding bids when competing for limited funds.

Taituarā's recommends amending the Land Transport Management Act as soon as practical to empower road tolling on any road. NCC believes this should be limited to the One Network Framework rather than any road. This ensures tolling is appropriate for the form and function of any given road.

NCC supports the recommendations for transitions plans to consider alternative routes and equity of access for the transport disadvantaged to avoid any adverse or unintended consequences from tolling. NCC supports in principle the submission submitted by Taituarā's Transport Special Interest Group (TSIG). TSIG acknowledges the contribution made by transport to emissions and the need for mitigation and adaptation through business plans, enabling active modes of transport, and ensuring non-built transport solutions are considered first. TSIG supports the need for the local government reforms, the need to identify critical national infrastructure and to improve information on infrastructure capacity and costs to service growth, the need to protect corridors and for multimodal corridors and multimodal freight, and the need for pricing and road tolling.

6.2 Crown exemptions

The Productivity Commission's Report recommended the Crown should be paying for council services in relation to its properties. Taituarā also recommends that the rating and development contributions exemptions for Crown land be removed. NCC supports these recommendations as this could assist with more equitable funding.

6.3 Special Interest Group

NCC supports in principle the feedback from Taituarā's River Managers Special Interest Group which is attached. The River Managers SIG notes the significant gap between infrastructure needs and affordability and agrees that it's not just a case of building more.

NCC agrees that flood protection responsibilities deserve to be more clearly recognised and referenced in the Strategy. Improvement of flood protection infrastructure is a critical first action in adaptation to the impacts of climate change. NCC notes the need for future focused solutions for river management and the importance of river management remaining part of the integrated catchment management approach applied by regional councils.

NCC also notes the need for Crown contributions for protection of crown assets from flooding and to see this challenge identified and a pathway for resolution addressed in the Commission's 30-year Strategy.

Thank you for the opportunity to submit.

TAITUARĀ'S RIVER MANAGERS SPECIAL INTEREST GROUP COMMENTS FOR INCLUSION IN SUBMISSIONS

We support the vision, outcomes, and principles outlined in the Consultation Document ('efficient, equitable and affordable' and future focused, transparent, option focused, integrated and evidence based).

BURNING PLATFORM

There is a burning platform. There is a significant gap between the infrastructure we need and what we can afford. We agree that it's not just a case of building more.

FLOOD PROTECTION INFRASTRUCTURE DESERVES TO BE MORE CLEARLY REFERENCED

The flood protection work carried out by regional councils is primarily designed to contribute to the first of the Strategy's action areas – 'building resilience to stresses and shocks.' These flood protection responsibilities deserve to be more clearly referenced in the Strategy.

FLOOD PROTECTION INFRASTRUCTURE HAS PERFORMED WELL

Research on the effectiveness of New Zealand's existing flood protection schemes is telling. It demonstrates that whilst schemes cannot completely contain major flood events from impacting our communities, to date they have provided safety and security from the full force of such events.

We know that around 1.5 million hectares of our most productive and intensely used land, and over 100 towns and cities around the country are protected. Schemes also provide value of around five times the amount of their capital worth.

CLIMATE CHANGE HAS INCREASED THE SIZE OF THE CHALLENGE FACED BY RIVER MANAGERS

New Zealand's weather-related risk profile is rapidly changing. Climate change will inevitably make Ashburton-type events more frequent and potentially bigger in magnitude. Loss of life is a real possibility.

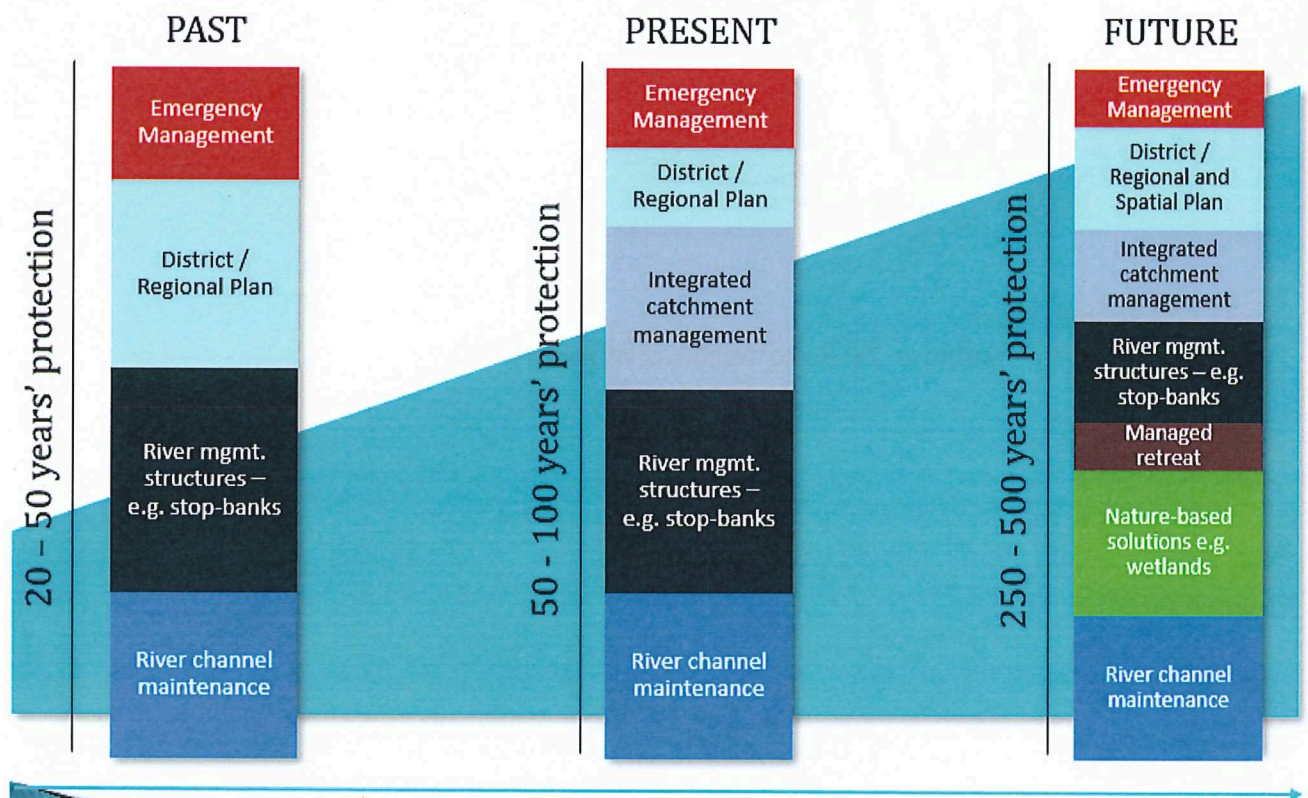
Our regional leaders are facing up to this inevitable challenge head-on. Improvement of flood protection infrastructure is a critical first action in adaptation to the impacts of climate change. The objective is to achieve a more resilient New Zealand. They are currently jointly investing \$175m into flood protection per annum and intend to incrementally increase the size of this investment.

CROWN CONTRIBUTIONS

For the past three decades, Crown and related assets have received flood protection at a cost to regional and targeted local ratepayers, with little contribution from the Crown. These protected Crown assets include rail and road infrastructure, some airports, education facilities, Crown land and health facilities, and more broadly, the efficient functioning of the economy and communities. We would like to see this challenge identified and a pathway for resolution addressed in the Commission's 30-year Strategy.

FUTURE FOCUSED FLOOD PROTECTION

'Fit-for-the-future' solutions are required that consider important ecological, environmental, whole-of-catchment and iwi considerations, alongside community protection needs, spatial planning and community preparedness. However, the backbone of community resilience will always be the construction of robust flood protection schemes. We would welcome inclusion in the Strategy of a better recognition of the evolution of river management approaches over the last fifty years as per figure one:



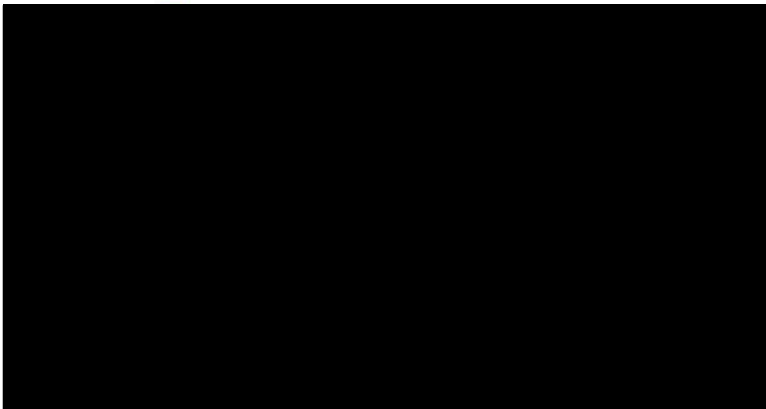
INTEGRATED CATCHMENT MANAGEMENT

We note your call for further options to improve New Zealand's governance of infrastructure. We urge that you recognise the vital importance of river management remaining part of the integrated catchment management approach applied by regional councils.

SPATIAL PLANNING

We support Government's intent to prepare regional strategic spatial plans. We view these instruments as an important means to assist communities to adapt and build resilience to climate change by locating vital assets outside the zone of potential impact, making better provision for the management of flood events and by establishing land use patterns that provide for moderated / slowed flood-water run-off patterns.

Ngā mihi



Mayor of Nelson: Te Koromatua o Whakatū