

2 July 2021

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

Dear Sir

He Tūāpapa ki te Ora - Infrastructure for a Better Future

Background

Tasman District Council (the Council) is a unitary authority near the top of the South Island serving 56,000 people in a mix of urban and rural communities. Our district's economy and population are growing rapidly.

The Council maintains and develops an extensive roading system, community water supplies, wastewater treatment plants and sewerage network, stormwater and flood protection works, facilities to manage solid waste, a network of climate stations, navigational aids, coastal structures, libraries, community halls, camping grounds, public toilets, sports grounds, and a diverse range of reserves and open spaces.

The Tasman District Council, via a council controlled organisation, is also currently constructing a 53m high, 13,000,000 m³ water augmentation dam, known as the Waimea Community Dam – the largest dam constructed in New Zealand since the 1990s. It is a significant infrastructure build for a community of 26,000 ratepayers and while there have been funding challenges, it is now over 50% constructed and good progress is being made.

Overall

1. The consultation document adequately summarises most of the key issues facing infrastructure management in New Zealand, and most of the proposed actions are laudable.
2. We support the submissions made by Local Government New Zealand and Taituarā, and have focused our submission on just a few key points, discussed below.
3. We are happy to meet with representatives of the Commission should you wish to discuss any matters with us.

Partnership and valuing local institutions

4. We have some concerns at the strong theme of centralisation that runs through the document. There is a lack of recognition that many of New Zealand's larger

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centralised institutions have significantly less maturity in asset management than local authorities.

5. Your assessment also does not acknowledge that many assets and asset changes need to be managed and delivered locally, and that sometimes require informed values judgements to prioritise. Not all infrastructure can or should be prioritised at a national scale, or use complex and time-consuming assessment, planning, or prioritisation systems designed for very large-scale infrastructure projects. Local connections, knowledge, Iwi, and democracy must still play a critical role if New Zealand's Infrastructure is to be agile and managed and developed efficiently.
6. The choice that New Zealand faces is whether infrastructure is best delivered publicly through either central or local government (even if through State-Owned Enterprises, Crown Entities, or Council Controlled Organisations), or whether, like with telecommunication services, infrastructure delivery is privatised.
7. While moves are afoot to reform the delivery of 3 waters, local government continues to provide much-needed community infrastructure in response to community expectation and to avoid public health and environmental problems. It is not just a matter of planning, designing, funding, and constructing new infrastructure. Considerable effort and expense go into operating, maintaining and replacing community infrastructure.
8. Affordability is a constant challenge and, given the geographically dispersed nature of our settlements, not all communities can expect to receive the same level of service in relation to all activities, all the time. Even the state highway system, currently controlled nationally through Waka Kotahi / NZTA, does not deliver the same standard of roading across the country.
9. We agree there is a significant gap between the infrastructure that New Zealand needs and what we can afford. Like any budget manager, we must live within our means but look for creative ways to meet increasing cost pressures. Construction of the Waimea Community Dam could not have happened without financial and other assistance from the Government. For major infrastructure projects, such partnerships including with the private sector, will be essential to assist in spreading the costs, sharing the risks, and improving affordability.
10. If establishing partnerships, and work to agreed growth plans as envisaged under the proposed Strategic Planning Act, is what is meant by integrating infrastructure provision, then we can agree. If, however integrating the institutions structurally is what you mean, then we are yet to be convinced that centralisation, or even regionalisation, is always the best model. The state of school buildings and hospitals is no testimony to the advantages of centralised delivery and the conditions assessments and activity management plans of many local authorities would constitute best practice for good asset management.

11. In this regard, we ask the Commission to see local government as key enablers of your vision - and treat us as equal partners in implementing infrastructure management improvements that will help us collectively meet the many and varied challenges facing Aotearoa New Zealand. Local government still has a major and key role to play.
12. If not, there seems to be little future for local government to be anything more than an advocate for local interests, public service regulator, with some residual community infrastructure functions that no one else wants to take over.
13. As a final thought, the government needs to consider bringing back a centralised delivery entity, such as it had with the Ministry of Works and Development, to coordinate and manage the delivery of major public works in partnership with asset management entities.

Prioritisation and resourcing

14. The scale of changes proposed is enormous and will require substantial investment and resourcing by our nation's infrastructure managers. We are acutely aware of the skills shortage we are facing and the pressure this is already placing on our workforce, many of whom are at or approaching retirement age, and the associated risk of burn out.
15. The Commission's analysis does not acknowledge these constraints, let alone suggest actions for addressing them.
16. To help manage these challenges, we must prioritise the initiatives proposed in your strategy over the short, medium, and long term - and start taking action to lift sector capability and capacity. We also suggest that the Commission take a lead in understanding the sector's human resource needs at all levels now and in the future (especially considering the government's three water reforms), as well as monitoring and investing in training.

Improving asset information and using this to inform good investment decisions

17. One of the key themes running through the document is the need to improve our asset information and how we use this information to understand and manage our assets better. Council agrees with most of the proposals proposed but notes that this information must actually inform decisions to be useful. This is critical if we are to meet the challenges of maintaining what we already have, while investing in the changes needed to meet the challenges of climate change and growth.
18. Our experience with transport funding limits set by the Minister of Transport, and subsequent funding decisions by Waka Kotahi, does not give us confidence that this will be the case. This partially underpins our concerns about increasing centralisation and prioritisation.
19. Information management and a business case approach to investment for roading is quite mature in Aotearoa / New Zealand because of centrally driven

information requirements and standardisation. However, it appears this information does not inform decisions about how much funding is needed to maintain and develop Aotearoa New Zealand's roading network. Indeed, as part of the 2021-24 national land transport plan (NLTP) funding round, we submitted compelling evidence, underpinned by good asset condition information and deterioration modelling, about the lowest long run cost renewal programme needed to maintain our current network. Despite being an optimised programme, it was materially unfunded by Waka Kotahi. The defence provided to date can be summed up as "we didn't cut your renewal funding compared to last year".

20. This does not inspire confidence that valuable information will always lead to sound investment decisions, at least while centrally driven funding allocations are still political decisions or politically influenced.
21. In response, we recommend that additional actions should be included to reinforce funders and decision maker's duties. In particular - to have regard to the conditions of assets they fund, how the condition of those assets is expected to deteriorate over time, and their responsibility to sustainably manage those assets for the people of today - and for future generations. In many cases, this principle may need to be enshrined in law.
22. In the case of the transport sector, we also recommend that a first-principles review be undertaken of:
 - The sector's long-term funding needs to maintain and develop our transport system, much like government has with the three waters sector.
 - How the sector is funded, particularly considering the challenges to current funding sources that is presented by proposed climate change mitigation. The proposed road tolling and congestion charges should be cognisant of this wider review.

New funding tools

23. Issue with willingness to pay for infrastructure is nothing new. People take for granted they can flush the toilet, drive safely on a road, kick a ball on a playground. We agree that new funding tools can be of benefit but they often just redistribute the incidence of who pays.
24. Development contributions have been an effective way for growth to pay for its share of development. However, the process to establish Development Contributions Policies is very demanding, requires significant rigour and is subject to public consultation.
25. Being able to rate marine activities that occupy sea space could be a good means of getting funds to pay for boat ramps and wharves and maintaining navigation aids.
26. We support water metering and most of our urban community supplies have been metered since the mid-1990s. Smart metering however is not cheap and

bulk purchasing could keep minimum purchase price to a minimum. Could the Infrastructure Commission play a role in bulk purchase arrangements similar to the role Pharmac plays with pharmaceuticals?

27. Council supports the expansion of road pricing in principle, but suggests it be considered as part of a wider review of transport funding in New Zealand.
28. We also consider that demand management tools can also be complimented by a wider range of supply management tools.
29. Both Nelson City Council and Tasman District Council are considering, together with Waka Kotahi, how we evolve our transport networks to meet the challenges of today and tomorrow. One of the options being considered is prioritising road space for freight and public transport at peak times. For example, be providing freight¹ and public transport only lanes approaching key interactions (jump lanes).
30. This enables high value movements to be prioritised, and for freight, would result in similar outcomes to road pricing – i.e. freight moves more freely. In the short term at least, this mitigates the need to provide additional road capacity to ensure efficient freight movements, which would otherwise induce more demand running contrary to the government’s other transport related goals.

Lead infrastructure

31. We strongly support reforming the way corridors and land can be protected and acquired through designations and the Public Works Act.
32. As identified in the report, the default period and level of detail required for designation is fundamentally flawed. It requires a great deal of detail, down to design level for many designations and the default 5 year designation period does not support long term strategic planning and protection of key corridors.
33. The current system is inconsistent with the business case framework which establishes a strategic case with a long horizon, and then a more detailed business case later to identify preferred solutions and designs later. We are wasting a lot of time, money and resources designing for use of land and corridors for designations and land purchases, and then redesigning again later when capital works start.
34. Moreover, when entities move to acquire land covered by designations using their compulsory acquisition powers, they cannot rely on the designation, instead having to complete a duplicate needs and options assessment process under the Public Works Act. That these two acts do not talk to each other is absurd and should be remedied.

¹ In Nelson and Tasman, we have no alternative to road transport for freight as we have no rail network to transport goods.

35. As noted in LGNZ's submission, councils may act to minimise risk and cost when providing lead infrastructure by taking an incremental approach to development infrastructure. The difficulty of acquiring land (fee simple or easements) to provide truly lead infrastructure into new development areas where land is owned by multiple separate parties, reinforces this behaviour. This comes at the cost of providing more land for development more quickly and diminishes competition.
36. We also note that the government has not signalled that growth infrastructure is important in its Government Policy Statement on Transport, or the funding allocations within this. Nor does Waka Kotahi consider itself legally or morally bound by the National Policy Statement on Urban Development.
37. This is reflected in funding allocations to support growth related changes to our network, and Waka Kotahi's management of the state highway network. Both at institution wide policy and planning level, and at a micro decision-making level - NZTA still appears more concerned about constraining the impact on its network from developments and growth than housing affordability. It could instead be more proactive in addressing those impacts, or it needs to start accepting those impacts if it does not intend to address them via investment.

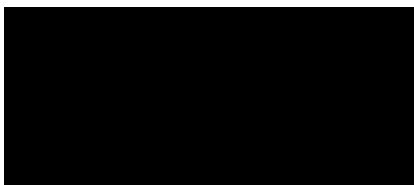
Technology

38. We agree that technological change in the next 30 years is going to change the way infrastructure is delivered and managed. We would support the Commission and ensuring fair and equitable access to new technologies that will enable infrastructure providers to better serve the needs of their communities.

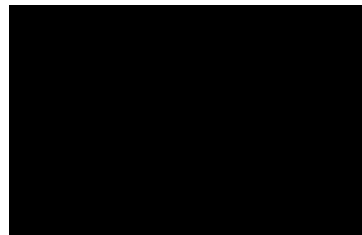
Cost estimating

39. Getting the price right is a commendable ideal. There have been many recent examples including our own Waimea Community Dam, the Transmission Gully roading project, cycleway development in Christchurch, water projects in Hastings, where construction projects have significantly exceeded budget. The Commission could well do with examining how infrastructure projects can be better priced to start with and help lift sector capability in this area.

Yours sincerely



Mayor, Tasman District Council



Engineering Services Manager