

Universities New Zealand Submission on the Aotearoa New Zealand Infrastructure Strategy Consultation Document

Introduction

This submission is from Universities New Zealand, the operating name of the New Zealand Vice-Chancellors' Committee, as the peak body for New Zealand's eight universities. Universities New Zealand is a statutory body established under the Education and Training Act 2020 to exercise functions such as determining what university qualifications can be offered and making recommendations on criteria for entrance to universities.

This submission supplements those submitted by individual universities.

For further information, please contact [REDACTED], Universities New Zealand—Te Pōkai Tara ([REDACTED]).

Substantive Comments

We are supportive of the overall vision of the proposed Infrastructure Strategy. However, there are several areas of concern which are outlined below.

Decision-making and centralisation

We support the decision-making principles selected but there should also be consideration of the following factors:

- **Speed:** Decision-making on infrastructure projects is often too slow, leading to cost escalation and potential missed opportunities. The Infrastructure Strategy and its principles should balance need for careful consideration with timeliness and practicality. In saying that, time and effort should be clearly linked to risk and impact on people.
- **Local needs:** While it is desirable for decisions to be made in an “integrated” fashion, infrastructure decisions should be guided and informed by the sector, as the sector has relevant knowledge, expertise and understanding of specific business needs and the local context.
- **Overarching future-focussed strategy:** The focus in the current vision is on current and legacy issues. There should be more of an overarching strategy based around a vision of a future state.

We do not believe that centralised planning, project delivery or other functions (e.g., asset management) would necessarily be more effective and there may be other ways to improve coordination and integration without resorting to centralisation. However, we do support the development and adoption of common guidelines and frameworks that enable good decisions, as well as investment to build the maturity of expertise such as asset management as a profession across New Zealand.

Existing infrastructure

The report does not focus on the challenges and needs of existing infrastructure, which we see as a significant omission.

Universities have a lot of legacy and aging infrastructure, particularly buildings that are past or approaching the end of their economic life. More emphasis and funding should be given to bring older, existing infrastructure up to contemporary standards and allowing universities to effectively utilise space within these buildings.

Specific issues and challenges associated with aging infrastructure include:

- **Addressing maintenance backlogs** – deferred maintenance is significant and should be a focus of stimulus spending. Maintenance work allows funding to flow more quickly into the economy and to a broader range of enterprises, while delivering major benefits to the public sector.
- **Compliance costs and regulation** – including seismic and building consents, resource consents, and regulations that limit renovation, refurbishment, or alteration to existing infrastructure (e.g., Building Act 2004 or Heritage New Zealand Pouhere Taonga Act 2014). This includes barriers to technology adoption that prevent university buildings from being properly equipped for research purposes.
- **Funding to bring legacy buildings up to modern standards** – for example, historical use of hazardous building products limit use and/or require significant remediation to bring up to standard. Aging infrastructure will also require significant funding to upgrade to renewable or low carbon solutions.

Funding and rating

Existing infrastructure funding and financing arrangements are not suitable. There is a major gap between funding and capital requirements across the university sector, and many urgent priority projects are delayed due to funding constraints.

We strongly disagree with the proposal for rates to be paid on Crown land. This is because:

- Rates would result in a significant change to the financial position of universities and would divert operational expenditure away from universities and to local authorities. This would not help the sector's existing ongoing infrastructure challenges and further compound deferred maintenance backlogs.
- Payment of rates would require additional funding to be provided to universities, either through central government or student fees. The former option would be very inefficient given that the central government already funds local authorities directly.
- Large scale entities already pay development contributions where they increase the burden on infrastructure and pay for the utilities and waste management/recycling services used, receiving little in the way of actual services from local authorities.

Congestion pricing

Congestion pricing only works when alternative, affordable and reliable transport options exist, including accessible and effective public transport networks. However, many university campuses are in areas that are poorly served by public transport and congestion pricing will unfairly penalise people living in these areas.

We do not support use of congestion pricing without suitable alternative transport options made available, particularly public transport.