

1 July 2021

NZ Infrastructure Commission
Te Waihanga

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Re: University of Auckland Submission for He Tūāpapa ki te Ora | Infrastructure for a Better Future

Introduction

The University of Auckland (Waipapa Taumata Rau) supports the adoption of an infrastructure strategy for all of New Zealand that improves the wellbeing of all New Zealanders.

The University plays a significant role in improving the knowledge and wellbeing of not only Aucklanders but all New Zealanders and with a roll of over 43,000 students and nearly 6,000 equivalent full time staff is a major Auckland employer and tertiary education provider. In addition it provides employment opportunities through its service providers for many more Aucklanders. In 2020 its revenue exceeded \$1.1 million and it contributed around \$6 billion to the Auckland and New Zealand economy.

The University's staff, service providers and students are spread widely throughout the Auckland area and many need to travel large distances to the University's main campuses located in central Auckland. Easily accessible, frequent, safe and reasonably priced transport connecting all urban and suburban areas with the City Centre is critical, particularly for students coming from areas such as south and west Auckland.

The University plays a pivotal role in enhancing the central city as an inviting, multi-cultural and vibrant place to be and works closely with Auckland Council to improve the City's environs. The campuses of the University of Auckland are open to the public and the University engages in programmes for external engagement and for public-good as well as hosting many events throughout the year.

Over the past eighteen years the University has undertaken a significant building programme including major new buildings and renovations and has been a country-wide leader in the successful construction of some of the country's largest and most complex buildings.

This programme to create fit for purpose buildings able to meet today's and future teaching, learning and research needs has also included progressive building upgrades to meet new requirements around seismic, asbestos and fire upgrades. More recently its building projects have faced significant delays through the resource and building consent stages, impacting both cost and programmes, as well as increased costs and time incurred through transport issues.

The University has historically engaged in sustainability improvements and is immensely proud of its leadership role in promoting the Sustainable Development Goals nationally and internationally over the last three years. Our new University Strategy to 2030, Taumata Teitei, has targeted achieving net-zero carbon, and our Estate Strategy has proposed that we will aim to be net-zero carbon across our Estate related activities and property by 2030. In 2019 and 2020 the University was ranked first in the Time Higher Education Impact Rankings globally and in 2021 was ranked ninth. Over the past forty years it has significantly reduced its water and energy usage and continues to do so.

With revenue around 40% sourced from Government funding, caps on student fees and very limited public and private research funding, the University relies primarily on internal funding from depreciation and modest annual surpluses to finance its construction and maintenance activities. The reduction in international students for an indefinite period through the border restrictions relating to the Covid-19 pandemic coupled with ongoing significant across the board construction cost increases has an adverse financial impact on University finances. Accordingly it would be concerned about any changes in infrastructure funding which would increase its costs.

Auckland's challenging transport situation creates big problems for many aspiring and enrolled students to attend our campuses which hampers the University's efforts to increase its intake of Maori and Pacifica students. This runs counter to Treaty and other equity obligations.

A Central Aotearoa New Zealand Infrastructure Strategy

The University of Auckland supports a New Zealand wide infrastructure strategy focusing on forward looking strategies and reducing the lack of commonality and consistency across the multiple agencies and organisations involved in planning, building and operating infrastructure. As a mainly publicly funded and not for profit organisation the University is one of Auckland's largest property owners owning or leasing in excess of 200 buildings with a total GFA under its control in excess of 700,000m². The decades long "stop/go" central government policies adversely impacting the construction sector has resulted in high construction costs, lack of skills across the sector and an unacceptably low level of productivity.

The infrastructure issues discussed in the Infrastructure Commission's consultation document which most impact the University of Auckland include transport, regulation such as consents and development contributions, shared facilities, construction procurement, and rates. These are discussed in the following sections.

Transport

Our central city campuses, being Symonds Street, Grafton (Park Road) and Newmarket (Park Road/Khyber Pass) house the greatest number of our staff and students. Our Faculty of Education and Social Work at Epsom will be relocating to the City Campus in 2024 following a major strengthening and refurbishing of existing city campus buildings, already underway and facilitated by a \$200 million "Shovel Ready" Government loan.

Many students from South Auckland attend the University. Although we have a small Gateway Campus at Manukau, primarily for startup courses for new undergraduates, the majority of those students attend one of the City campuses, and the high cost and low availability of public transport is a major disincentive and barrier to increasing in particular the Maori and Pacifica student cohort.

Poor availability and high cost of public transport, lack of sufficient and good all weather cycling facilities and gridlocked roads have a negative impact on the employment of potential staff and recruitment of students who, if they do not live close to the University or secure accommodation in one of our many student halls, often choose to either study elsewhere or not to take up tertiary studies. The University provides a little over 4,100 beds in its Halls and residences, slightly less than 10% of its student cohort.

Transport issues impact almost all sectors of our modern economy. In the University's case Auckland's poor transport infrastructure affects not only staff and students but also our many service providers, maintenance workers and construction projects. This adds an increasingly heavy financial burden as well as programme delays.

The strategy for Auckland's transport infrastructure lies with the government agency New Zealand Transport Authority - Waka Kotahi - and Auckland Transport, part of Auckland City. The University of Auckland enjoys good relationships with Auckland Transport, particularly in respect of bus services, many of which draw their custom from our staff and students. However the transport system as a whole would benefit from a long term national infrastructure strategy applying across all regional authorities. It is also clear from the consultation undertaken with our staff and students on the new University Strategy that safe bike corridors to and from the University are a strongly desired feature of any transport planning.

Any reduction in the serious Auckland traffic gridlock would decrease costs and speed up provision of services and construction activities. The introduction of congestion pricing in Auckland is supported dependent on better availability and pricing for public transport (and safe cycleways), particularly for lower socio economic areas such as south and west Auckland, failing which those less able to pay such as many of our staff and students will be penalised, and the efforts to increase tertiary education to the wider community stymied.

Regulatory

We note that the RMA resource management systems are being reformed and would like to see simplification of the Auckland Council's plans and adherence to a national policy statement. Likewise there should be a single development contributions policy which is able to be well understood and very transparent.

Long delays and differing interpretations around building consent requirements add significant time and cost to most construction projects, particular those that are large, complex and of a highly technical nature, such as complex science, engineering, medical laboratory, research, and hospital buildings. It is not easy for Council to engage the sufficiently high level technical expertise required to understand design details for such highly complex projects.

The University has significant in house senior technical construction expertise and engages with New Zealand's leading consultancy practices across the full range of design disciplines. Its history of completion of over \$1.5 billion worth of complex building projects ranging from minor capital works to major complexes over \$200 million during the last fifteen years within budget and meeting project timelines is testament to its ability to properly design and manage complex vertical construction projects to a high standard.

The University advocates for a national self-certification system for large, not for profit organisations with proven continuing expertise in the design and construction of major complex vertical buildings using appropriately approved design consultants and peer reviewers.

Rates

The imposition of rating tertiary providers where they are not funded for this is strongly opposed. The University appreciates the impact on the City of non-recovery of rates on tertiary occupied land, particularly where such occupation results in additional City infrastructure costs. The City and Council indirectly benefits from the infrastructure provided by the University which

augments the City's facilities. In the main the University has had to itself upgrade city infrastructure where required for new developments and also makes its lands and buildings generally open to the public. An example of this are the Old Government House grounds which the University maintains at a large cost and which are enjoyed 24/7 by all citizens. As are the other buildings and grounds on all its campuses.

Imposition of a rating regime on University owned land where there is a strong public benefit and an ongoing maintenance and depreciation cost to the University without any revenue recovery is unacceptable.

Shared Facilities

The University of Auckland has been proactively moving towards better use of its assets, and reducing its land holdings through the sale of its landholdings at Tamaki and concentrating activities where practicable on its three city campuses – Newmarket, Grafton and City. A decision will be made by its Council as to the future of its Epsom Campus once the Faculty of Education and Social Welfare has relocated to the City Campus in 2024. Opportunities for space rationalisation are encouraged but not easy to achieve given the nature of the competing space uses and demands. We note the recent ministerial statement encouraging co-location of CRI's with Universities and welcome this and opportunities to leverage the research capabilities of the University with practical applications, external research agencies, and related translational applications.

The University has a strong record for working in partnership and has for many years leased large amounts of space at Auckland Hospital, recently released back to the ADHB due to their own space needs. Its Auckland Bioengineering Institute provides some space to small start-up companies spawned out of the ABI and is currently pursuing a strategy of a Medtech Innovation Quarter ("Medtech IQ") to encourage internal and external research organisations to share a centralised built environment.

Construction Procurement

As mentioned earlier the University of Auckland has had outstanding success in its large programme of complex construction projects, especially during recent years when the Auckland construction market has been extremely over heated. This has been achieved through the use of highly experienced internal and external staff, using the best of New Zealand's consulting and construction resource and combining these into highly efficient and effective teams with a total focus on "best for project". Through its strong project management skills and use of top quality cost managers and estimators, the University has achieved competitive rates and prices during a period when some major government led projects have performed poorly.

The University acknowledges that many of the government procurement policies are sound but opposes having a central procurement agency dictating procurement and delivery processes on University projects. It has been a leader in the University sector of applying Treasury "Better Business Case" principles to all its major projects for nearly two decades and applies recent MBIE procurement principles where relevant. The University acknowledges the skills gap within the construction industry including strong industry management capability and acknowledges the urgent need for upskilling across the board. However the introduction of overly prescriptive central government procurement rules and centralising procurement,

particularly where organisations have a significant long standing record of successful construction projects, is opposed.

The University looks forward to productivity improvements to the sector arising out of the partnership between the Government and the construction industry through the Construction Accord.

Sustainability

The University is committed to living sustainably and making a significant contribution to the New Zealand sustainability agenda. We are targeting achieving net-zero carbon across our built estate by 2030 and will be writing a new overarching Sustainability Strategy for the University during 2021. Since 1979 the University has measured carbon emissions from energy used within its buildings, energy and water consumption and has undertaken water and energy reduction programmes which continue to this day. Measurement of solid waste to landfill started in 2008. All have been reduced over the period, however the University with over 200 owned and several leased buildings remains very dependent on stable energy and water supplies and recent electricity cost increases go straight to the bottom line. With the phasing out of gas and other non-renewable energy sources there is a serious concern around the availability of electricity supplies. Continuing Auckland water supply shortages creates an ongoing risk to its operations and the proposed governance and regulatory reforms are supported.

Thank you for the opportunity to contribute to developing a 30-year Infrastructure Strategy for a better future for Aotearoa New Zealand's Infrastructure.

Yours sincerely

