2020 Regional Consultation Report

Author: David Broome, Special Advisor, Regional Projects
Reviewed by: Peter Murray, General Manager, Major Projects and Advisory

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"Our community has lost the wonder of infrastructure and if you go back to the 1930s and earlier, we knew that we were investing in the wellbeing of our communities, but that magic has been lost, particularly when it comes to renewals. One of our great challenges is how do we get people to believe that their lifegiving sustaining infrastructure is utterly foundational for everything we want to achieve as a nation."

Quote from a Council Chief Executive Officer (August 2020)

Disclaimer

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Executive Summary

Introduction

In early 2020, the then Minister for Infrastructure instructed Te Waihanga to undertake a comprehensive consultation exercise with regional, district and city councils. The brief for this engagement included:

- Raise awareness in the regions of Te Waihanga and our purpose
- Encourage councils to contribute projects to the Infrastructure Pipeline tool
- Provide a forum for councils to raise, openly and anonymously, key issues at local, regional and national level that affect them and their infrastructure plans and priorities.
- Discuss how Te Waihanga may be able to support councils either at a project, strategy or policy level within the parameters of Te Waihanga's mandate
- Summarise these findings with associated recommendations to influence the development of Te Waihanga's 30 year Strategy for infrastructure in New Zealand

Consultation took place between 15 June 2020 and 19 August 2020 involving 61 meetings within a sector comprising 78 local, regional and unitary councils. 52 meetings were in person with nine by video conference following the change to Alert Level 2. These meetings ran for just under 103 hours involving:

- Regional Councils: 6 of 11
- City Councils met: 5 of 12
- District Councils: 50 of 54

Summary Findings

1. **Awareness of Te Waihanga:** Low sector awareness and active engagement with New Zealand Infrastructure Commission, Te Waihanga, may come from the sector seeing what the Commission may achieve during a period of uncertainty. This is due to Covid but also to three-waters reforms. Meetings reflected an underlying concern that 'Wellington' neither understood local government nor trusted it.

2. **Pipeline contribution:** One outcome of this consultation was to encourage at least 10-councils to contribute to the pipeline, however only one major council has joined. This limited uptake is due primarily to timing; this engagement falls in a Long Term Plan (LTP) preliminary year for councils so the data exists but it is still being

assembled. There is also a demand on councils' time as a result of similar data requests from multiple agencies at present.

3. **Ongoing Te Waihanga support:** To support councils, a majority who answered this question requested a relationship-led advisor. Given how uncertain three-waters reform is and the effect upon the sector, this role should be for a fixed-term and should focus on council infrastructure delivery.

4. **Existential concerns:** The funding, and future viability, of local government is an issue. A number of councils, from the smallest to some of the largest, felt that divestment of water assets would either render them unviable or force amalgamation of councils or assets. Te Waihanga may seek to arrive at a view on wider local government reform given the risk of disruption to local community infrastructure delivery.

5. **Funding constraints:** A range of councils were embarking upon innovative approaches including long-term investment funds to ultra-long-term planning. Others were actively looking to build what their communities needed rather than focussing on a renewal strategy. The takeaway is that local government today seems to have been transformed from where it was 10 or 15 years ago. The lack of funding tools combined a with heavy investment forecast, has approached against debt caps. Given the ongoing risk of natural disaster and an inevitable change in current interest cycles, this could create future affordability issues.

6. **Funding opportunities:** An alternative approach advocated for by many councils is a Waka Kotahi NZ Transport Agency-like Funding Assistance Rate (FAR) to support non-road but predominately three-waters infrastructure. Waka Kotahi funding is hypothecated from the fuel excise and road user charges so any move in this direction would need a functional ministry or agency. That said, it would create financial levers to enforce common asset management systems and metadata, something that is missing right now.

7. **Resource Management Act (RMA):** Reform of RMA the was a priority as it is seen as 'unwieldy' in the words of one officer. It was is also tripping up infrastructure delivery and makes spatial planning difficult, with a knock-on effect to the contracting market affecting its ability to resource.

8. **Other matters:** As other matters came up during consultation that impact infrastructure delivery these are included for consideration, including what could be considered sleeper issues that range from road stopping powers and the Reserves

Act, to earthquake prone buildings. Another major issue relates to Waka Kotahi road maintenance funding and the timing of National Land Transport Fund (NLTF) decisions to inform LTPs ahead of public consultation. One Mayor observing that Te Waihanga would prove its worth to the sector if the latter was attained.

Summary Recommendations

1. **Ministry of Infrastructure:** Consideration be given to studying the benefits, if any, of a functional infrastructure Ministry or Agency that holds non-NLTF public infrastructure appropriations and delivers non-land transport public infrastructure for central government and in partnership with local government.

2. **RMA reform:** Consideration be given to reform of the Resource Management Act and related legislation and what the shape of that reform would look like (note: Government has taken further action on this matter since this consultation was undertaken.)

3. **Broader legislative reviews:** Consideration be given to recommending review of legislation identified in this research.

4. **Three Waters Reform:** Consideration be given to independent economic analysis of three-waters reform and the National Policy Statement-Freshwater Management.

5. **Future of local government:** Consideration be given to developing a Te Waihanga perspective on the future funding, functions and composition of local government arising from three-waters reform should it continue.

6. **Te Waihanga Regional Advisor:** Consideration be given to establishing a 24-month fixed-term role, Senior Advisor, Regional Projects (job description contained in Appendix 5), to work with the local government sector over what maybe a transition period to ensure community infrastructure continues to be delivered.

Awareness of New Zealand Infrastructure Commission, Te Waihanga

Knowledge of Te Waihanga and Its Major Functions

1. Council awareness was strong among those already participating in the Infrastructure Pipeline. Those interviewed were Hamilton City Council via Waikato-Local Authority Shared Services (W-LASS), Manawatū District and Palmerston North Council. This is a minority of councils. Subsequent to consultation, Dunedin City Council has joined the Pipeline.

2. There was low awareness of the Te Waihanga's previous preferred "Infracom" name when first contacting councils. This created a potential impression that the Te Waihanga was a private sector entity. More success was found using the full New Zealand Infrastructure Commission name as this made it clear that it was a Crown entity.

3. Awareness of Te Waihanga was greater among Councils that have been nominated by Local Government New Zealand (LGNZ) to work with it on the New Zealand Infrastructure Pipeline. The most outstanding summation of Te Waihanga came from the infrastructure manager of a participating council:

   "The reason why the [NZ Infrastructure] Commission is there is to deal with three kinds of systemic failure. One is to connect up a holistic view of public service; two, a failure to deliver real efficiencies from a competitive model; and three, a failure of communities to work together across the country."

   However, this has not yet translated into active pipeline participation by those councils.

4. Initial consultations, from June until early July, revealed major brand confusion with Crown Infrastructure Partners (CIP). From early July onwards, this dissipated and was most likely due to CIP funding announcements. There was no brand confusion detected between Infracom and Infrastructure New Zealand. It is worth noting that Tararua District Council did highlight that a failed former local authority trading enterprise, jointly owned with Central Hawke's Bay District Council, was called Infracon Limited. The need for Te Waihanga support being summed up by this Council Manager:

"What Infracom [Te Waihanga] can provide us is certainty about the other parts of government because we've got so much infrastructure to build for growth."

5. A more pressing issue that may explain a lack of engagement was picked up in the final two weeks of consultation. There was uncertainty expressed over what Te Waihanga may achieve in a practical sense. Several councils initially believed Te Waihanga was part of the three-waters reform process with one specifically mentioning that Te Waihanga was subordinate to the DIA.

6. There is universal acceptance over the need for a better coordination of infrastructure given central government is a black box to councils. Two councils directly expressed reticence that Te Waihanga would generate a meaningful outcome. One council officer who did not voice this opinion, did reference an MBIE-led initiative following the Christchurch earthquake. This initiative apparently had developed a pipeline, but they were uncertain if anything had come from it aside from creating a database.

7. The most cynical view was that Te Waihanga was potentially another Wellington bureaucracy where there was a perceived surfeit of bureaucratic oversight, and that it would not articulate what was needed.

Engagement with the Sector and an Issue Over Boundaries

8. Local government is diverse and as one CEO noted:

   "there are [currently] 78 separate politically independent republics."

   Engagement regionally may not reflect boundaries because while regional council boundaries are generally coterminous there are several exceptions such as Taupo District (four regions) and Waitaki District (two regions). There are also communities of interest, especially among Iwi, that straddle boundaries. At least two other councils in North Island raised this issue.

9. Another issue that emerged is public service boundaries. These vary between departments and do not generally align with regional district boundaries. This has an impact on delivery of services and infrastructure elements within spatial planning with one Mayor explaining it thus:

   "It would be really good if at some point the Government could determine just how many regions there are and then align all the government departments and councils, if they feel inclined, to 8, 9 or 12 regions. Instead of having Fire, Police, Health and the Department of Conservation operating on different boundaries and

regions, everyone conforms to those regions making the conversation so much easier."

10. Consultation found that officers and electees gave frank advice on the basis of anonymity. As a result, the quotations in this document do not identify individuals or councils. Generally speaking in-person meetings in the locality, while time consuming made information easier to gather. Councils did find it refreshing that a government agency came to them instead of the other way around. The last interviews conducted by video conference under Covid Level-2 conditions, while useful, were more difficult. Another factor to consider with consultation is diary availability. It is extremely difficult to secure dates for regional meetings unless it is joined with ones already arranged. By joining with regional meetings there is a risk that discussion will be from a regional perspective as opposed to individual council matters, given this is ultimately, where decisions are taken.

Recommendations:

1. Consideration be given to co-using "Infracom" and "Infrastructure Commission" until "Infracom" is established as a brand (note: a response to this issue is in progress.)
2. Consideration be given to Te Waihanga's position on three-waters reform that has implications for the future shape, size and function of local government.
3. Consideration be given to Minister(s) and Board members have greater interaction with councils.
4. Consideration be given to analysing the infrastructure and related spatial planning impacts for public sector boundaries not being coterminous with regional council boundaries.

Capability and Capacity

Labour Market

11. Some councils asked the Commission to evolve the Infrastructure Pipeline into a forecasting tool for professional services, trades and council human resources. The need for council consenting and operational staff not being lost on the sector. There was recognition raised by at least 13 councils that their recruitment was an issue made worse by block obsolescence of equipment:

    "I think it is a case that we lack skilled people, and we are seeing big chunks of infrastructure that was put in by the Ministry of Works needing to be renewed. There's a whole bunch of growth as well so the demand side as well as the supply side."

    Covid had made this easier for some councils but difficult for others:

    "Yes, we have difficulty attracting staff but once we get them, we tend to keep them more so than other councils. Since Covid struck we've been inundated with quality applications."

    Councils in urban locations generally found recruitment easier but rural and/or isolated ones found it more difficult. This was not universal. One major growth council reported the same concern: likely in competition with the private sector. There was also recognition by at least two councils that they were running too lean, brought about by rating pressures.

    One large provincial council admitted: *"we are running out of bodies"* while a rural council said retention was: *"the worst I have seen"* with 35% staff turnover in the four years since he'd joined it. A similarly isolated council observed: *"We have skinny resources everywhere."*

12. Another potential impediment was the prospect of a long-term career in local government as it enters a likely period of uncertainty arising from three-waters reform. A tier two manager in a rural council put it bluntly:

    "I cannot see this council existing in five years."

    The Chief Executive of a major growth council adding*:*

    "Between the RMA and water reforms you do wonder what the future of local government will be."

This uncertainty being experienced among senior leadership and councillors is likely to be felt at all tiers:

"We've got really good engineers here but without the three-waters we can't hold them and that affects building consents, resource consents and people who sit in the management team. A loss right across the council you can't even quantify."

13. Within rural councils, several managers noted that the traditional job sizing approach, namely technical skills, job complexity and people management did not reflect the skills needed or the remuneration required:

    "[traditional job sizing] does not get you to a market solution; If you need to pay $150,000 for an asset engineer, then that's what you need to pay. We needed to pay [a senior building control officer] $130,000 and the CEO said that was not realistic because it skewed relativities."

    This was not just in respect of technical staff as another rural council noted:

    "Someone offers a digger driver down the road $10 an hour more, or a property manager or an infrastructure manager more then it's a challenge to recruit, retain and fund when the community is jumping up and down over rates."

    The point above was highlighted by another rural council:

    "A few years ago, we had Civil Defence staff but where they reported to was changed to the regional council. They got a large pay rise but that is the way the whole local government pay grade system works. Their new employer was a bigger organisation and that flows into job sizing."

14. A growth provincial council said that this recruitment difficulty was not limited to councils as there was an increasing job immobility where people will not relocate for work. This has also been a feature with other industries highlighted by a concern over foreign seasonal workers unable to enter the country:

    "None of the workforce wants to move. When I started work, it was six weeks here and six weeks there including months living out of a caravan. Now, as soon as you mention moving from project to another project, it is a no. The industry needs [to have] a mobility incentive system to make the labour force mobile."

Water Engineering

15. The demand for skilled staff, especially water engineering and operations, was identified by a number of councils as a concern. A rural council saying:

"Expertise is a key one and while we're getting good potential employees, we need people in water treatment."

A major provincial council cited the loss of a water engineer to a neighbouring authority because they offered a salary increase of $40,000; a sum that they could not compete with. Some provincial councils reported having a cadet system to train and develop staff, but this was not raised by smaller councils. The recruitment situation for small rural councils some distance from centres of population is dire for skilled staff:

"It's a real problem finding the people with the right skillset and then being able to recruit and retain those people. Let's be honest. Our model here of one person being responsible for all drinking water and paying them $90,000 a year to deal with all of the issues like condition, contractors and dealing with communities who don't want our water. Who'd want that?" This saw those councils looking to Te Waihanga for solutions.

Asset and Project Managers

16. This was another category identified as being in demand. Four infrastructure managers specifically referencing it, including two large councils, one of which, observed:

"Asset Management is a huge gap. It's a real problem finding skilled asset management practitioners, so trying to make that industry sexy would be useful. We'll try to build from the bottom up but there's not much in the way of up. What we struggle with in New Zealand is rotating deck chairs; just poaching people, so we have to make a real concerted effort to grow the industry, particularly as the baby boomer generation retire. We need to soak up all of that knowledge and transfer it down to our youth."

17. Senior asset managers were working with Waka Kotahi's Road Efficiency Group (REG) group and the Institute of Public Works Engineering Australasia (IPWEA) to raise profile. There was a general view that asset management needed to be elevated as a professional career. While the New Zealand Diploma in Infrastructure Asset Management was acknowledged, this is not at a graduate level. The only graduate level specialisation being offered is by Otago Polytechnic, as part of its Bachelor of Engineering Technology degree.

Professional Services Market

18. A number of councils believed Te Waihanga could be a repository for designs, precedents and contracts. This would support council business as usual delivery and lessen costs associated with infrastructure delivery. One infrastructure manager on a national body suggesting:

    "A good initiative would be templates for contracts, particularly professional works. There's lots of contracts out there for physical works but very few for professional services."

    A rural council further suggested Te Waihanga could facilitate a national Engineering Code of Practice as these were described as being bespoke to councils or groups of councils and a source of cost:

    *"We can't afford to commission our own Engineering Code of Practice so we piggyback off others. It's the type of materials you can use, the fittings and so forth and is why you have AC (asbestos cement) in some places but cast iron in others. If Infracom [*Te Waihanga*] did something nationally on this we'd save so much money and that's probably a quick win for the [New Zealand Infrastructure] Commission. W-LASS has done something really well with eight councils using the same Code. The contractors all know what they are building to but right now, it's different from [councils named] because we don't have standard specifications, or we pay consultants to write a different one for every contract."*

    A provincial council added that NZ4404 (Land Development and Subdivision Infrastructure) was an example of dated documentation that lacked an entity to champion its review among others:

    "For a long time, New Zealand has needed some consistent design standards and asset management standards and if the Commission was to start there and achieve those two outcomes it would be a huge step for the nation. NZS4404 it is out of date and there are a lot of standards that sit beneath that which creates inconsistency. So, there would be natural cost savings through the supply and delivery chain as a result by simplifying that design process, time and cost."

19. Professional services were reported by at least 16 councils to be either stretched, adding costs, or delivering reduced levels of service. While mostly from rural councils, one major council reported the same concern with a rural council commenting:

"we do need a more competitive market. We get reasonably good levels of service [from firm] but what we are seeing [is] that they are stretched."

This was mirrored in the South Island at another rural council, where low levels of service from professional services was accepted as being business as usual. Another matter that arose was an apparent conflict between differing levels of risk between councils and professional service providers. A number of examples were provided, such as a water plant which was costed at $2m for 500 people, but which cost the council $300,000.

Another council had shaved $2m from the foundation costs for a water treatment plant; A $680,000 road estimated by engineers was done inhouse by the council for less than $200,000. This comment being emblematic:

"It's the other side of risk. They will give you the best version possible because that is what their insurers and underwriters want them to do…but no, bring it back to what is fit for purpose."

A rural council adding that on a project budgeted at well over $50m:

"Absolutely [there is over engineering]. They were requiring the whole 'life is critical standard,' a gold-plated standard that you'd apply to a building in the main street but applying that to [project]? Then the costing came in and oh gosh, that's quite high."

Contracting Market

20. At least ten councils, generally smaller ones, voiced a concern about local contractors including a lessening of competitive responses. In some areas this corresponded with large infrastructure projects that were close at hand, such as Transmission Gully. In this situation there was a knock-on staffing impact even for nationally significant contractors being cited by one council:

"[Contractor] is our supplier and they are behind their programme and what they are saying to us is that they can't resource themselves…So we can't deliver our roading programme because our contractor does not have enough resource."

Another source of pressure came from pent-up demand post-lockdown that made it hard to schedule work with contractors. This ranged from the lower North Island to Otago and in the case of the latter involved daily two-hour commutes for contractors because that was how tight the market was. Yet reflecting a slowing Auckland market, one provincial council received tender responses from two Tier-1 contractors for the first time.

21. There was some concern expressed that aggregated or shared procurement would be a disbenefit to the local contractors that contributed directly to economic activity. This from a Chief Executive of a large provincial growth council:

"The reality, politically, is that [aggregation] won't work. It would kill the local contracting market if the big guys just came in and pinched everything."
The Chief Executive of another growth council reinforced this by experience:

"We used to have a bunch of small local civil contractors who used to do stuff for us but now it is [major contractors]. Maybe, taking the Mayor's point, it should be less a focus on efficiency but what contributes to the fabric of the community."

This is where 'localism' came into procurement with councils conceding that lowest conforming was being used by many councils because of the funding pressure they are under:

"It's hard not to go to lowest conforming and just the way the funding model works. For the small stuff we use subbies but that's an important consideration for our community because if you package it up the big guys will come in and that [could be] a consequence of the three-waters reform."

One rural council outlined its 'social procurement' rules requiring a work share to local subcontractors. There was a belief by some councils that by working with local contractors, their capacity, spend on training and investment in new plant would grow. Another highlighted a conflict between a desire for localism and cost saving:

"I would love to go back to council and say rather than $21m it would be $22m but 95% of the subbies would be local."

On the West Coast, the mining industry provides scale to the civil contracting market there. This is noted to illustrate how policy decisions elsewhere could impact downstream infrastructure delivery.

22. A large provincial council admitted that:

"best prices [are received] from Tier 2 and Tier 3 contractors because their operating model is cheaper, they accept a lower profit and are more nimble."

This could be seen as a causation for a lack of human resource. A growth council's infrastructure manager was candid over cause and effect:

NEW ZEALAND INFRASTRUCTURE COMMISSION Te Waihanga

"*Inevitably when we go through these processes, we take the least cost provider. It also means they are unable to run apprenticeships and training and the chickens are coming home to roost at the moment.*"

A solution was provided by the provincial council referred to above that suggested that Government Policy Statement (GPS) on Transport have a transition periods if there was a major change:

"If they have a five-year contract and they cannot see a renewal of work at year-2 then they stop buying plant, recruiting and become gun shy. We need some form of staggering so they can always see five years of work ahead and while the [long term] plan is not the contract, if it's refreshed and continues every five years then it creates confidence."

Recommendations:

1. Consideration be given to a deep dive into the professional services and contracting market
2. Consideration be given to raising with the DIA:
    a. immigration settings
    b. human resource gaps within local territorial authorities
    c. support for small or isolated councils.
3. Consideration be given to raising with the Ministry of Business, Innovation and Employment:
    a. a review of infrastructure related standards and codes
    b. human resource gaps within contractors

Engagement with the Te Waihanga Infrastructure Pipeline

Pipeline to Inform the 2021 New Zealand Infrastructure Strategy

23. It is important to note that councils are reporting compliance fatigue in that they have a heavy reporting requirement for substantially similar information from other agencies. Te Waihanga is not alone; it joins DIA, the Ministry for Environment and potentially the Climate Change Commission as well as Waka Kotahi. This is not an exhaustive list within central government. It saw a number of councils ask if the agencies of government talk to one another with one commenting:

    "There's no end of people collecting ones and zeros with no real understanding for why they are collecting it and what they are trying to answer."

    Another rural council pointedly adding that there seemed to be little coordination among government for what appeared to be similar information:

    "Our very clear signal is [for government to] join up and not ask us three times for three bits of information unless you are going to give me money to pay my people to do it. It needs to be joined up."

    This is raised to show that Te Waihanga needs to be aware of these pressures and while it has legislative powers, to work with a sector it needs a positive relationship with.

24. A rural CEO suggested that Te Waihanga should liaise with the DIA in relation to three-waters data as well as Waka Kotahi, given business cases for roading projects:

    "There are two other parallel processes that will build the Infracom [Te Waihanga] pipeline. First is our business case submission with Waka Kotahi and the other is that we anticipate that government will want the same information you'll be wanting around the three-waters work."

    As a backstop, a growth Council and several others suggested Te Waihanga simply needed to supply its template for councils to upload Land Transport Plans data into:

"You could upload that to a CSV, and we can populate that at any time if we know the fields [Te Waihanga requires]."

A larger council was also complementary on the Te Waihanga design:

"this is better than [agency's] so we are using it in our response to them."

25. Mention needs to also be made of Waikato Local Authority Shared Services (W-LASS), Bay of Plenty Local Authority Shared Services (BoP-LASS) and joint procurement taking place in South Canterbury and through the Northland Transportation Alliance. There are other joint road procurements in South Canterbury and around the country in addition to alliancing being used by councils as well; road and three-waters. In the case of W-LASS, it has recently advertised for a Strategic Infrastructure Procurement Manager. Te Waihanga is best positioned to support these 'mini-Infracoms' because they simplify alignment with the pipeline.

Pipeline Evolution between the 2021 and 2026 New Zealand Infrastructure Strategy

26. In interviews, 11 distinct asset management systems were identified in addition to Road Assessment and Maintenance Management (RAMM), which is the mandatory Waka Kotahi system. Several of the councils ran multiple systems for roads (RAMM) as well as three-waters and other assets. There was widescale recognition that a proliferation of asset management systems and a lack of metadata for condition scoring was chaotic and did not allow for fair comparison between councils, asset classes or the condition of those assets:

    "Gradings are critical both on performance and on condition as that actually drives your whole [water] asset renewals. Even the grading guidelines, the performance and condition grading guidelines are pretty standard and there's even a manual on it, but the way it is interpreted is completely different. If you ask councils to send you that information on how much is Grade 1, 2, 3, 4, 5, you'd get information, but the veracity of that information would be very questionable."

27. There was acknowledgement that Waka Kotahi's RAMM, by contrast, had enforced a uniformity and access to data and this had spurred the Road Efficiency Group (REG) and under this, Infrastructure Decision Support (IDS) deterioration modelling using dTIMS (Deighton Total Infrastructure Management System). Both REG and IDS have applicability to other asset classes confirmed in interviews with the REG Group and IDS. Several councils have or are developing sophisticated asset modelling, but these were in a minority. Predictive modelling based upon the asset's age and material is commonly used for renewal. The attraction of a more sophisticated approach being articulated by one Chief Executive:

"If we can see where the lumps of effort are alongside other key assets like wastewater, water treatment, key roads and the like and plot that onto a graph then we can smooth it out. Shifting the dates around so that our money and HR spikes are not too high, and neither will the contractor loads be as well. But everything I just said is theoretical. We don't have that in New Zealand."

That council had undertaken a competitive tender and found only two commercial systems on the market allowed for forecasting. There was an invitation for Te Waihanga to engage as it was developed.

28. A related issue to support asset modelling was the physical status of infrastructure using CCTV and/or, in the case of another council, drones. A number of councils have undertaken such work with insurance and development contribution policies being a motivation. In the case of one council, this work had expanded its assets by 360%. Such physical assessments are an investment and provides datum with another council noting*:*

"One of the big things here is diagnosis. We don't fundamentally know what the state of a lot our assets are. Roading we have a feel because of RAMM but actually diagnosis and understanding the condition of stuff right now; that's an issue for most councils because diagnosis and understanding condition assessments inform investment priorities."

A growth council in North Island indicated that such assessments, while important, could only be afforded incrementally:

"If central government could help us with condition assessment then it would go a hell of a long way as we don't have enough resource to budget for the assessment to happen."

29. A number of councils encouraged a common vertical and horizontal asset management and planning tool with metadata standards for councils and, by implication, the public sector. This would greatly aid Te Waihanga information gathering. It also requires investment into a platform, but this is potentially de-risked by working with Waka Kotahi. That said, another senior manager cautioned:

"I'd be nervous about Infracom [Te Waihanga] dictating a particular kind of software. You would require some form of standard data collection, some form of consistent performance and condition grading depending on the infrastructure so that when you do a report back to Government on the state of infrastructure in New Zealand, we have some form of benchmark to do it."

30. Interviews also confirmed that relying upon voluntary adoption would likely prove to be unsuccessful. Councils would need to commit resources, financial and human, to adopt both a standard system and metadata conformity. Unlike Waka Kotahi's RAMM there is no hypothecated financial lever for non-road infrastructure to drive uniformity. To mirror RAMM, public infrastructure investment into councils would either need to be as some form of 'annual settlement' or by concentrating funds currently disbursed by Crown Infrastructure Partners (CIP), Provincial Growth Fund (PGF)/Ministry of Business, Innovation and Employment (MBIE) and DIA etc, on a single agency or Ministry. This would create the requisite financial lever.

31. In terms of pipeline visual presentation there was support. It was felt that this would become a useful tool to make the case for infrastructure among the public and councillors alike:

"I think it would be tremendously valuable to see those layers and to see what is going on with the private sector and agency crossover for how my city is developing."

It was felt roading was self-evident but because most infrastructure is unseen, a means to visualise it would aid attracting the public's support for the investment required.

Asset Management Systems Identified from Research (Excluding RAMM for Roading)

32. AssetFinda was the most deployed system. This does not include the use of vendor systems, such as Veolia's proprietary system. Several councils were using Hansen (rebranded as Infor in 2013), identifying it as an aging system. Only one council, a regional one, was using Microsoft Excel and that was because of the simplicity of its physical assets. Some of the other systems being used currently include:

- AssetFinda
- Adapt
- Assetica
- Civic
- SPM
- Hansen (old version) / Infor (new version)
- ECM
- Technology 1
- AMS
- Accela

Recommendations:

1. Consideration be given to:
    a. engagement with the DIA on three-waters data from and with Waka Kotahi for business case data; or
    b. Issuing the Te Waihanga template to councils not already in the Pipeline by November 2020 with a deadline of early February 2021.
2. Consideration be given to the Principal Analyst Major Projects and Advisory, liaising with councils with sophisticated asset models and/or developing Infrastructure Decision Support systems.
3. Consideration be given to examining if a commercial off the shelf asset system could provide Te Waihanga with the means to receive asset data if APIs (application programming interfaces), were developed for other systems being used by other councils.
4. Consideration be given to engaging with DIA and Waka Kotahi for a common asset management framework across central and local government.

Potential Te Waihanga Resource – Senior Adviser, Regional Projects

33. For the 33 councils which responded to what support Te Waihanga could provide them in terms of a human resource, Relationship Management was the preferred option (19). This was followed by Project/Procurement Support (10) with Corporate Advisory the least preferred (3). That said, there was a desire to have someone who was capable of delivering non-business as usual support*:*

    "We have 78 sovereign states, and we are not connecting. There is a real opportunity to share knowledge, including outside of local government."

34. Relationship Management would potentially align the *Local Government Act* and the *Te Waihanga Act 2019*, especially public service infrastructure that builds current and future community infrastructure to support the four wellbeing's of local government. As a role, it would analyse and resolve a mutual dissonance:

    "the biggest problem we have is Wellington not understanding what we do as councils."

    That said, several councils did express concern over its effectiveness given their experience with similar 'relationship' roles from public service departments.

35. Project and procurement support was the second most preferred support option, but it was also seen by a number of councils as being a core skillset local government already possessed. Where this need was identified, it was for non-business as usual needs, for example, art galleries to new council offices, vertical infrastructure. The exception was a growth council in South Island, which saw the commercial advantages of shared procurement. Other councils were generally smaller or had lean staffing. There would be risk that such councils would attempt to suck the person filling this role into operational support to fill staffing voids.

36. Corporate advisory support was the least preferred. There was confidence that the Local Government Funding Agency (LGFA) was able to provide for most of the sector's corporate advisory needs. This included LGFA evolving more sophisticated financing structures.

Recommendation:

1. That a 24-month fixed-term role be created to support local government major projects during the three-waters reform process.

The Funding of Local Government in Relation to Infrastructure

Rating/Funding:

37. While most councils accepted rating would remain the primary means of funding, alternates were suggested arising from Local Government New Zealand (LGNZ) proposals. This is out of the scope of this report. The majority view, given it was raised by at least 24 councils as an issue with only one council defending the current system, is that property is not a sustainable basis to fund infrastructure going forward. According to a major council's Infrastructure Manager:

    "[the current system] Just seems to be set up to fail as depreciation and rates are pretty blunt instruments. While I am no expert on local government finances, I suspect all of this historic under investment has been driven by this model."

    This has been amplified by increasing community expectations around three-waters, the impending National Policy Statement-Fresh Water Management (NPS-FM), waste minimisation and climate change. Yet as one Chief Executive observed:

    "We run a low cost and high-risk business because ratepayers are always demanding less costs and better services. So is the Crown."

    This is further impacted by Covid affecting council commercial assets, where they exist. For growth councils, the problem was summed up by one Chief Executive:

    "As a fast-growing territorial authority there is a limited supply of money and if we are captured spending money on environmental compliance, the other three wellbeing's [in the local government act] go out the window, because your balance sheet is so heavily constrained."

38. There was a reported lack of scalable funding tools with the National Policy Statement Urban Development (NPS-UD), requiring councils to provide land supply to accommodate growth. This created financial risk if there was a recessionary period affecting demand:

    "The risk [of being] on the growth treadmill comes if the growth stops. It's a vicious cycle as we've been in a growth mode for so long and we are required to service it. We have no choice, as legislation requires us to provide land and ensure it is serviced. We recover from development contributions and recently, the time between investing $10m in infrastructure and getting development contributions

back is relatively short. However, there always exists the possibility, for example, we've just committed $20m of capex and for reasons beyond our control that comes to shuddering halt. That becomes a very challenging position for anyone."

Several growth councils were asked about Special Purpose Vehicles (SPV) with one highlighting the difficulty of using it in provincial settings:

"*We did look at SPVs but the difficulty around [town] is that in [year] we inherited this land from [District] and they had a laissez-faire approach to subdivision. There were lots of mum and dad property owners that we need to encourage to develop, but the SPV would force them out and that was unacceptable. Even with a greenfield development it needs scale and for rural and provincial New Zealand we don't have that scale, even in fast growing towns."*

39. The major tool outside of debt or grants to fund infrastructure capital investment being Financial Contributions (in the process of phasing out) and Development Contributions. Both are specified in the *Local Government Act*. Development Contributions are used by 52 out of 67 districts. According to a rural Chief Executive, who was in the process of adopting it but found it was neither easy, nor inexpensive:

"Before you start, you need to understand the state and loads on your existing infrastructure so that a new developer with a new extra load can have an apportioned share of the overheads and that is fair. We've just discovered that to do the condition assessment in our biggest town, and we're a big district, is $300,000, or almost half of percent of rates (note: equivalent to an increase of 0.05 of rates)."

A lone voice on the need for development contribution reform was a large growth council. Several councils asked about this did not agree. That said, the council in question is experienced in Development Contributions and advocated a pricing model as used by Watercare as simpler and less costly to administer:

"Development Contributions are really important and effective in one sense but is clunky legislation and subject to challenge. We know we cannot predict next year, and we certainly cannot predict what's going to happen in 30-years, in terms of interest rates, inflation and population growth. It's not the most secure form of income as its subject to challenge and one thing you need in terms of infrastructure planning is secure income."

40. Even rural councils experiencing modest growth were caught by the need to pre-fund infrastructure:

"We have to factor in growth but how do we afford to put in the infrastructure to enable growth? That's a significant cost to a community that can only sustain a certain level of infrastructure in terms of affordability. We've got parts where rates are at 5% of household income."

Councils covering large geographies reported that infrastructure was unable to achieve economies of scale:

"Our biggest infrastructure challenge is having no centre of gravity, so we cannot achieve economies of scale for infrastructure provision. We have a lot of small settlements dispersed over a wide geographic area with pockets of high deprivation. It's an appalling affordability challenge."

This extended to cross-subsidy using rates to meet shortfalls according to this rural Chief Executive:

"There is a place for capital value but…this reflects an imbalance in the system and a service price model would be fairer. We maximise fixed charges to balance the rates but the guy who lives up the worst road in the district probably pays the most in rates due to capital value, so they have an unequal burden compared to town."

41. A lone and contrasting view was provided by a North Island growth council, which felt that there was little wrong with the way local government was funded:

"It is a lack of will by councils to take tough decisions. We have the highest rates in New Zealand and all of our infrastructure meets all current standards. We are a growth council, but we're not funded as one, yet we've run our business really well and we have high rates because we've taken hard decisions."

This view of high rates was supported, in part, by a South Island growth council, though favourable demographics was also noted along with criticism of councils suppressing rates rather than funding infrastructure:

"We've invested a lot in our infrastructure and we're not a cheap council to live in. We have a high disposable income so its affordable on that scale. My point is that while it's high, we don't have an infrastructure deficit sitting there that many others do."

Another council succinctly explained it thus:

"you can have a deficit in the ground or on the books."

A smaller council at the other end of the demographic spectrum spoke for several in that they had tight spending discipline:

"We are sitting here as a little council and we've always been on a very tight budget, so we don't have a wish list. Other places have gone forward with their wish lists ['vanity projects' the CEO added] but haven't done their infrastructure."

Debt Strategy:

42. A South Island growth council's funding strategy was similar to that in several North Island seismic risk areas. This risk meant debt headroom had to be maintained so there was a cap based upon risk:

    "In terms of the funding strategy we have about $160m of debt but under the LGFA rules we could go towards $300m if we wanted to max it out. We keep about $90m of headroom to deal with natural hazards. We also have two assumptions. With insurance and without insurance if there was a big event just before another. We've assessed what we need to replace assets and keep that as a buffer in our strategy to create an artificially lower level. It's a 50% probability the Alpine Fault will go in the next 50-yeats and this is all through the LGFA and the strategy to manage interest rate risk and ensure funding curves."

    A rural council in a seismic risk area explained their view:

    "If you borrow to capacity then you have no capacity to borrow until that debt is paid back, so what happens if you have a Kaikoura earthquake, or something else in your infrastructure breaks or regulations change?"

43. Other councils also adopted a perception of their community's ability to pay rates for self-imposed debt caps:

    "Wellington is right and we can load more debt onto our balance sheet. Even if we hit out current self-imposed threshold, the challenge isn't the debt but servicing the debt [said almost in unison]."

    This approach was mirrored in a growth council where low interest rates would generally go in one direction over the life of the asset:

    "Where we run into challenges is the public looking at [debt] and saying, 'oh my god' it's so many thousands per ratepayer. We've been given some reprieve in recent years for where we are in the interest rate cycle, but we have to be conscious moving forward. Ultimately interest rates will go back up and that exposes us [as a sector] somewhat."

There was general agreement that it was the same pocket that they had to access for rates; a potential risk arising from three water reforms:

"Rates are near community tolerance. There is capacity to borrow more but repayment capacity is not so clear cut."

A large council candidly assessed their biggest funding challenge:

"How are we funding our [water] infrastructure? Badly. It is technically doable as is everything. To be honest I just don't know how we will be able to fund it."

44. A Chief Executive passed comment on council debt admitting that there was wide disagreement in the sector on the treatment of debt and depreciation. Coming in from outside the sector he made this observation:

"What increases or decreases your base debt is if you buy land because you cannot depreciate land. You buy $Xm worth of land which we've done recently and now you've got $XXm of debt permanently, so what do you do to pay down debt? The sector does not pay down debt. It's remarkable because there's no plan. So, what do you do? You get to the end of life on an asset and you don't replace it because you string it out like granddad's axe, and you continue to collect depreciation beyond what was enough to pay down the debt. It is a traditional but accidental way of paying down debt."

Unfunded Mandates and Cross Subsidisation of State Assets:

45. There was frustration over the number of unfunded mandates being passed down to councils by at least nine of the councils met. These included dog pound rebuilds to accommodate heating, arising from the 2018 National Animal Welfare Code of Practice. For one small council, this was a $800,000 to $1.5m project and depended on whether they could become a sub-regional facility.

While outside of Te Waihanga's scope, it is important to understand that liquor licensing, Easter Trading and biodiversity etc, all take resources away from core service delivery. A senior manager of a provincial growth council observing:

"We've underinvested in infrastructure in the last 30 years because there are so many other requirements that you cannot commit to your normal programme. There are things that councils are doing now that were just unheard of, particularly in rural and provincial, in the late 80s and early 90s and it's all come at significant cost, these unfunded mandates, so it's no wonder some of the core things have been sweated."

A rural council's CEO further illustrated this:

"*New activities are being dreamt up by osmosis…the sector was charged with liquor licensing, but half don't bother because we do not get a single cent from the [$1bn] excise."* Another Chief Executive, while not listing this as a specific problem, commented on unfunded mandates: *"When we are required to provide something akin to a private good it usually comes with a funding stream. It's really those merit goods and public goods that you do all the regulatory stuff on."*

46. A frustration extended to a lack of funding from the centre (note: central Government) in respect of state-owned or state-supporting assets; something that could augment an overreliance on rates:

"*The Ministry decided to buy [X hectares] for [$Xm] and we charge [$X] and of course the Crown doesn't have to contribute anything to those infrastructure costs. This is unfortunate as it just puts up the financial contributions on [others] and ratepayers have to manage the cashflow associated with the infrastructure investment. A pan charge does not make up for the shortfall.*"

This, along with unfunded mandates, denuded revenue from a stretched ratepayer base or increased debt with another public service department reflecting very different treatment across different councils:

"*[Department] is a big part of [district] and we have seen their plans; they are significant, and we are working with them on things like in-ground services. Multimillion-dollar things that they will be paying for, so we have to pull them into the picture and at the moment the cooperation and coordination between us is excellent."*

Proving this was not universal is this from another district involving the same entity:

"[Department] wants to connect to our wastewater and they're not thinking that they have to pay for it because they are a government agency."

Councils believe that Te Waihanga may be able to elevate this discussion because closing this funding loop was seen as a way to right size finance for infrastructure investment. The council that had excellent departmental relations acknowledged it was far from universal:

"It may not be everywhere so there is a role to be filled there that we are very keen [on]."

47. This lack of access to revenue for state-owned infrastructure has led to a cross-subsidisation of those assets by ratepayers. Ratepayers are funding road access, up to 49%, into the conservation estate that takes money away from what can be spent elsewhere on the network:

"We have roads that used to be mill [forestry] roads so we're funding roads into the national parks."

A council that had a major tourism attraction added:

"[Location] attracts half a million visitors a year, or at least it did, so the 80 ratepayers there essentially fund the water supply and 99% of the users do not pay a thing." A rural council with a large conservation estate added:

"*Why would they not rate conservation land but rate Māori land? We're also protecting a big chunk of the conservation estate on behalf of the country and we are paying for access to that."*

48. Another important aspect raised in consultation was publicly owned assets that generate economic activity and again, were being subsidised by ratepayers. This was illustrated by a council in discussion over flood protection:

"National funding just dropped off so [flood protection] became ratepayer funded and if you look at maintaining and enhancing those schemes it becomes an affordability issue. The [River] flooded last year causing the loss of [road] for four days, [rail] and communications. A huge national disruption because we have a soft level of flood protection and that's because it's all that the 40 or so ratepayers who pay for it can afford. This funding of flood protection is a wicked problem. If you drive down [road] how many bridges do you cross that have associated abutments, communication and railway lines? Yet there is no funding from those public asset owners for the river protection that protects their assets. We need a different funding model for those rivers and yet there's not money from the asset owners for these works."

Funding Options

49. As Local Government Funding Agency (LGFA) interest rates were low, it meant the attractiveness of *alternate* funding sources, such as PFI/PPPs had diminished. Scale for PPP/PFI was another barrier. A growth council's corporate services manager further observed:

"One thing I would say not to do so much is this assumption that PPP will save money…my experience is that [they] add four layers of costs [being] consultancy;

additional cost of capital; profit factor; and substantial cost of risk transfer. It is that huge consultancy cost and risk transfer that adds cost."

50. Several growth councils employed different approaches to sustainably funding renewals. Three councils had or were working towards very long term 80-year plus strategies. The Chief Executive of a council who had pioneered it observing:

    "*We have worked out when the renewal is required and we've effectively created hypothecated funds which enables us to invest the funding we secure through rates and invest that in a renewals fund, which is like a superannuation fund. We are building funds for when renewals will be needed. Providing the current council continues to apply the policy and does not get reckless, then we are providing for the funding of renewals on a long-term sustainable basis by making a sufficient charge on current ratepayers to ensure intergenerational equities are fairly considered. We work hard in this space and spend most of our thinking on sustainable growth and plan for that on an asset and funding sense. It's where a lot of spare intellectual capacity goes.*"

    A variation on this was being developed by a provincial council in North Island explaining that there was a difference between a strategy and a strategy to which people are loyal to:

    "*The Long Term Plan is not a strategy but a list of projects. We are through the first-round consultation on an 80-year forecast with a lot of public investment. We don't pretend its brilliant in its first cut…the subordinate plan and spatial approach is new. It is designed to start the conversation with industry and private industry on where Council can support with zoning and its [by]laws and any other resources to encourage obedience to a spatial strategy. So, 80-year forecast, spatial district planning and 30-year infrastructure plan, which out of the first two documents has 67,000 assets but only 700 of that determines 80% of our demands upon industry."*

    Another council provided a warning about planning over such a long-term period:

    "Although our assets last 80-100 years things change so much. Like what we did 30-years ago, compared to what we are doing today and what we're likely to have in 30-years' time. Trying to plan 80-100 years just becomes a long-term renewals strategy."

51. Another growth council highlighted scope to use charges. It did this by comparing its average wastewater charge of about $1,000 per-annum with that of an adjoining authority, which charged much less. This council identified $500m over ten years could be raised by that adjoining council if its water charges were harmonised. The point this council makes is that there are additional means if a political will exists.

That approach was not universal with several councils having uniform water charges across their district due to deprivation. Another growth council noted that some in the sector may be using ‘management by crisis’:

“There is very little incentive I can see in the system to actually go first and be proactive….so many times you are better to wait until it is a crisis. Wait till it all falls apart and particularly if you are in a politically important part of the country someone will come and save you because they cannot afford not to.”

The Chief Executive of a provincial council directed Te Waihanga to page 43 of the Productivity Commission Report to highlight rates being paid on a per person basis by council area. This is at Appendix 4.

52. Historically, non-road infrastructure, particularly three-waters and flood protection, arose from a time of active subsidy. Until the late 1980s central government subsidies helped to fund the three-waters and flood protection via catchment boards. In the early 2000s, a Sanitary Works Subsidy Scheme was introduced only for this to be closed in 2012. A Chief Executive with experience of it observing:

“*Schemes don’t last, or they change requirements or have different funding levels. None of our [sewerage schemes] would have gotten off the ground without government support. We got the sanitary works subsidy scheme (SWSS). They’re gone now. None of these towns would have the new infrastructure they have today without that money. The SWSS was based on deprivation so communities like [a particular town] got 85% but [a different town] got 23% subsidy. It still would have not gotten over the line without that subsidy. We were still subject to massive penalties under the RMA for not complying with discharges, so a carrot and stick [approach].”*

53. Councils noted that there is a considerable amount of money as a government collective:

“Across the [region], between central government and local government, we spend in excess of $10b annually but not a lot of this is coordinated.”

Non-road infrastructure is spread among different agencies and appropriations rather than being concentrated, like the National Land Transport Fund (NTLF) which benefits from fuel excise and road user charge revenue. This Waka Kotahi-type approach was the most commonly made suggestion as an alternative way to fund infrastructure with it being raised by at least 14 councils:

"There are a whole lot of suggestions being made in the three-waters space. The funding of roading, irrespective of how complex it is, is actually the best form. While we do business cases to get the Waka Kotahi funding, traditionally it hasn't been a major and been quite good because we get 51% [Funding Assistance Rate]. So, if there was any form of discussion about utilities and other areas of funding, then the Waka Kotahi model, complex as it is, is the simplest form."

Resource Management Act

Issues Raised

54. From the consultations held, at least 22 councils felt there was a need for Resource Management Act (RMA) reform. One senior manager at a major provincial council noted how water infrastructure deemed important could be held up during consenting impacting public and contractor confidence:

    "We've gone for a consent for a $23-$24m water project. It was meant to be non-notified but [Authority] made it limited notification and now we're down to visual amenity. We have lost six to seven months and that means the loss of a whole construction season."

    When a $15m water project was lodged for consent after consultation, a provincial Chief Executive was concerned by a lack of statutory timeframes associated with hearings:

    "There's no time limit for how long they have to make a decision and it could be two weeks, a month or whatever. Then we run the risk of it going to the Environment Court."

55. A senior council manager highlights multiple appellant opportunities and something that could be reduced if it was restricted to points of law:

    "As there is an appeal route at every level of the RMA. The fast-track limits that to points of law so it proves that it could be streamlined."

    This was illustrated by a minor work in another council, a landing, which had just exhausted the last of its appeal routes:

    "It's a $2m project but has taken 16-years from the concept to running through all the RMA steps. Why is this relevant? We [again] have exactly the same situation. We do need to consult but there's something so cumbersome about the [current] system."

56. In keeping with an earlier point raised by councils, that the Crown is generally not rateable, it extends to a general Crown immunity from RMA prosecution:

    "Under the RMA, central government is not liable for breaches and cannot be fined but we can. If we discharge sewerage into the river we're up for hundreds of thousands, but the [entity] … cannot be fined a single dollar."

57. There was a consensus that previous reforms designed to improve the RMA may have had the opposite effect:

"The RMA should not technically be a problem, but it has been a complete mess due to 10 years of amendments. Having been involved with the Act since it was first introduced to Parliament and now to where it is today, it has become a dog's breakfast."

There was some support for appeals to be limited to points of law similar to the current fast track. There was, however, frustration that fast-track provisions are restricted to central government and the Act has a sunset clause:
"The most frustrating thing I have as a CEO is when the government passes a law excusing them from the regulations that we have to follow. Take the RMA Fast Track. If it is good enough for you [the government] then why not us in local government?"

58. Another issue raised by several councils, was consent conditions imposed by the Environment Court without reference to technical experts, or those responsible for implementation:

"*Farmers love this story as it is one that they can relate to. Our [plant] consent runs to 80 pages with 188 consent conditions; that's impossible for us to meet all of them because some are contradictory. When we report to the regional council, they do not have the expertise so farm it out to a consultant but then bill us as part of the process. The 188 conditions came from the Environment Court. There's a fundamental failure because the Court are lawyers and have no technical expertise or understanding of the local setting."*

This notion of rulemaking was not isolated*:*

"As a council we have been proactive and a plant of ours has won awards. Instead of the RMA's effects-based approach the Environment Court has determined that we shall do no worse than [what] we have done for the past five-years. Where we thought we had capacity is now all gone. To accommodate growth, we need to upgrade."

That said, another Chief Executive did not accept this characterisation*:*

"The Environment Court is just responding to whatever the regulatory framework driving it is. The Court is the last step for those who have failed to find a solution in advance of it. I would put less weight on that but more on the regulatory framework and the essential freshwater package, all of those things are significant."

Consenting Timelines and Cost Impacts

59. Resource Management Act consenting timeliness come at a considerable opportunity cost but results in councils being negatively reported for operating on expired consents:

"We went through a 13-year process in [town] to upgrade wastewater to go from water to land. It took us 13 years to go through the RMA and we spent $3m of a $9m project before we'd even turned a single sod of dirt. This was for a plant to service 3,500 people. This is common and it is happening all the way through the country. In some years, our consent budget is almost the same as our roading budget. Every monitoring report we see in Council says this project has been held up for either consenting or cultural impact and it's nothing to do with operational."

A North Island provincial council adds:

"Our plant upgrade was around $35m but 10% of that was the Resource Consent so $3.5m."

A South Island rural council provided this example:

"In the previous round it took seven to eight years to get [treatment plants] to the point of being granted consents for water."

That said, delay and cost was not limited to water with one North Island council encountering costs involving a cycleway:

"The RMA costs of getting that cycleway over the line was around $1m RMA for a $5m project and we went exactly where we wanted to go. It was complex as we had designation changes and 100 something farmers but that's [cost] common…We just applied for a short-term consent for one of our treatment plants while we look at a more comprehensive scheme but that's likely to cost a couple of hundred thousand [dollars]."

60. Even where councils consult well, it was commonly said that wastewater consents generally cost around $1m. In this example a pipeline project saw 17% of the project absorbed by consenting costs. Another council reported:

"We spent $1.2m in four years consulting to get a consent for a discharge that has been overflowing for 30 years."

A growth council estimated that its latest consent had cost almost $2m, but the 20-year consent was deemed a success:

"We've probably spent on our latest consent $1.5m but with the hearings and the legals it could be heading closer to $2m, quite a lot. Mind you, we did get a 20-year consent so if you look at it in that context, it's a good investment."

61. The point above, reducing consent duration, was emphasised by a growth council's Chief Executive:

    "It is the direction of travel as well as uncertainty that compounds it and even if we land on what we think is going to be the standard we are putting in infrastructure that will be there for generations. The drive is to go down to 10-year terms on consents. Uncertainty about regulations are going to change out in the future."

    A North Island provincial council's infrastructure manager confirms that consent duration for three-waters is falling and that impacts external capital:

    "*We applied for a consent for [location] in 2015 and the draft conditions of consent said that within 10-years you'll have to upgrade. We've gained another three to five years, so if we'd told you we were going to build a treatment plant in the last LTP, this time around we'd be telling you the same thing. We've been told by the regional council that our consent will be coming in two weeks for the past three-years!"*

62. A cause of increased costs was an effects-based rigidity highlighted by several councils. In the case of one council, it has resulted in a large capital investment being written down:

    "One of the concerns is the disparate way we plan infrastructure. [District] has invested over the years in a water catchment where it owns a forest and we would have invested around $30m. Come in the RMA and regional water allocation rules, it now means the water we take from that catchment has to reduce by 60% by 2029. We currently take 15 megalitres a day from a stream but by 2029 that will max out at 4.5 megalitres a day so we have to reconfigure the water supply for a growing town of people. Plenty of time to plan [you'd think]? If we'd be able to keep that stream and tap into another supply that would mean finding another 6 megalitres a day but given a deadline of 2029, it means basically we need to draw and treat water from the river. So effectively we have to abandon two-thirds of the infrastructure investment in an excellent catchment, build a new pipe and a water treatment plant. That's a $60m decision."

63. While environmental offsets are out of scope this highlights a potential regional approach within catchments and outside council boundaries that may improve receiving waters. The problem is that the RMA does not allow for this:

"We'll spend $45m in the current state of the environment and our investment will not have an environment benefit or at most, marginal. If we instead made a contribution to [other councils] Treatment Plants, then the receiving waters at that point in the river may be enhanced significantly."

64. On-land treatment of wastewater was not seen as a silver bullet with several councils noting that such treatment is soil and climatic dependent:

    "This is not just about water but is about land use. The land used for disposal must be able to take it. On-land treatment is not a viable solution due to soil conditions meaning we'd only be able to use it four months out of 12."

    A rural council also advised Te Waihanga that on-land treatment creates a potential emissions liability:

    "If you factor in an aerobic system that, yes, is good for land discharge but it's terrible for climate change. Of our inventory of greenhouse gas emissions, 70% is council and 70% is from our aerobic ponds. Methane."

    Another council noted that nothing can be harvested for human or animal consumption from land where wastewater is released on. This limits the economic use of such land to forestry.

Coalescence with Freshwater Reforms

65. The RMA cannot be examined in isolation without consideration of the NPS-FM to be implemented by 2025. This was raised by at least 11 councils with the following illustrating the enormity of the infrastructure and funding challenge for a council with 7,000 rating units but only half within its urban environment:

    "On wastewater the money was spent on this four-years ago, around $10m, and it got us 80% of the way. It will take another $70m to get through the final 20% to make compliance. That does not make sense... Up the road is [town] and every household is connected to its wastewater and it has one plant built to a certain standard. Here we have six plants because our population is in little clusters and all must meet the [same] standard."

    A growth council found itself in similar territory:

    "We are still a high debt/high growth council for the growth we've had for a very long time is spread across 17 different settlements. It's not like you are building just one water treatment plant."

A meeting with a small provincial council's Chief Executive had that person describe the projected $60m wastewater cost for its 4,700 urban ratepayers as akin to a *"nuclear explosion."*

66. A North Island council continues this theme of fractional gains arising from regulatory change and the scale of investment needed:

    "We're being forced into a trap of upgrading. To put that into perspective…we'll spend $30m to reduce Nitrogen by 0.2%."

    This was echoed by a growth council:

    "It is the direction of travel as well as uncertainty that compounds it. Even if we land on what we think is going to be the standard we are putting in infrastructure that will be there for generations. The drive is to go down to 10-year terms on [resource] consents. The cost of going from the 95th percentile treatment to the 99th percentile is horrendous and there is no economic assessment that attaches with this and which part of the community is going to fund it."

    A large provincial council further quantifies the cost of escalating community expectation against community affordability:

    "The ocean outfall is about $100m, land is $200m but the cheapest option is to upgrade the current plant on its current outfall, that we think will be unpalatable and is $25-30m…. $100m becomes an issue for us."

67. A South Island rural council describes the risk and complexity that councils will face over the next four years as they grapple with the NPS-FM (National Policy Statement for Freshwater Management:

    "The only way we can operate and get agreement with the regional council, is to agree to a short-term consent with less restrictive conditions but on the basis of investigative works to understand what will be the capital requirements to build the infrastructure to meet the new NPS-FM and regional water plan. Think about this. All we're doing is that by agreement, we're giving everyone time to understand what a solution could be to meet the environmental standards that are still being developed. Why would anyone spend $30m on [wastewater] infrastructure? Advise your council at this current juncture when no one knows exactly where things are going? Goalposts are highly likely to move in the next four to five years and that's a national problem."

68. A council Chief Executive suggested that to meet the forthcoming NPS-FM, it would be beneficial if government designed nationally consented model treatment schemes. Such an approach would have efficacy and match policy, community expectation and the receiving environment:

"Before aggregation or different delivery models were on the table, I used to consider 78 councils making decisions annually on infrastructure investment. How they're all engaging different consultants to come up with different models that go through a singular consenting process. In my mind, the government needs to come out with models. All meet NZ Inc [requirements] but each meets a different level of community expectation. You choose gold, silver or bronze and attached to them is a different streamlined consenting process because there is so much wastage in the consenting system. Imagine how much more money is left to actually to invest back into the actual infrastructure."

This idea of nationally pre-consented scalable plants was echoed by several colleagues for the reason it saved councils from expensively reinventing the wheel.

Aggregates

69. Four councils asked Te Waihanga to help elevate aggregates as a planning priority:

"If you take Auckland, they know that they will need X million tonnes of aggregate a year for the next 30-50 years and if they cannot get it from there without national guidance, they will need to find another quarry with issues from another area and that will lead to perverse outcomes."

Consultation with a rural council revealed that quarries have a short consent duration:

"It's crazy that you have your quarry with a six month consent. Most jobs where the contractor has gone above the business case level is because the metal costs have skyrocketed. The RMA means quarries have to be kept in current usage."

Another North Island rural council indicates the interrelationship between economic and environmental factors:

"We have rivers here, which provide some of the best aggregates in the country for anti-skid chip used for roads. It's a two-pronged thing; one it's flood risk [reduction] and secondly, it's increased cost of construction because we have aggregate on our doorstep that we cannot use."

That opportunity cost of not extracting this chip being highlighted by a growth council in the upper North Island:

"*When we look at the skid resistance of our roads, we look to the product coming out of the steel mill. With the recent news (note: reference unclear), whether it will be available because our sealing chip is not up to scratch for some of our high skid road requirements."*

This also extended to access for high quality sand and competing national guidance relating to elite agricultural soils:

"There is much talk about protecting prime agricultural land but as much is the high-quality sand you can mine from it. It's our Class 1 and 2 soils, the lovely alluvial terraces alongside the [name] rivers [the land can be fully remediated for farming it was added]."

Other Matters Arising from Consultation

Three-Waters Reform

70. Consultation interviews overlapped DIA three-waters consultation. At least 22 councils passed comment on this, including a number who suggested Te Waihanga should undertake an independent analysis of the reform including stormwater. The following being commonly expressed:

    "There is need for an independent NZ Inc view on what the economic impacts will be down to the ratepayer."

    This extended to stormwater that was being left out of the reform package:

    "The third water hasn't been talked about transferring because people don't understand stormwater."

    The following being echoed by a number of councils with drainage schemes:

    "It's huge and it interfaces with a whole lot of other things like flood schemes, riverbanks and all sorts of things."

    Yet another council notes in relation to spatial planning that it impacts council and public infrastructure:

    "We model the effects of flood management and work well with our regional council. The thing is to make sure people are building houses in the right place."

Inflow and Infiltration (INI)

71. Eleven councils raised the issue of broken private laterals (wastewater pipes), which contribute INI to wastewater plants. One growth council illustrating this with dry weather inflows of 15,000m^3 a day, rising to 47-48,000m^3 a day during rainfall events. Another growth council estimated that it could extend the working life of a plant by a factor of three if INI was reduced. It was suggested Te Waihanga may wish to conduct more analysis to quantify what cost savings, if any, could be achieved by a national as opposed to local approach. The infrastructure manager of a growth council further suggested that any study should include the cost/benefits

of transitioning to pressure sewerage systems within urban environments that would have environmental merit.

Waka Kotahi (NZ Transport Agency)

72. Ten councils asked Te Waihanga for assistance to ensure that Waka Kotahi road maintenance funding was maintained despite reduced economic activity. Another request of Te Waihanga, was whether it could engage with Waka Kotahi about realigning National Land Transport Fund decisions, so they are made before council LTP adoption. This would give surety to the contracting market.

73. Four rural councils with large roading networks asked for assistance over their Waka Kotahi Funding Assistance Rate (FAR). This applied to large roading networks, which generate economic activity with a South Island council explaining it as follows*:*

    "For New Zealand each person has to fund 19 metres of road but here it is 219 metres per person; 11 times the distance and a funding issue which is why 60% is unsealed."

    Another council pointed to bridge funding, citing $100,000 to maintain 176 bridges while a North Island rural council added:

    "The sponsorship alone of the road that each ratepayer has to look after is disproportionate to the amount of FAR we get."

    A Mayor exclaimed surprise to learn that the One Network Road Classification did not apply to unsealed roads, which had seen the councils there, form a centre of excellence:

    "*The work with the [council grouping] is to create a centre of excellence heading towards a system for measuring to become an annex to the One Network Road Classification."*

Legislation

74. Nine councils asked Te Waihanga to undertake analysis on legislation they saw as impeding the delivery of infrastructure. This includes:

    1. Reserves Act 1977 and Public Bodies Leases Act 1969: The ownership of reserves is unclear to these councils, and reserves present an opportunity to free up surplus land for housing, commercial or community use. They are also an impediment to improved structures

in council-led developments, for instance, where a Council Controlled Organisation (CCO) is involved. Effectively, this means that leases must go out to public consultation, defeating the objective of a sensible modern commercial structure.

2. Local Government Act 1974 and the Public Works Act 1981: Consultation revealed a weakness (Schedule 10) in the temporary road stopping powers of local authorities. There was a reported problem with permanent road stopping powers in the case of formed single-user roads and single-user bridges. One of those councils cited up to 100 bridges approaching end of life that serve one property. The replacement costs for the bridges alone were given at $100,000 to $500,000 each, with one at $2m. The only person who can stop a formed road is the Minister of Land Information.

3. Local Government Act 2002: Nine councils raised the cost and effectiveness of LTPs as true public engagement tools. One growth council estimating that with staff time, its LTP costs around $1m to compile and takes eight months. A small rural council put its LTP at $250,000; more than one percent of that council's rates. No council wanted to move away from the financial discipline that LTPs brought however; what was questioned was the need to consult on matters a council was legally required to deliver, such as three-waters and roading. It was felt that genuine public consultation should focus on elective spending areas.

Earthquake Prone Buildings (and Heritage New Zealand Pouhere Taonga Act 2014)

75. The lower North Island, Marlborough, Canterbury, and the West Coast broadly fall into high seismic risk areas. Within the next seven years 'High Priority' buildings like buildings on priority thoroughfares, must be demolished or strengthened. All other buildings have up to 15 years. A concern expressed in consultation was the prospect of abandonment forcing councils to take possession and the resulting liability. While the cost of strengthening outweighs the capital value for many buildings, heritage rules are an added complication. As the 30-year infrastructure plan covers this period, this challenge is an opportunity for Te Waihanga to engage with local government and Heritage New Zealand to quantify the scale of impact. As one South Island growth council noted, the location of earthquake prone buildings presents a brownfield opportunity where there is established infrastructure.

Natural Hazards and Public Infrastructure

76. Two councils asked Te Waihanga to examine public infrastructure being built/rebuilt in natural hazard areas when this was against the explicit advice of regional and local councils. This was related back, by councils, to the need for greater flexibility in the RMA to allow redevelopment and managed retreat for towns affected by sea level rise. This aspect had implications for spatial definition of public infrastructure, such as the land transport networks, threatened by sea level rise. Several councils raised the Coastal Policy Statement and a need for clarity.

Solid Waste

77. Ten councils raised solid waste as an issue where they felt Te Waihanga needed to be involved. The fundamental issue is a lack of demand for solid waste and recyclables with one council consulting to end recycling due to cost. At least one small council trucked its waste to another council's landfill noting that landfill was reaching end of life; they have costed a new landfill in their district at over $20m. Another small rural North Island council was spending $1.5m on solid waste annually and admitted there was no demand for recyclable streams. Councils were asking for a national solution.

Risk Balance in Health and Safety

78. Two council managers, including a Chief Executive, raised the need to balance risk with health and safety:

    "Localism says, 'let's get these people working and let them double their workforce,' but on the other hand, there's this idea that says there's risk for us if someone [makes a mistake]… do we want to carry the burden? We have reduced capacity as we do not count some of our smaller operators and we get increased prices."

    A growth council's infrastructure manager observed in the same vein:

    "It's the components of cost that keep growing. In transport, it is the cost of the code of practice of temporary road management. It's a very risk adverse position but it is starting to ratchet up costs."

APPENDIX 1: The Engagement Plan

Overview

For Te Waihanga, the purpose of this engagement was to obtain accurate and timely information. This was by individual councils inputting long term infrastructure plans into a widely accessible pipeline (likely the Long-Term Plan). This informs how Major Projects could assist territorial local authorities in project planning, structuring, and funding of infrastructure projects. In return, it provides Te Waihanga a macro view to inform frameworks, capability and technology.

This was done by way of qualitative interview-based research at a CEO/GM and Mayoral level. The list of interviews is at Appendix 3. This approach assessed knowledge of Te Waihanga, councils' willingness to participate and whether Te Waihanga tools, techniques, systems and services add value to council major projects.

This included risk appetite and was organised by method as follows:

- Audience
- Interview and key topics
- Timelines and targets
- Intended outcomes.

Timelines and Targets

The target audience were the Mayors, Chief Executive Officers and GM level heads of infrastructure and corporate services within rural and provincial councils and some regional councils. Metropolitan councils (including Queenstown Lakes District Council) were not a primary priority for this engagement.

Mayors

The Local Government Act 2002 (LGA) means that mayors have responsibility for:

- Promoting a vision for their district/city/region
- Providing leadership to achieve the vision
- Leading the development of council plans, policies, and budgets
- Ensuring effective engagement between their council, their community and key stakeholders.

Mayoral roles are inherently political having been democratically elected on a platform. They lead governance performance review and appointment of chief executives. They further appoint the deputy mayor, establish committees and appoint committee chairs. Politically, they are one vote at the council table, so their influence is proportionate to enjoying the confidence of a majority of councillors.

Chief Executive Officers

The Chief Executive is responsible for:

- Delivery of the Annual Plans, Long Term Plans and Strategies as adopted by resolution of council.
- Long-term planning to ensure that Council meets obligations under the LGA.
- Meeting statutory requirements under the LGA and other legislation.
- Delivering services in an efficient, effective, and economic manner.
- Setting accepted values and behaviours for the council.

General Managers (Assets/Infrastructure)

Typically, are responsible for:

- Three-waters planning and execution (solus or with other bodies)
- Development and implementation of a council's infrastructure strategy
- Procurement and management of infrastructure assets
- Strategic asset management; and
- Asset resilience (related to CDEM).

General Managers of Corporate Services

Typically, are responsible for:

- Strategy and Policy
- Financial Management
- Information Technology
- Council customer services
- Communication and Secretariat services.

Timeline

The project commenced on 2 June 2020. Initial consultation was gradual at the request of Anna Verboeket (Special Advisor Engagement), to coordinate with separate engagement with Local Government New Zealand. Low-rate engagement commenced from 15 June 2020 with full rate consultation from 29 June 2020 and ran until 19 August 2020.

Interviews

To protect sources most quotes are anonymised with limited exception to ensure the quotes integrity.

Intended outcomes of this consultation

- Increase regional governments participation in Te Waihanga's Infrastructure Pipeline, and target for 10 councils to supply regional pipeline data into Te Waihanga's Infrastructure Pipeline.
- Provide a verbal briefing weekly at the MPA Pipeline meeting on the state of consultations, number of councils engaged and enlisted, level of engagement and identifying ways to overcome barriers to progress
- Provide a monthly update to the MPA Team meeting on each of the areas of scope
- At the end of the engagement provide written advice on the need, functions, and desired skill sets for the role of Senior Advisor, Regional Projects
- At the end of engagement provide a written report of consultations and recommendations for regional boundaries, improving quality of pipeline data, systemwide issues and ongoing consultations with regional governments
- Provide input into the position description for the potential role of Senior Advisor, Regional Projects.

Engagement levels: IAP2 Spectrum of Public Participation applied to this initiative

The International Association for Public Participation (IAP2) uses five levels of public participation:

Inform

- Provide balanced and objective information and the alternatives, opportunities and/or solutions it offers
- Keep councils informed at both an officer and governance level

Consult

- Obtain feedback on offers, alternatives and/or approaches
- Keep internal and external audiences informed, listen to and acknowledge aspirations, and provide a means for two-way input

Involve

- Provide a means for councils to ensure their community, legal/financial (i.e. LGA, LGFA, PFA) and policy concerns/aspirations are understood, considered and reflected in actions.
- Provide constant opportunities for feedback to Infracom for the duration of this project.

Collaborate

- Partner with officers and governance in the identification of preferred solutions.
- Provide access to internal and external advice and innovation to formulate solutions and incorporate advice and recommendations into the decisions to the maximum extent possible.

Empower

- Place final decision-making in the hands of councils to implement what their community of interest requires.

APPENDIX 2: Questionnaire

Due to time issues and externalities, not every question could be answered. This though provided a common structure to the interviews conducted.

Awareness/Introduction:

1. In your own words, what do you know of Te Waihanga and its major functions to be?
2. What functions or services would you like Te Waihanga to perform and why?
3. Has your council accessed or seen the Te Waihanga pipeline from the Te Waihanga website?

Current projects:

4. What are your council's three largest committed infrastructure projects in your Annual Plan/LTP, which are yet to commence (e.g., type/description/timing and cost)?
5. How has your council funded infrastructure (e.g., rates, debt, UAGC) **and** how is it likely to fund infrastructure going forward?
6. If we consider these three projects, where does your council lack capacity/capability/expertise [if any] to deliver them?
7. If Te Waihanga was able to provide support in respect of these projects what form would that take?

Engagement with the Te Waihanga infrastructure pipeline:

8. Aside from RAMM, how do you currently record infrastructure, the condition of that infrastructure and its projected replacement cost? (e.g., AssetFinda, Assetica, etc)?
9. How confident are you in the quality/reliability of your asset information by class of asset?
10. Are your assets recorded on a GIS?
11. Thinking about Te Waihanga's purpose, which is to have a comprehensive view of NZ public infrastructure over a 30-year horizon, what features should Te Waihanga's infrastructure pipeline feature for example: ***Where** (e.g. geospatial)/**What** (e.g. project description)/**Who** (e.g. asset owner)/**Type** (e.g. project type like road or water treatment)/**Status** (e.g. replacement or new)/**Cost** (e.g. how much)/**Business case** (e.g. date or tbc) /**Procurement** (e.g. when will procurement commence)/**Construction** (e.g. when is it be built)*
12. To be of value to your council, as opposed to an extra compliance layer, what information would you like the pipeline deliver and how would you like it to be presented?
13. Would an ability to highlight infrastructure 'clashes and opportunities,' such as Waka Kotahi, utilities etc. be of benefit (e.g., utility permitted works, council works and even major events)?
14. Is having a "sandbox" behind the pipeline for future infrastructure intentions (e.g., years 11-30+) be useful, if this was limited to Council and Te Waihanga?
15. Would inputting consent data be useful or not for spatial planning?
16. Is there benefit if this tool was able to forecast staffing (council/local construction/national) by differing project types to highlight potential constraints?
17. Is your council willing to synchronise existing asset data if this was possible (*If not, why not and how would Te Waihanga access information about your council in a nationally consistent format?)*
18. What constraints does your council face, if any, in engaging with the infrastructure pipeline?
19. Have you heard of Forward Works developed by LINZ after the Christchurch earthquake and used by Auckland CC, Christchurch CC and Queenstown Lakes DC)?
20. What is the minimum financial threshold for infrastructure data to be placed onto the pipeline (e.g., $250k or $5m)?

Infracom specific delivery to the sector

21. If Te Waihanga was to employ a dedicated resource to work with local authorities, which of the following would be of most importance to your council:
    a. *Corporate Advisory*: Developing and evaluating infrastructure financing models, supporting business cases, commercial structures and helping councils to bring projects to market.
    b. *Project Management*: Assisting councils through the procurement cycle in relation to major and minor works encompassing specification, design, planning and delivery (including project structures).
    c. *Account management*: Relationship centred as an account manager to local authorities. A person who is able to provide Te Waihanaga expertise as required, or to assemble and manage inputs through to being a go-to for TLA specific infrastructure.
22. Do you collaborate only with peer councils within your region, or do you work either formally or informally across boundaries?
23. Thinking about the financing of capital projects, what community/council appetite exists for new funding sources; new financing mechanisms; or new financial arrangements?

A.O.B

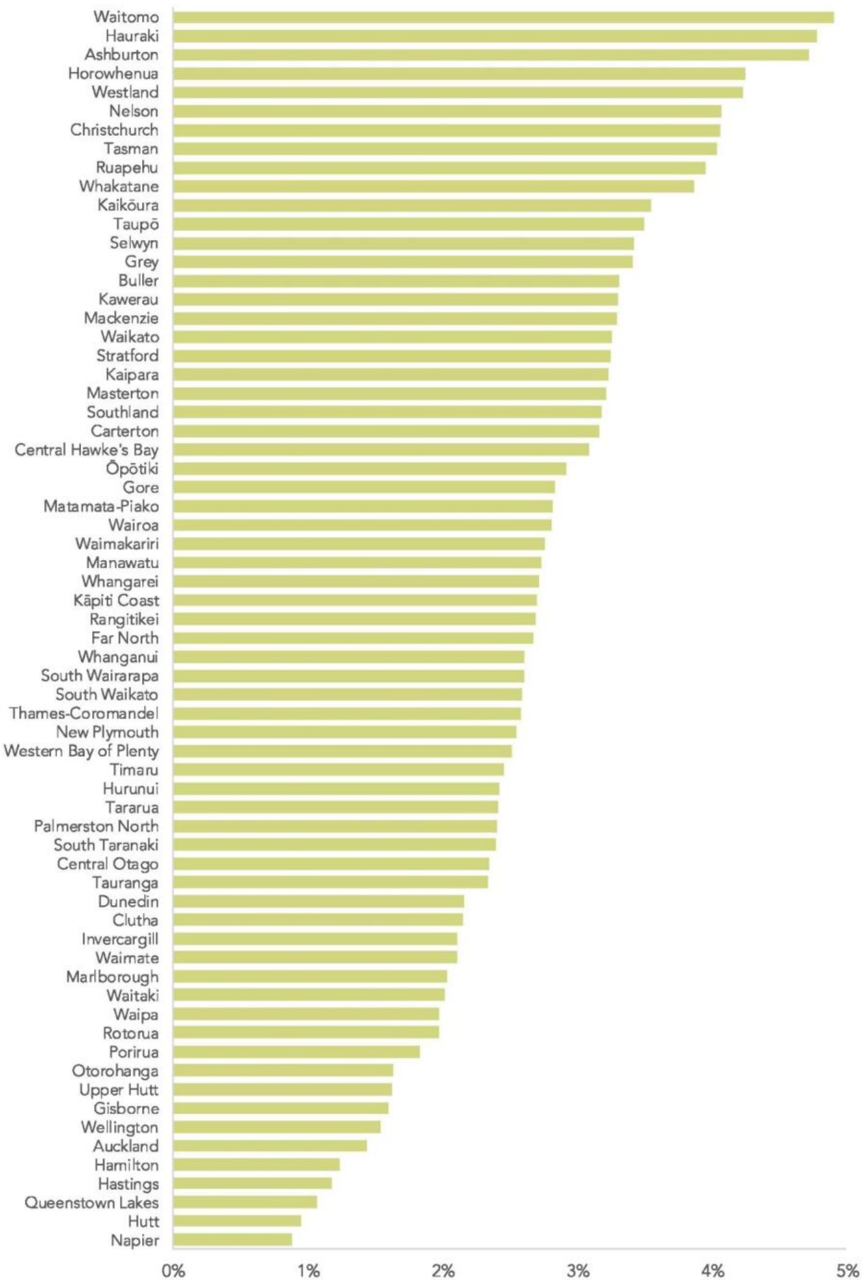
24. Aside from Te Waihanga, who else would your council see benefit in engaging with on your major infrastructure projects (singly or collectively with LGNZ)? For example, departments and/or Ministers through to corporate advisory firms?
25. How would you like to see Te Waihanga proceed on developing its offer to councils in respect of major projects and advisory? *Could this include use of the Te Waihanga Board?*
26. Other points that the Council may raise on policy, regulatory, systems that impede infrastructure delivery e.g., single-user bridges/roads to Waka Kotahi capital works not aligning with annual plan/LTP's.

APPENDIX 3: Interview Schedule

Council	Region	Town/City	When
Masterton District Council	Wellington	Masterton	15 June (1500)
South Taranaki District Council	Taranaki	Hawera	16 June (1100)
Whanganui District Council	Horizons	Whanganui	16 June (1500)
Stratford District Council	Taranaki	Stratford	17 June (12pm)
Manawatu District Council	Horizons	Feilding	22 June (1000)
Rangitikei District Council	Horizons	Marton	22 June (1400)
South Wairarapa District Council	Wellington	Martinborough	29 June (0900)
Carterton District Council	Wellington	Carterton	29 June (1300)
Tararua District Council	Horizons	Dannevirke	1 July (1030)
Napier City Council	Eastern	Napier	1 July (1500)
Hastings District Council	Eastern	Hastings	2 July (0730)
Hawke's Bay Regional Council	Eastern	Napier	2 July (1130)
Central Hawke's Bay District Council	Eastern	Waipawa	3 July (0900)
Horowhenua District Council	Horizons	Levin	3 July (1300)
Nelson City Council	Top of the South	Nelson	6 July (1000)
Tasman District Council	Top of the South	Nelson	6 July (1400)
Marlborough District Council	Top of the South	Blenheim	7 July (1000)
West Coast Regional Council	West Coast	Greymouth	8 July (0900)
Grey District Council	West Coast	Greymouth	8 July (1300)
Westland District Council	West Coast	Hokitika	9 July (1000)
Buller District Council	West Coast	Westport	9 July (1400)
Waimakariri District Council	Canterbury	Rangiora	10 July (1500)
Hurunui District Council	Canterbury	Amberley	13 July (0900)
Canterbury Regional Council	Canterbury	Christchurch	13 July (1400)
Selwyn District Council	Canterbury	Rolleston	14 July (1000)
Ashburton District Council	Canterbury	Ashburton	14 July (1330)
Kaikōura District Council	Canterbury	Kaikōura	15 July (1330)
Palmerston North City Council	Horizons	Palmerston North	20 July (1000)
Horizons Regional Council	Horizons	Palmerston North	20 July (1330)

Council	Region	Town/City	When
Taupō District Council	Waikato	Taupo	21 July (1015)
South Waikato District Council	Waikato	Tokoroa	21 July (1530)
Matamata-Piako District Council	Waikato	Te Aroha	22 July (0800)
Thames-Coromandel District Council	Waikato	Thames	22 July (1030)
Hauraki District Council	Waikato	Paeroa	22 July (1430)
Gisborne District Council	East Coast	Gisborne	27 July (0900)
Wairoa District Council	East Coast	Wairoa	27 July (1300)
Opotiki District Council	Bay of Plenty	Opotiki	28 July (0900)
Whakatāne District Council	Bay of Plenty	Whakatāne	28 July (1200)
Kawerau District Council	Bay of Plenty	Kawerau	29 July (1030)
Western Bay of Plenty District Council	Bay of Plenty	Tauranga	29 July (1430)
Tauranga City Council	Bay of Plenty	Tauranga	30 July (0800)
Rotorua District Council	Bay of Plenty	Rotorua	30 July (1300)
Kaipara District Council	Northland	Dargaville	3 August (1000)
Far North District Council	Northland	Kaikohe	3 August (1500)
Northland Regional Council	Northland	Whāngārei	4 August (1300)
Whangarei District Council	Northland	Whangarei	4 August (1530)
Waikato District Council	Waikato	Ngaruawahia	5 August (0900)
Mackenzie District Council	Canterbury	Fairlie	10 August (0930)
Waimate District Council	Canterbury	Waimate	10 August (1300)
Clutha District Council	Otago	Balclutha	11 August (0900)
Central Otago District Council	Otago	Alexandra	11 August (1400)
Southland District Council	Southland	Invercargill	12 August (1000)
Invercargill City Council	Southland	Invercargill	12 August (1500) TEAMS
Gore District Council	Southland	Gore	13 August (0900) TEAMS
Dunedin City Council	Otago	Dunedin	13 August (1300) TEAMS
Waitaki District Council	Otago	Oamaru	13 August (1600) TEAMS
Timaru District Council	Canterbury	Timaru	14 August (1230) TEAMS
New Plymouth District Council	Taranaki	Wellington	17 August (1300) TEAMS
Taranaki Regional Council	Taranaki	Wellington	17 August (0900) TEAMS
Ruapehu District Council	Horizons	Wellington	19 August (0800) TEAMS
Waipa District Council	Waikato	Wellington	19 August (1300) TEAMS

APPENDIX 4: Average Yearly Growth in Rates Per Person 2000-2018



Source: The New Zealand Productivity Commission (November, 2019). Local government Funding and Financing Final Report, Wellington p.43.

APPENDIX 5: Senior Adviser – Regional Major Projects Job Description

Job Title:	Senior Advisor, Regional Projects
Reports to:	GM, Major Projects and Advisory
Direct reports:	No
Location:	Wellington
Full-time/Fixed Term	12-24 Months

Objective:

The Senior Adviser (Regional Major Projects), will establish the New Zealand Infrastructure Commission, Te Waihanga, as the strategic interface between local government and the state-sector agencies in the delivery of infrastructure that sustains and builds communities. The main focus is upon establishing and maintaining value-driven, strategic relationships to deliver vertical and horizontal infrastructure solutions that support both community well-being and economic development.

The principal responsibilities are:

- Proactively owns Te Waihanga's relationship management with local government as a partner in the facilitation of community supporting infrastructure
- Works with local government stakeholders and LGNZ, on major projects emanating from Long Term Plans, 30-year asset management plans and government initiatives that impact the sector
- Defines and prioritises a strategic roadmap for the Commission in respect of infrastructure that supports spatial development
- Shapes a convergence between state-sector and local government infrastructure delivery, especially with Waka Kotahi NZ Transport Authority, Department of Internal Affairs, Ministry of Health, Ministry of Education, Fire and Emergency New Zealand and Police and where necessary, as a navigator
- Supports local government infrastructure recovery from Civil Defence and adverse events
- Anticipates the needs and issues of the local government and proposes resolution by way of assignment or escalation

- Project manages corporate advisory, commercial and risk analysis to support effective decision making for local government projects or multiagency procurement arising from the New Zealand Infrastructure Pipeline
- Works alongside the Pipeline Manager to incorporate local government projects onto the New Zealand Infrastructure Pipeline
- Maintains the Client Relationship Management system in respect of local government and spatial development including a library function for designs, opinions, and contracts to assist local government
- Contributes to Major Projects and Advisory strategic planning including products and services
- Continuously provides input and insights that informs the Senior Leadership Team, Board and internal teams such as Strategy and Engagement.

Key Accountabilities

Key Accountability Areas:	Key Accountabilities/Expectations:
Provides functional relationship delivery to local government major projects	• Leads Te Waihanga's relationship with local government asset owners • Builds trust and respect in Te Waihanga as the go-to for local government infrastructure on major projects • Provides major project and advisory support by facilitating internal Te Waihanga support and external support on a cost-recovery basis where needed • Acts as a navigator for the sector in respect of community supporting infrastructure resulting from central government and escalates matters where there is not convergence • Arranges and leads sector briefings, webinars and meetings along with Te Waihanga staff.

Key Accountability Areas:	Key Accountabilities/Expectations:
Whole of government participation in spatial development and Long Term Plans	• Works with related public and council asset owners to incorporate up to 30 years of forward works with a focus on 10-year Long Term Plans • Proactively ensures Te Waihanga is aware of core infrastructure planning needs of local government form state service asset owners and vice-versa, for example, Waka Kotahi, DIA, MoE, MoH, FENZ and Police • Where needed, coordinates between the state sector and local government in respect of infrastructure and spatial development • Identifies and elevates areas of need or pressure to the GM (MP&A).
Identifies and promotes shared procurement	• Incorporates infrastructure data into the Pipeline • Analyses the pipeline and infrastructure pipeline for shared procurement and phasing of both local and state sector infrastructure • Identifies potential for novel financing/delivery, ascertains interest, undertakes commercial risk assessment, arranges engagement and facilitates an MoU or PSA as appropriate • Manages and contributes local government information in the CRM • Identifies and writes case studies to highlight best practice • Promotes, obtains and manages an Te Waihanga library of project designs, specifications, contracts, term sheets, and legal opinions to provide asset owners with a fast start.
Provides Civil Defence and Adverse Event recovery support	• Provides Te Waihanga support to affected councils and state sector agencies following a Civil Defence Emergency • Feeds information and insights to the GM (MPA) and other managers • Informs Te Waihanga of what councils need for the post-recovery infrastructure and beyond.
Generates high level insight and thought leadership	• Provides data and insights that inform the Senior Leadership Team, Board and internal teams • Identifies system level impediments to speed the delivery of services to the community.

Key Relationships

- GM Major Projects and Advisory
- Local government
- Capital intensive public sector agencies
- Infrastructure sector
- Central agencies
- External commercial stakeholders.

Qualifications

- A Bachelor's or Post-graduate qualifications in commerce and/or public policy.

Experience

- At least ten years' experience senior relationship/stakeholder management experience with at least five years advising local and/or central government
- Explaining and presenting complex technical information to public, councillor, officer, state-sector and business audiences
- Public policy experience including, but not limited to, the Local Government Act, Resource Management Act and Public Works Act
- Briefing and writing to a standard required by Ministerial offices
- Delivering professional advisory services to infrastructure, utilities, built environment or transport
- Financing mechanisms and financial arrangements
- Asset management systems
- Programme and portfolio management.