



Hamilton City Council – Staff Feedback

**Testing our Thinking – Developing
an Enduring National Infrastructure
Plan – Discussion Document
(November 2024)**

New Zealand Infrastructure Commission

10 December 2024



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- **A city that's easy to live in**
- **A city where our people thrive**
- **A central city where our people love to be**
- **A fun city with lots to do**
- **A green city**

The topic of this staff feedback is aligned with all of Hamilton City Council's five priorities.

Council Approval and Reference

This staff feedback was approved by Hamilton City Council's Chief Executive on 10 December 2024.

Feedback # 782

Introduction

1. Hamilton City Council staff welcome the opportunity to provide feedback to the New Zealand Infrastructure Commission on **Testing our Thinking – Developing an Enduring National Infrastructure Plan – Discussion Document (November 2024)**.
2. Hamilton City Council has a vested interest in the infrastructure space, with its total asset value being well over \$6 billion, and as part of that figure, infrastructure assets approaching \$5 billion (as of 30 June 2024). Operating and Maintenance costs are around \$50 million per annum.
3. Over the 10-year period of the Hamilton City Council's 2024–34 Long Term Plan, the Council's asset base is projected to increase by a further \$7 billion (i.e. a \$13 billion total asset value at June 2034), with total operating and maintenance costs over this 10-year period being \$860 million.
4. Hamilton is also undergoing rapid population growth, being the country's fastest-growing city in the past two years, with the current population being around 190,000. This growth is likely to continue, which will place increasing pressure on existing infrastructure and the requirement to add new infrastructure.
5. The cost of maintaining existing infrastructure and the ongoing provision of new infrastructure is an issue faced by Hamilton City Council and all Councils, with costs continuing to escalate significantly.
6. We have made a number of infrastructure-related submissions over the years, including our 2 July 2021 submission ([refer here](#)) to the New Zealand Infrastructure Commission's May 2021 consultation document **Infrastructure for a Better Future: Aotearoa New Zealand Infrastructure Strategy**.
7. We fully support the development of a National Infrastructure Plan (NIP) and see this as another crucial step in ensuring more effective and efficient maintenance of existing infrastructure as well as the delivery of new key infrastructure in New Zealand over both the short, medium, and long term.
8. The NIP is an essential framework for guiding, coordinating and prioritising infrastructure development across New Zealand. Prioritisation is seen as being particularly important to enable the extraction of the maximum benefits as efficiently and effectively as possible. Presently, there is no overarching coordination of large projects in New Zealand, resulting in competition between projects and purported benefits failing to match outcomes. However, prioritisation does not replace the need for sufficient investment in infrastructure.
9. A NIP will build consensus and serve as a powerful mandate necessary to sustain the often-multi-year commitment required to construct large infrastructure. Therefore, we also endorse the Government's efforts to protect the NIP from differing political preferences that can be expected over the life of the NIP. 'Baking in' sufficient certainty around outcomes is essential to provide local government, central government, and the private sector sufficient confidence to align their funding and development with the NIP, which will be a very significant commitment.
10. We also acknowledge and support the new National Infrastructure Agency that commenced operation on 1 December 2024, with Infrastructure Minister Chris Bishop noting that the agency *"Will act as the Crown's 'shopfront' to receive unsolicited proposals and to facilitate private sector investment in infrastructure, partner with agencies, and in some cases, local government on projects involving private finance, and administer central government infrastructure funds"*.
11. There is clearly a need for a National Infrastructure Plan. The Treasury, in its **June 2024 Quarterly Investment Report Information Release (November 2024)** ([refer here](#)) noted that:
 - *Asset management is a key area needing improved performance – there are large gaps in our understanding of the state of the Crown's assets, as well as a lack of comprehensive planning to maintain, renew, replace, or dispose of assets.*

- *The Treasury observed that there is an immature understanding of the investment management system among agencies and the application of the frameworks, which is exacerbated by skills and capability gaps and poor asset planning and management. Consequently, business cases are failing to make the case for change, take too much time and cost to develop and are not presented in a way to support us with effective decision-making.*
12. The Minister for Infrastructure, in referencing this November 2024 report¹, has said that new indicators from the Treasury "*Indicate that investment proposals are coming to us for approval before they are ready, and without sufficient evidence to support our decision-making.....this will ultimately slow the ability to deliver our infrastructure and investment priorities*".
 13. We acknowledge that the Infrastructure Commission's November 2024 report **Taking Care of Tomorrow Today: Asset Management State of Play** also highlighted these key issues around infrastructure and investment priorities.
 14. **Taituarā** and **LGNZ**, as the primary local government sector representative organisations, have made detailed submissions to the 17 questions outlined in the Commission's November 2024 discussion document, which we endorse.
 15. Given this, the following feedback from Hamilton City Council staff focuses on issues that are relatively high-level in nature as well as covering issues of a Hamilton/Waikato context.
 16. We also look forward to being able to provide feedback to the New Zealand Infrastructure Commission during the consultation phase of the Draft Infrastructure Plan that is anticipated to commence in mid-2025.

Key and Messages and Recommendations

17. **Support for a National Infrastructure Plan**
18. We support the development of a National Infrastructure Plan and see this as another crucial step in ensuring more effective and efficient maintenance of existing infrastructure and delivery of new key infrastructure in New Zealand.
19. Good governance and prioritisation of infrastructure projects will be key components of the National Infrastructure Plan's success.
20. Bipartisan support for the National Infrastructure Plan is essential, particularly given the relatively short three-yearly central government election cycle.
21. **Support for the Submissions by Taituarā and LGNZ**
22. We support the relatively detailed local government sector-representative submissions made by **Taituarā** and **LGNZ** to the Commission's November 2024 discussion document, and in particular the response/feedback made by each of these organisations to the Commission's 17 key questions.
23. **Funding and Financing Infrastructure**
24. It is well known that New Zealand currently has a significant infrastructure deficit, which can't be funded by the country's current balance sheet.
25. Councils and their communities are reaching their thresholds in terms of what can be managed at a local level. Importantly, user pays approaches can only go so far before they start to impact equality outcomes within the community, having impacts on social wellbeing.
26. The NIP needs to support more innovative funding and financing mechanisms (e.g. making private financing of public infrastructure more attractive) that will enable more infrastructure to be built.

¹ Article from RNZ <https://www.rnz.co.nz/news/political/535175/treasury-warns-government-about-overspend-poor-planning-on-major-infrastructure-projects> (29 November 2024).

27. Clarification is also required as to when the Government will use its balance sheet to fund and/or finance key infrastructure.

28. **Strategic Overview of Legislation/Related Work in the Infrastructure Space**

29. We note the multitude of recent and impending legislative changes (and other associated work) and the significant impact that this will have in the infrastructure space, particularly over the next two years. Examples of this include:

- Improving infrastructure funding and financing — Cabinet has agreed to an Infrastructure Funding and Financing Framework to help the Crown make smarter and more informed decisions. This work programme is all about ensuring central and local government have smarter tools to fund and finance infrastructure.
- The Fast Track Approvals Bill and associated Schedule 2 projects.
- The 'Phase 3' reform of the Resource Management Act taking shape i.e., the total replacement of the RMA with two Acts covering environmental effects, and urban development and infrastructure, respectively (commencing in 2025). Legislation is to be introduced and passed before the next general election.
- The Local Government Water Services Act and subsequent Bills (with Bill #3 anticipated to be introduced in mid-December 2024).
- Councils throughout the country looking at forming Council Controlled Organisations and other arrangements to meet the requirements of Local Water Done Well, including the development of Water Service Delivery Plans that must be submitted to the Secretary for Local Government by September 2025.
- Amendments potentially having to be made to Long Term Plans by various Councils, primarily around the implications of Local Water Done Well.
- The Local Government Amendment Bill 'Back to Basics' Local Government Act Reform Package (anticipated to be introduced in December 2024).
- The Public Works Act Amendment Bill (anticipated to be introduced in mid-2025).
- Implications from the document 'Building Resilience to Hazards Long-Term Insights Briefing'.
- The Climate Adaptation Bill/Adaptation Framework.
- The Land Transport Management Act (Time of Use Charging) Amendment Bill (anticipated to be introduced in early December 2024).

30. Central government should be taking a more proactive view to better consider the coordination and interrelationships between such key legislative changes and associated workstreams (as well as the multitude of other work projects/programmes of an infrastructure nature) regarding the country's current and future infrastructure requirements.

31. The timeframes around workstreams resulting from these legislative changes and the subsequent, strategies, plans and policies also need to be carefully analysed i.e. timing and sequencing have the potential to create significant issues for efficient and effective infrastructure planning and delivery.

32. This is a critical area of work that, as far as we can ascertain, no one really seems to be addressing. We recommend that the Department of Internal Affairs picks up this workstream.

33. There is also the considerable time and resource impact that such legislative changes are already having and will continue to have on all Councils throughout the country. Ongoing increased legislative change and subsequent compliance costs will place a further financial and resource burden on all Councils, most of which are already 'stretched' regarding these aspects.

34. There needs to be critical thinking around developing a well-thought-through high-level strategic overview of how this legislation and associated workstreams tie together and the subsequent implications for an enduring, robust, and meaningful National Infrastructure Plan. An overall 'wiring' diagram of how this work 'meshes' everything together would be helpful.

35. **Projects to be Submitted to the Infrastructure Priorities Programme**

36. Hamilton City Council staff and **Future Proof** (<https://www.futureproof.org.nz>) will be submitting a number of key projects to Phase 1 of the Infrastructure Priorities Programme (IPP) by 20 December 2024 for consideration by the New Zealand Infrastructure Commission. Information for additional projects is also being prepared for the Phase 2 IPP applications that we understand are anticipated to commence in February 2025.

37. The projects we submit to the Infrastructure Commission will be consistent with the vision and aspirations of the Future Proof partners from the Hamilton–Waikato metro area and will also be aligned to and support the implementation of **Future Proof Strategy 2024–2054** and the **Hamilton–Waikato Metro Spatial Plan Transport Programme Business Case** recommendations endorsed by partners and the NZ Transport Agency Board in 2023.
38. Future Proof provides an effective, strategic partnership that brings together all levels of government, iwi, and other strategic partners, is boundaryless, focuses on a high growth area of pivotal importance to New Zealand, is resource management and spatial planning in action, reflects key infrastructure including planning for our future transport network, and takes a long-term view of the subregion’s needs. The Future Proof partnership sets out how we will grow and change over the next 30-80 years. It ensures we are working collaboratively.
39. The Future Proof area sits within the Waikato Region and comprises Hamilton City and the three districts of Waipā, Waikato, and Matamata-Piako.
40. Future Proof considers all of the major growth challenges impacting the subregion. Over the next 30 years, we’re expecting another 180,000 people will settle here – a population increase of 30 percent in just three decades – which will clearly result in various infrastructure implications.
41. **Regional Deals**
42. Regional deals receive no mention in the New Zealand Infrastructure Commission’s discussion document, yet are considered to be a key Governmental initiative aimed at boosting economic growth through infrastructure development – refer <https://www.dia.govt.nz/Regional-Deals>
43. The focus of regional deals will be on delivering connected and resilient infrastructure, fostering economic growth, and improving the supply of housing, including affordable housing. These deals will be based on a 30-year vision for the region, supported by negotiated 10-year strategic plans.
44. The Government views the deals as a long-term commitment to invest together to unlock funding and financing tools, provide regulatory relief mechanisms and improve coordination. There is no new money by way of grants available through the deal mechanism. However, it may be possible to reprioritise existing budgets and allocations as part of a deal.
45. Utilising regional deals to provide certainty for long-term strategic infrastructure investment is one way to improve on the delivery of key infrastructure in New Zealand.
46. Given the potential that regional deals can have on infrastructure provision, we recommend that this mechanism/tool be clearly acknowledged in the Draft National Infrastructure Strategy when it is released for consultation in mid-2025.
47. **Resilient Infrastructure – Climate Change and Natural Hazards**
48. Infrastructure must respond to the challenges and opportunities that climate change presents. We support the focus on both building resilient infrastructure and low emissions infrastructure.
49. In the discussion document the focus for emissions is on the decarbonisation of infrastructure and achieving emissions targets. We would support a stronger focus on the role that infrastructure plays in transitioning to a low-emissions economy and society. We need to be deliberate in ensuring infrastructure delivered in the coming years supports a just transition to a low-carbon future.
50. In addition, there needs to be better accounting for emissions through the design, development and operating of infrastructure. Clearer standards on this would enable better comparison between projects.
51. As the discussion document outlines, we need to ensure infrastructure is resilient to climate change and other natural hazards – this requires urgent attention. Understanding climate change models and the potential impacts as well as having standardised future scenarios we design for will support the development of more resilient infrastructure.

52. A 4 December 2024 article² in **Interest.co.nz** noted that New Zealand is seen as very high on the natural hazard scale (the second riskiest country in the world in terms of natural hazards) as the country is susceptible to a wide range of climate risks above and below ground. Natural hazard threats above ground include severe weather events like floods, tsunamis, and cyclones, while below ground New Zealand faces risk from earthquakes and volcanoes.
53. The discussion document largely focuses on extreme weather events related to climate change. We recommend that the Infrastructure Commission also include the sustained changes in climate, as these also need to be a factor in the infrastructure we select and how it is designed and built.
54. **Development of an Inter-Regional Strategic Infrastructure Plan for UNISA**
55. Hamilton City Council, through **UNISA** (the Upper North Island Strategic Alliance – a collaboration between Northland, Waikato and Bay of Plenty Regional Councils, Auckland Council, Whangārei District Council and Hamilton and Tauranga City Councils – [refer here](#)) has been a strong advocate for joined-up thinking on infrastructure. UNISA has recently agreed to the preparation of an inter-regional strategic infrastructure plan that will identify key infrastructure to provide for Upper North Island growth, taking a cross-regional perspective on aspects such as roads, railways, and electricity transmission lines.
56. UNISA has also directed that its Infrastructure Plan place particular emphasis on providing a framework for prioritisation, and a defensible economic rationality for proceeding with projects. Such matters will no doubt be traversed in the New Zealand Infrastructure Commission’s National Infrastructure Plan.
57. The ambitious timeline for completion of the UNISA Infrastructure Plan has also been directed to allow for integration with the National Infrastructure Plan, and a separate approach has been made to the New Zealand Infrastructure Commission to discuss further how this can be achieved.

Further Information and Opportunity to Discuss our Feedback

58. Should the New Zealand Infrastructure Commission require clarification of the feedback from Hamilton City Council staff, or additional information, please contact **Mark Brougham** (Strategic Advocacy Programme Manager) on **022 136 1578** or email mark.brougham@hcc.govt.nz in the first instance.
59. We would welcome the opportunity, if available, to discuss the content of our feedback with the New Zealand Infrastructure Commission.

Yours faithfully



Lance Vervoort
CHIEF EXECUTIVE

² Article from Interest.co.nz - [Natural Hazards Commission says the current natural hazards insurance levy is ‘insufficient’ and would need to be 50% higher to break even](#) (4 December 2024).

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