

# Infrastructure New Zealand's Top Ten Policy Priorities

Here are Infrastructure New Zealand's top ten actions that are critical to meeting New Zealand's infrastructure needs.

## 1. Reform NZ's antiquated planning laws and local government structures and funding.



For a country of just five million people it's hard to understand why our planning laws and governance system is so fragmented and complex. The Resource Management Act, the Local Government Act, and the Land Transport Management Act provide the legal framework for infrastructure planning, funding and delivery but between them represent 1,358 pages of conflicting processes and complexity. Administering this system is 78 regions and councils, all with inadequate resources and funding needed to do their job properly.

- ✓ The most important action Government should take to improve New Zealand's infrastructure and standard of living is to enable a whole-of-system first principles, evidence-based reform of our planning laws and the purpose, structure and funding of central and local government institutions.

## 2. Develop an aligned national planning and development framework.



The effects-based RMA framework has left New Zealand with an unclear vision and pathway for how the country should grow and develop. New Zealand needs a national and regional development framework to guide and enable New Zealand's economic, social and environmental progress.

- ✓ The Government should establish a clear planning hierarchy. At the top of the hierarchy, a national development plan should lead the country's growth and development. Regional spatial and investment plans should be guided by national direction and incentivised by national funding. Local and city plans should support community outcomes and objectives.

### 3. Establish the independent NZ Infrastructure Commission.



The Government has announced that it will establish an independent infrastructure commission to advise Government on infrastructure strategy and delivery. This has been an industry priority for many years and is strongly supported across the sector. The priority now is to ensure the NZ Infrastructure Commission has the resourcing, independence and credibility to positively influence infrastructure outcomes for New Zealand.

- ✓ Complete the establishment of an independent New Zealand Infrastructure Commission (NZIC), with functions across both long-term infrastructure strategy and individual project procurement and delivery.

### 4. Deliver a national long-term investment pipeline to promote industry development, capability and capacity.



With little foresight of infrastructure needs beyond three years, the infrastructure industry is currently geared to respond to short-term boom-bust investment cycles. Companies are forced to lay people off and are unable to invest in developing talent long-term. Educational institutions also cannot develop attractive training programmes. Underinvestment in skills and equipment are the result, leading to higher cost projects, slower construction and poor utilisation of new technologies like off-site manufacturing.

- ✓ The first priority for the NZIC should be to develop a long-term project pipeline to give industry and tertiary institutions the certainty and confidence to invest in the people, skills, education and technology needed to lift productivity.

### 5. Conduct a national review of the resilience of NZ's strategic networks.



Flooding, power and energy supply disruption, long term road closures, water quality issues, and the apparent frequency of one-in-one-hundred-year events are all indications that our nationally and regionally significant networks, or our back up plans, are not as resilient as they should be. Climate change promises to increase pressures further.

- ✓ The NZIC should undertake a national review and lead ongoing industry oversight of the long-term resilience of our infrastructure system.

### 6. Accelerate establishment of the Housing and Urban Development Authority.



New Zealand is 70,000 homes short of what it needs to house its population and housing is severely unaffordable across much of the country. Regulatory red-tape, infrastructure financing challenges and weak planning are undermining infrastructure and housing delivery. The Housing and Urban Development Authority (HUDA) must be quickly established and empowered to overcome barriers to infrastructure and development.

- ✓ With consenting, land aggregation and rating powers, HUDA can cut through barriers to urban development, get infrastructure built, masterplan and deliver successful communities and affordable homes.

## 7. Enable scale development of housing and infrastructure to meet growth.



Urban planning under an RMA framework based on effects-management has undermined scale, vision and long-term planning to meet growth. New policy tools the Government has under development can be used to scale up and address weak housing supply, poor productivity and inadequate infrastructure.

- ✓ HUDA should prioritise major greenfield land aggregation and development in Auckland's south, Wellington's north and around Hamilton, Tauranga, Queenstown and other growth areas to meet urgent housing needs. Greenfields have lower prices, fewer barriers and larger land holdings to facilitate pace and scale and, by buying land, HUDA create and capture value through rezoning and infrastructure investment. Brownfield development should be targeted around rapid transit.

## 8. Provide opportunities for private investment in infrastructure and release capital through asset recycling.



NZ Super, ACC, Kiwisaver, iwi and other domestic and international funds are all looking to invest but the opportunities are extremely limited. At the same time, we need more infrastructure and homes, but these are being held up by funding and financing constraints.

- ✓ Public private partnerships, innovations in infrastructure funding and financing and partial or full sale of existing assets can inject private sector resources and capability into infrastructure and urban development. Leveraging private resources will release public capital to be recycled into desperately needed water and transport infrastructure.

## 9. Introduce road pricing to optimise traffic flow and raise revenue.



Transport funding challenges are leading to congestion, slowing the supply of housing and slowing the economy. At the same time, weak pricing signals are inflating user demand on substandard roads at busy times, exacerbating gridlock and reducing safety. New Zealand's cities need transport solutions which balance transport investment with willingness to pay.

- ✓ Road pricing can dramatically increase the efficiency of our road networks, raise funds for new investment and incentivise public transport use and walking and cycling. The quicker we ask users rather than tax payers to pay, the smarter our investment decisions will be and the better use we will make of our existing infrastructure.

## 10. Consolidate, professionalise and price water service delivery.



Councils across the country, especially in rural areas, are struggling to maintain their water infrastructure networks. The Inquiry into Havelock North Drinking Water estimated that 759,000 New Zealanders receive unsafe drinking water. Councils are having to improve water quality, meet rising consumer demands, invest in technology and deal with the challenges of climate change, all on an ageing and often shrinking ratepayer funding base.

- ✓ Delivery of three waters services should be disaggregated from local councils and vested in a small number of corporatised public providers. Water supply and waste water should be funded through volumetric charging. Corporatisation will enable efficiencies through economies of scale, staff specialisation and strategic capability and, with independent regulation, will achieve both affordability and service level objectives.



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Implementing these ten policy priorities will enable a step change in infrastructure planning, funding and delivery in New Zealand.

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