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18 December 2024 (amended 5 March 2025)
Via email

SUBMISSION TO TE WAIHANGA ON DEVELOPMENT OF A NATIONAL INFRASTRUCTURE PLAN

Thank you for the opportunity to present this submission on 'Testing our thinking. Developing an enduring national infrastructure plan'.

The Queenstown Lakes District Council (QLDC) supports the development of a national infrastructure plan and agrees with Te Waihanga's assessment of the infrastructure challenges. Many of these challenges are experienced in the Queenstown-Lakes District (QLD or the district), as QLDC delivers on its 30-year infrastructure strategy in the context of a rapidly growing resident and visitor population.

The main points that QLDC wishes to emphasise and support in relation to the Infrastructure Commissions' initial thinking are:

- The national infrastructure plan presents an opportunity to fill an important role in driving long term investment decisions and security of funding for those decisions. To ensure that long-term investment decisions can be safely made, cross-party support for the national infrastructure plan is crucial.
- Investment decisions need to be grounded in a systems-based approach that facilitates coordination and alignment between sectors and a shift away from a siloed approach. While it is impossible to bind investment decisions across sectors, creating the right incentives will ensure that markets can make an integrated set of investment decisions that ensure the comprehensive development of new communities (eg. infrastructure, housing, community facilities, education, and transport) that are delivered in a timely and sequenced manner. A systems-based approach can also create efficiencies that reduce whole-of-life costs and capture opportunities to lower embodied carbon and improve the resilience of infrastructure projects.
- A decision-making framework is needed that can be consistently applied to investment decisions that are underpinned by robust data, to ensure coherence and rigour in infrastructure planning. The decision-making framework also needs to guide 'what to do and when' (programming and sequencing) and any stop/go or threshold decisions to trigger projects. In some cases, especially where climate adaptation is a key issue, this could include use of a dynamic adaptive policy pathways approach.
- The infrastructure pipeline is an important tool for coordinating agreed projects and investment across sectors. The pipeline should provide certainty on core priority projects that will be progressed regardless of political cycles. To allow it to reach its potential, the pipeline needs to capture all major infrastructure projects. A pipeline is critical to avoiding the common boom and bust cycles of investment which invariably drive up costs, squeeze resources, and remove the incentive to develop and maintain market capacity. Efficient prioritisation could secure a managed but competitive investment environment for industry and the market to operate within. It would enable the industry to develop market capacity to a sustainable level that matches demand.
- Any pipeline needs to be capable of driving an investable programme. This needs to align requirements with decision-making processes and frameworks, investment capital and certainty of implementation. The lack of timely execution has large fiscal drag directly and indirectly. A simple lack of resources and skills

creates cost as well as negative efficiencies in delivering outputs, hence the need for a plan that considers infrastructure on a systems-wide basis. A national plan should also focus on investment optimisation and reduce political and funding friction to ensure cost effective and timely investment.

- The Commission is well-placed to understand the funding and financing tools that need to sit alongside any infrastructure programme. These need to ensure timely cost-effective access to finance and the right tools to ensure efficient recovery, and repayment of debt by beneficiaries. This requires effort to create obligations on all parties to ensure that timely investment in new infrastructure is not left stranded by contrary market decisions.
- Rapid increases in the cost of infrastructure have been experienced across the country. A full understanding of what is driving cost increases across the supply and value chain can help identify opportunities for cost reductions. Opportunities could include greater use of standardisation, coordinating to obtain procurement efficiencies, reducing the number of times the 'ticket gets clipped' along the supply chain, minimising legal costs, better coordination between sectors so there is a 'dig once' approach, and greater use of nature-based solutions. In relation to legal costs, it is noted that new resource management legislation, national direction and standards are likely to revitalise the use of legal processes and instigate the development of new caselaw.
- Infrastructure can play a role in shaping the level of demand for it, as environments help shape behaviours. Transformation is needed in the form and function of infrastructure, as well as in how it is delivered, to reduce infrastructure demand and prepare for future infrastructure needs (e.g. widespread electrification). An example is New Zealand's reliance on roads for transport, which it is stated will dominate the infrastructure spend for the country over the next ten years[1]. Redirecting some infrastructure investment to inter-regional rail, ferries, and local public transport could help reduce pressure on road networks.
- A national plan needs to challenge infrastructure paradigms to avoid simply building ever increasing capacity using the same old models. A long-term holistic view should provide the basis for transformational change in supply as well as optimisation of delivery. Spatial plans are an important tool to support a long-term holistic view at a local level, and to help balance supply and demand and integrate and coordinate planning across sectors to enable effective investment to occur.
- Infrastructure also needs to be right-sized and future-proofed. Planning and investing for future growth may increase short term costs but decreases long term costs, provided climate resilience has been adequately considered. Over the next 30 years the average daily population in the QLD is forecast to more than double to 150,082 residents and visitors[2]. This timeframe is well within the average lifespan of most infrastructure, so future demand needs to be planned for at the outset.
- QLDC agrees with Te Waihanga's analysis that workforce capability and capacity, leadership and succession planning are key infrastructure challenges. The infrastructure plan will need to provide certainty to the industry to enable to it to develop a sustainable level of capacity and move away from boom-bust cycles. Certainty of ongoing employment opportunities through an infrastructure pipeline, alongside immigration settings that enable recruitment to fill key skill and leadership gaps, will be important to address these issues.

[1] Testing our thinking | National Infrastructure Plan | Te Waihanga

[2] https://www.qldc.govt.nz/community/population-and-demand

QLDC looks forward to sharing further views on a draft plan when it is developed. It should be noted that due to the timeline of the process, this submission will be ratified by full Council retrospectively at the next Council meeting.

Thank you again for the opportunity to comment.

Yours sincerely,

Glyn Lewers
Mayor

Mike Theelen
Chief Executive