

19 June 2024

Via email: [emergencyworksreview@nzta.govt.nz](mailto:emergencyworksreview@nzta.govt.nz)

## **SUBMISSION TO WAKA KOTAHI NZTA ON EMERGENCY WORKS INVESTMENT POLICIES CONSULTATION**

Queenstown Lakes District Council (**QLDC**) appreciates the opportunity to present this submission. Local government has significant institutional knowledge and on the ground experience addressing complex transport challenges. This experience will positively contribute to the development of Waka Kotahi NZTA's emergency works investment policies.

### **Queenstown Lakes District context in relation to emergency works investment policies**

The Queenstown Lakes District (**QLD or the district**) has an average daily population of 71,920 (visitors and residents) and a peak daily population of 114,790<sup>1</sup>. The district is experiencing unprecedented growth with its population projected to nearly double over the next 30 years.

The provision of adequate transport infrastructure to accommodate resident and visitor growth is a key challenge for QLDC. Affordability constraints present ongoing difficulties for local government with significant capital work cost escalations<sup>2</sup>. This creates significant pressure on the district's small ratepayer base to rapidly absorb additional costs related to emergency events.

The QLD exists within an alpine environment, and its key transport corridors are located within some of Aotearoa New Zealand's most dynamic environments. This means the district's roading network is subject to considerable pressure and extreme events. Climate change will bring more frequent and intense weather events that will present additional pressures.

To ensure growth and productivity remains high across the district and to prevent road closures, QLDC's investment in road maintenance continues to increase. In comparison to other local authorities across Aotearoa New Zealand, QLD has one of the highest road maintenance expenditures.

### **Recommendations**

QLDC makes the following key points and recommendations in relation to the emergency works investment policies consultation:

- a) QLDC does not support the proposed changes insofar as it will increase the financial burden on local share funding requirements, making funding for emergencies less accessible to local authorities, and placing extra pressure on already constrained budgets. The proposed changes would force local authorities to take a more reactive position to responding to events, and reduce their ability to fund planned works.

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<sup>1</sup> <https://www.qldc.govt.nz/media/ygiltrton/demand-projections-summary-march-2022-2023-to-2053.pdf>

<sup>2</sup> Infometrics, Analysing increases in local government costs – February 2024 'Capital cost escalation had accelerated substantially over 2021-2023, with the overall capital goods price index peaking at 13%pa, and civil construction costs at 15%pa. In greater detail, transport capital cost escalation peaked at 19%pa (with bridges peaking at 29%pa!), and water systems peaking at 15%pa'. 'Bridges are 38% more expensive to build over the last three years, and sewerage systems are 30% more expensive. Roads and water supply systems are around 27% more expensive'

- b) QLDC does not support the proposed change to the qualifying trigger for an emergency event attracting an enhanced Funding Assistance Rate (**FAR**) to a minimum frequency of 1 in 20 year event from the current 1 in 10 year event. It is noted that most if not all 'emergency' events experienced in the recent years have been within the 1 in 10 year range. QLDC recommends that Waka Kotahi NZTA consider a different approach, such as a bespoke FAR for extreme events. A one-size-fits-all approach is not supported. A better approach would be to recognise the unique financial constraints and vulnerabilities of different districts.
- c) As a result of climate change, QLDC is concerned that a 1 in 20 year event will be more akin to a 1 in 10 year event, and a 1 in 30 year event more akin to a 1 in 20 year event. As such, the proposed threshold change is exaggerated and therefore not supported. It effectively means that future qualifying events will be much larger, and the share to be contributed by local authorities will be much larger as a consequence. This is not sufficiently acknowledged in the consultation document. QLDC requests that further analysis be undertaken to better quantify the likely financial impacts on local authorities, including identification of relevant climate science.
- d) If Waka Kotahi NZTA is concerned about local authorities inaccurately applying the spatial proximity to which 1 in 10 year events apply, QLDC recommends that the 1 in 10 year event threshold is retained, and an alternative mechanism is developed to ensure the 1 in 10 year event FAR is applied to the scale of event or introducing more clarity around the locational tolerance and the associated area. This could be achieved by changing the burden of evidence and/or proof to be supplied by local authorities to access funding.
- e) QLDC is concerned that the proposed investment policy does not align well with the recently released draft Government Policy Statement on Land Transport (**draft GPS**). In particular, the draft GPS sets out that increasing maintenance levels and improving resilience on state highways, local and rural roads is '*critically important*' to achieve a reliable network. QLDC strongly agrees and supports this strategic priority. The proposed investment approach makes funding more responsive as opposed to proactively planning to mitigate climate change effects.
- f) QLDC requests clarification on whether a corresponding uplift will be provided to the resilience funding category to allow local authorities to access funding to upgrade and plan for infrastructure improvements in a proactive manner. .
- g) QLDC requests that funding conditions for renewal work categories is relaxed to enable replacement of assets to 'build back better' and future proof infrastructure, rather than just carry out like for like replacement.

QLDC would like to be heard at any hearings that result from this consultation process. QLDC would also welcome any opportunity to further discuss the points made in this submission. Thank you again for the opportunity to comment.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tony Avery', with a horizontal line drawn through the middle of the signature.

Tony Avery

**Property & Infrastructure General Manager**