

The Treasury

Housing Infrastructure Fund Information Release

Release Document

October 2016

Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	9(2)(ba)(i)
[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

Auckland Infrastructure

What is already happening?

- Major NZTA funded projects happening in Auckland and about to be completed: Waterview and SH16
 - Decision on CRL funding. Negotiations with AC about to start.
 - Auckland Transport Alignment Project (ATAP) – joint assessment between central and local govt of the effects of different packages of transport initiatives.
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What is the presenting problem?

- Significant roading congestion
- High and rising house and land prices
- Developers who complain to Ministers that infrastructure is not being provided to the land they want to develop, when they want to develop it.
- Council who say they are up against a debt constraint which limits their ability to invest in any more infrastructure over and above the plan they have

What are the underlying causes of the problem?

- Infrastructure is expensive and lumpy and therefore development needs to be phased. There will always be differences of view about how that phasing is to occur.
- Council wants “plan-led” development to maximise the efficiency of infrastructure spending. Developers want “market-led” infrastructure provision so they can develop where they perceive the demand to be. The optimum will be a mixture of the two – but that won’t satisfy all players.
- Key question is how much land needs to be serviced to enable competition in the market for developable land (and who should pay for that capacity).

Can the Council fund more infrastructure?

- The Council does have a debt constraint given its current set of choices about:
 - Rates increases;
 - Desired credit rating (constrained by LGFA);
 - Spending (both opex and capex)
- The Council does have some options for creating debt headroom:
 - Increase rates (politically challenging)
 - Use other available funding options (e.g. targeted rates)
 - Reduce spending on other stuff
- It could create more headroom with new funding tools
 - Road pricing
 - Others?

Are these funding constraints, restricting housing development in Auckland?

Mixed messages about water/wastewater being a constraint. Transport is a constraint and Auckland Council is saying no to developments because of transport constraints.

Not clear that funding is the only constraint:

- Consistency with planning seems to be a driver.
- Developer choices about the timing and speed of development also a factor.
Some developers choose not to release more sections even though they could.

Options for central govt

- Give AC a loan for unspecified projects
- Give AC a loan for specified projects
- Road pricing
- Other

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