



Auckland Event

12th June 2024

Theme: “Private Public Partnerships 2.0 and Alternative Funding Mechanisms for Funding Auckland's Infrastructure”.

Host: Simpson Grierson
Venue: Level 27, 88 Shortland Street,
Auckland
[Website link](#)

Agenda

12/06/2024

07:00	Sign In, Networking and Light breakfast	
07:15	Welcome and Introductions	Fleur Aldridge Principle Solicitor Construction & Infrastructure Auckland Council
07:20	Host Welcome Welcome from Christine Senior Associate.	Christine Gordon Senior Associate Simpson Grierson
07:25	Lessons Learnt Lessons learned from Puhoi to Warkworth.	Jon Patman Programme Director NZ Transport Agency Waka Kotahi
07:45	Practical Implementation of IFFA Discussing the practical Implementation of the IFFA since its introduction.	Josh Cairns Partner Simpson Grierson
08:05	Break	
08:10	Funding Auckland Council's Infrastructure Auckland Council's 10 year budget and funding models explained.	Michael Burns Head of Financial Strategy Auckland Council
08:30	Panel Discussion Chance to engage in the conversation guided by Fleur with our guest speakers.	Fleur Aldridge Co-Chair/Chair Auckland Regional Chapter
08:50	Wrap up & CCG 2024 Programme	Tim Warren / Julia Walkinshaw CCG Company Secretariat
09:00	Close	



Welcome and Introductions





Host Introduction



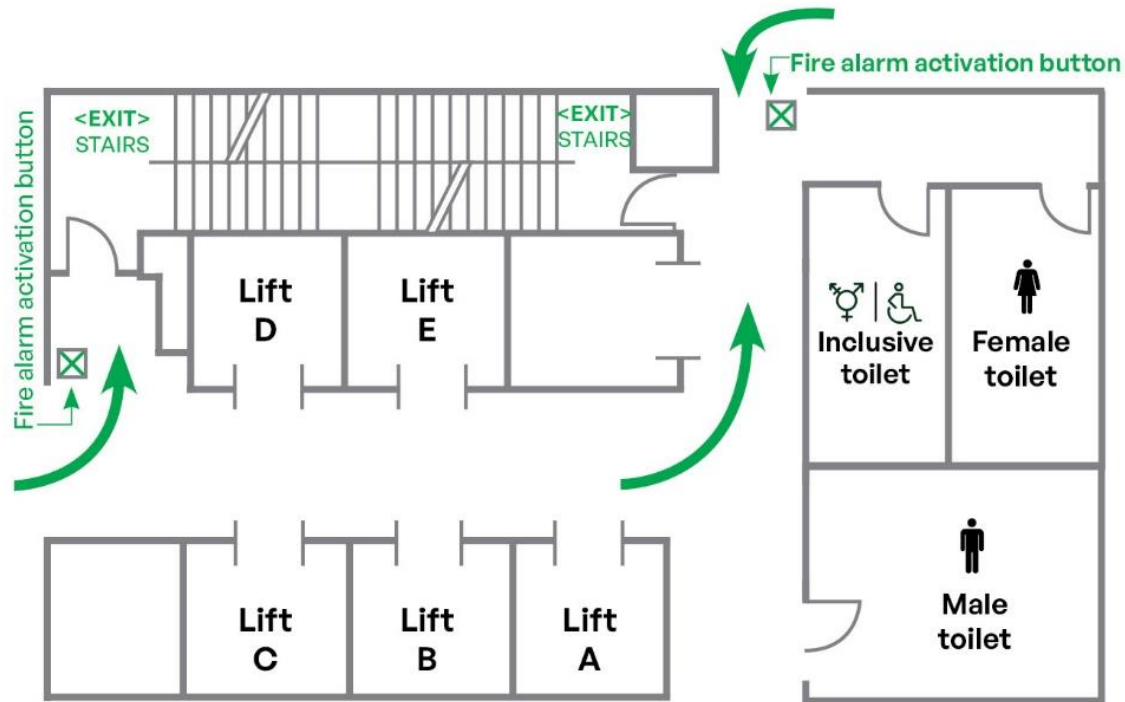
Emergency information Auckland - Level 28



When you hear a fire alarm

Listen to any instructions given by the Event Manager.

You must leave the building immediately via the two stairwells marked with "Exit" signs.



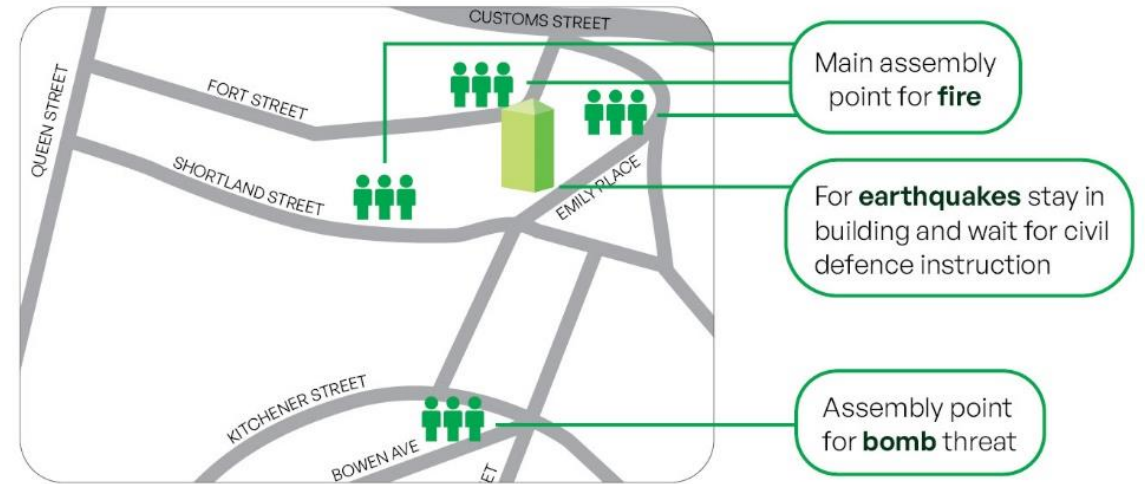
Automatic external defibrillator (AED)

An AED unit is permanently stored in the room behind our reception area on level 27.



Assembly areas

Main area is outside the Vero building. Do not cross Shortland Street.



Earthquake

Move no more than a few steps then Drop, Cover and Hold.

Brace yourself in a doorway or crouch behind a solid structure (eg wall).

Keep away from windows and equipment that may fall.

Remain indoors until the shaking has stopped.



First aid kits

Level 27: kit is located in the room behind our reception area.

Level 28: kit is located on top shelf above dishwasher in kitchen.



Guest Speaker





Guest Speaker



Infrastructure Funding & Financing Act 2020 – pathfinder projects

June 2024



IFF – what we will cover

01

IFF model - overview

02

Pathfinder projects

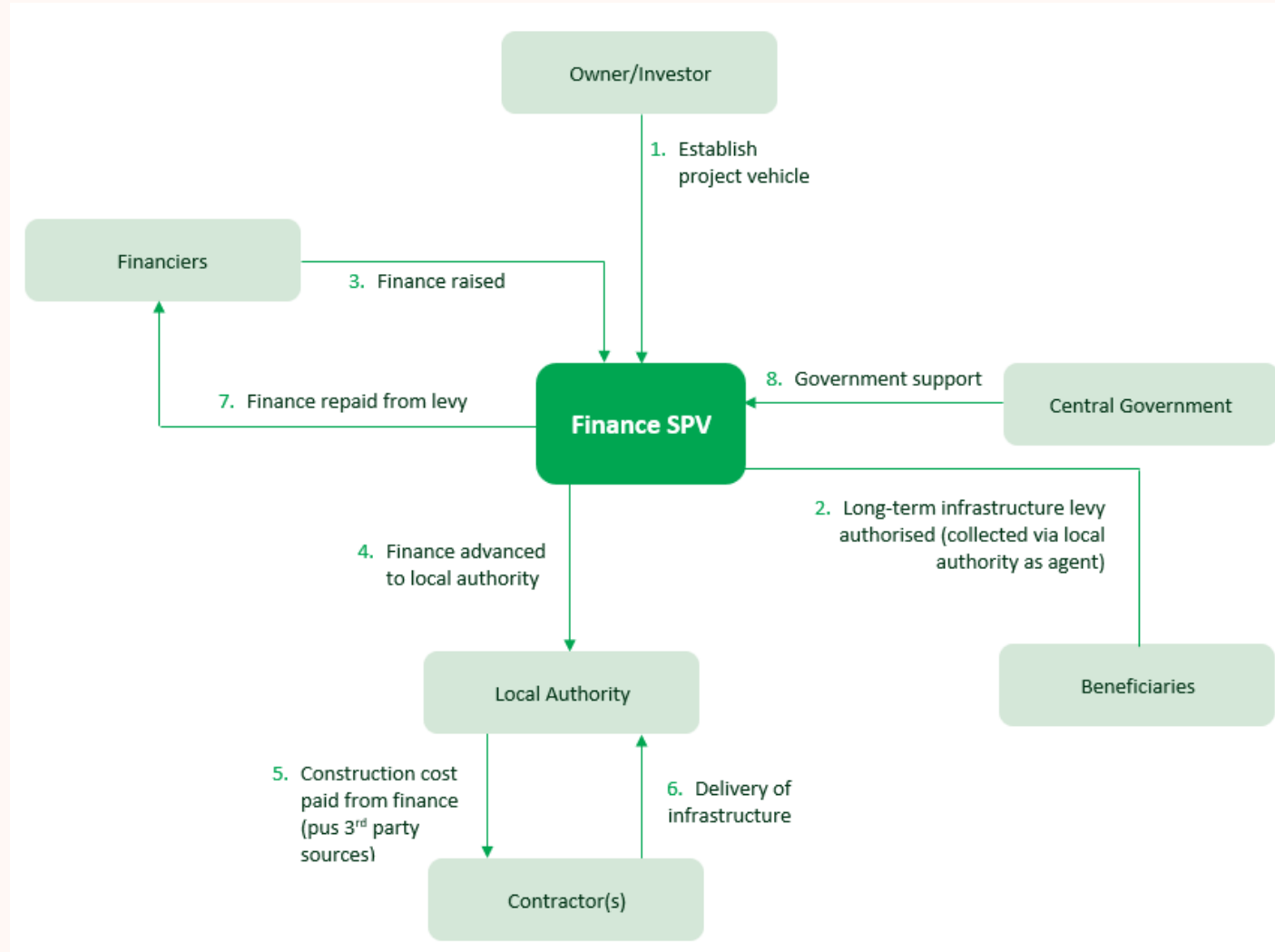
03

Observations

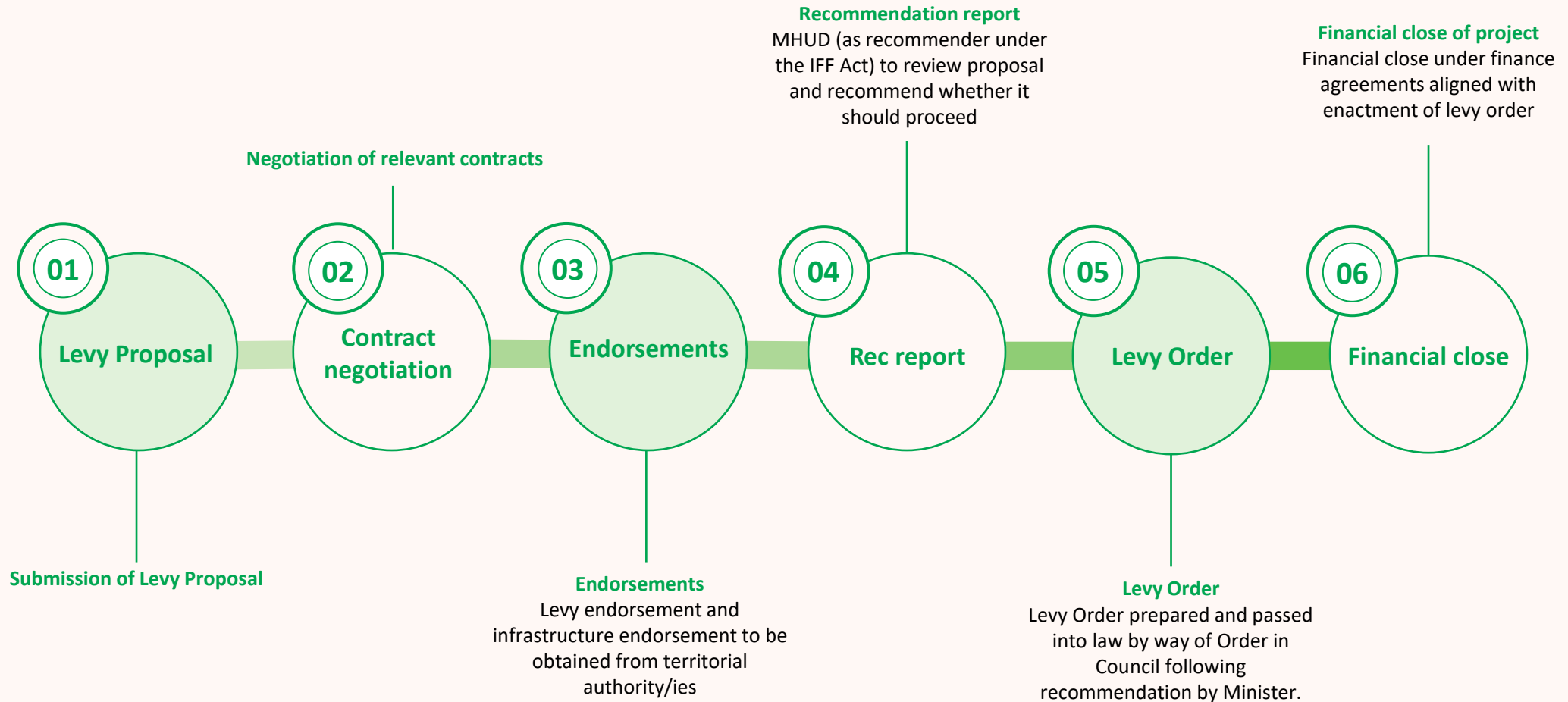
IFF model



IFF model



IFF - process



Mandatory considerations

s101(3) LGA

(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—

- (a) in relation to each activity to be funded,—
 - (i) the community outcomes to which the activity primarily contributes;
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
 - (iii) the period in or over which those benefits are expected to occur;
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

s27 IFF

(1) The responsible Minister may recommend ... that a levy order be made only if the responsible Minister is satisfied that authorising the proposed levy is appropriate having regard to the matters set out in subsection (4) ...

...

(4) The responsible Minister must take only the following matters into account:

- (a) whether the levy proposal is consistent with the purpose of this Act;
- (b) the extent of expected benefits outside the levy area compared with expected benefits within the levy area;
- (c) the distribution of expected benefits in the levy area as a whole or any identifiable part of the levy area, and to persons in the levy area;
- (d) the extent to which the actions or inaction of particular persons or a group contribute to the need to undertake the construction work;
- (e) the period over which benefits are expected to occur;
- (f) the long-term interests of levypayers over the levy period;
- (g) the affordability of the levy for levypayers and the sustainability of its payment by them over the levy period;
- (h) all other matters of practicality, efficiency, and equity that the responsible Minister considers relevant, including whether the expected returns on the capital provided by holders of debt or equity are consistent with outcomes produced in workably competitive markets.

Projects



Western Bay of Plenty Transport System Plan (TSP)

- Western Bay of Plenty one of NZ's fastest growing regions
- TSP jointly developed by TCC, WBOPDC, Waka Kotahi, BOPRC, Tangata Whenua, Port of Tauranga, Priority One and KiwiRail
- 72 individual transport projects designed to better connect the region and enable Tauranga City to become a more liveable and carbon efficient city
- 13 projects selected for IFF funding (based on criteria including eligibility, status, scale)
- Total project cost approx \$814m (IFF \$200m, with balance from other sources eg TCC, CIP shovel ready, Waka Kotahi)



Sludge Minimisation Facility (SMF)

- Sludge by-product generated at the Moa Point Wastewater Treatment Plant is piped to the Southern Landfill.
- Not viable over the longer term given the outlook for resource consenting and ongoing risk of cost escalation of sludge disposal at the landfill.
- WCC's carbon emissions profile is currently dominated by solid waste management, making up 74% of WCC's total greenhouse gas emissions in the period from 2014-2018, of which the Southern Landfill is the single biggest contributor.
- SMF to be constructed at Moa Point, expected to reduce Sludge disposed of at Southern Landfill by 80%.
- Total project cost approx \$366.5m (IFF \$350m, with balance covered by WCC).



TSP & SMF – key terms

	TSP (programme)	SMF (single asset)
Eligible Infrastructure	Transport infrastructure	Wastewater infrastructure (not subject to contract)
Levy Area	TCC rating area	WCC rating area
Beneficiaries	<p>Three beneficiary groups:</p> <ul style="list-style-type: none"> • BG1: all TCC ratepayers (high citywide benefits) • BG1.1: beneficiaries in the Tauriko West development area (TSP project 009 unlocks development potential) • BG2: out of city beneficiaries (improved access to/through Tauranga city) 	<p>Two beneficiary groups:</p> <ul style="list-style-type: none"> • BG1: direct beneficiaries (ie connected users) • BG2: indirect beneficiaries (ie all WCC ratepayers, who are to benefit from reduced odour emissions and more sustainable outcomes).
Levy	<ul style="list-style-type: none"> • BG1: 100% of levy, of which: <ul style="list-style-type: none"> • 50% residential (CV linked) • 50% commercial (CV linked) 	<ul style="list-style-type: none"> • BG1 – 70% of levy, of which: <ul style="list-style-type: none"> • 75% base (25% fixed, 75% CV linked) • 25% commercial (100% CV linked) • BG2 – 30% of levy, of which: <ul style="list-style-type: none"> • 75% base (25% fixed, 75% CV linked) • 25% commercial (100% CV linked)

Observations



Observations

- **Investment** – approving an IFF project levy requires considerable investment/resource. CIP efforts to standardise should help to make the model more accessible, but beneficiary/causation analysis (and therefore levy design) is still project-specific.
- **Contracting** – IFF has evolved into a funding & financing solution only. Leaving procurement with Council (rather than SPV) enables BAU project management at council. Cost overruns to sit with / be managed by Council. No need for contractors to engage with the IFF process/documentation.
- **Monitoring** – monitoring deed ‘joins the dots’ (obliges Council to carry out project if levy approved). Important to leave sufficient flexibility for Council to manage project contracts, while still providing assurance that the levy proceeds will be applied towards the a project with approved scope.
- **Development contributions** – interaction between DCs and IFF levies is complex. Projects advanced to date have not involved pre-IFF DC funding.
- **Levy administration** – sits with Council (administered/collected on behalf of SPV). No major issues to date, but reliant on Council systems.
- **Citywide/greenfields** – evolution away from greenfields to city-wide projects/levies has been workable under the IFF Act. However, expect greenfields housing projects on the horizon.



Guest Speaker



Funding Auckland Council's infrastructure

Construction Clients' Group

June 2024



Long-term Plan 2024-2034





Problems the plan looks to address

Adapting to economic fluctuations

Paying for growth

Rising cost of asset ownership

Storm response and resilience

A limited funding system





Key headline decisions



The Auckland Future Fund

A regional wealth fund to deliver better returns and protect the value of intergenerational assets



Home buy-outs and making space for water

Removing people from risk and future-proofing the city



Local Water Done Well

Enabling a full investment programme without price increases of over 25%

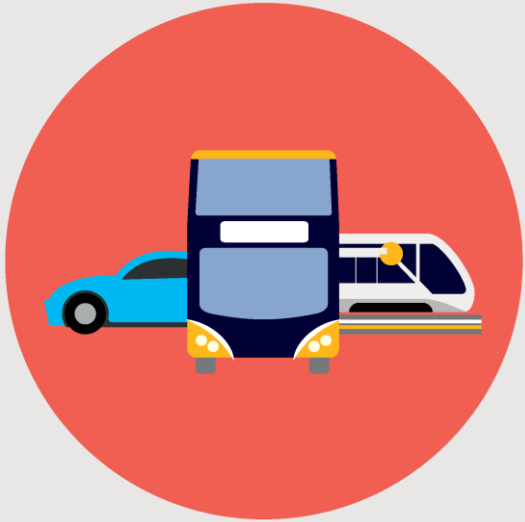


The port and the waterfront

A new plan for a more profitable port and to increase public access



Investment and service delivery



Our funding toolbox



Existing tools

Rates

Fees and charges

Government subsidies

Investment returns

Growth charges

Prudent borrowing

Open to opportunities

Asset partnership options

Enhanced revenue streams

Debt structures





Panel Discussion

CCG Event Feedback



**Tell us what you
thought of this event
today!**

Scan this QR code on
your mobile device and
click to open the link
forms.office.com and
answer the questions.

Events Programme 2024

March	April	May	June	July	August	September	October	November
Auckland Date: 13th Host: Minter ✓	Wellington Date: 3rd Host: DoC ✓	Northland Date: 15th Host: Whangarei DC ✓	Auckland Date: 12th Host: Simpson Grierson	Christchurch Date: 31st Host: CCC	Northland Date: 7th Host: TBC	Event Date: 4th Host: TBC	Wellington Date: 16th Host:	Northland Date: 6th Host:
	Christchurch Date: 17th Host: TBC ✓	Waikato Date: 22nd Host: Downer ✓	Auckland Date: 26th Host: Eastern Busway		Wellington Date: 7th Host: Rubix	Auckland Date: 11th Host: AT/AC	Christchurch Date: 23rd Host: Tonkin + Taylor	Auckland Date: 13th Host: Jasmax
					Waikato Date: 21st Host: TBC			Waikato Date: 20th Host: TBC
					Bay of Plenty Date: 22nd Host: TBC			Bay of Plenty Date: 21st Host: TBC

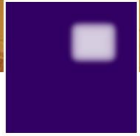
CCG Regional Networking Events (RNE)

Christchurch Date: 20th ✓	Northland Date: 30th ✓	Wellington Date: 16th ✓	Christchurch Date: 19th	Auckland Date: 25th	Wellington Date: TBC	Christchurch Date: TBC	Region TBC	Wellington/Auckland Date: TBC
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CCG National Worksteam Events

FMBP Group Date: 28th Host: Virtual	FMBP Group Date: TBC Host: Virtual	ESG Date: TBC Host: Virtual	Modern Procurement Date: 3rd Host: Frequency	FMBP Group Date: TBC Host: Virtual	Safety in Design Date: TBC Host: Virtual	FMBP Group Date: TBC Host: Virtual	FMBP National Date: TBC Host: Virtual
							Client Excellence Date: TBC Host: Virtual

March	April	May	June	July	August	September	October	November
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Construction Clients' Group - NZ

A membership network committed to influencing and improving business performance in all sectors of construction.

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About

Independent and client-led, the Construction Clients' Group (CCG) focuses on improvement, innovation and knowledge sharing through events, guest speakers and networking opportunities. We believe clients need to lead performance improvement and to do this well, clients must grow and change to engender the supply side changes also n ... see more

[See all details](#)

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SIMPSON
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Thank you



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