

Commentary on Funding and Financing Memo by Bridget Duffield for Auckland Council

- 1 I have read the Memorandum filed by Auckland Council titled "Annexure 1: Funding and Financing – 11 August 2025" and would make the following observations.

Introduction

- 2 Drury represents one of the most strategically significant urban growth areas in New Zealand. With central government actively investing over \$2.8 billion on infrastructure in the Drury area, it is irrational to contemplate delaying private investment as proposed by the Council's Chief Advisor Growth Infrastructure Funding and Finance, Bridget Duffield. Delaying private investment fundamentally undermines the value of this investment and risks compounding inefficiencies across planning, delivery, employment and housing outcomes. This underscores the poor planning and infrastructure delivery that is currently being undertaken with Auckland Council and highlights the need for Fast-track legislation.
- 3 The central government's investment at Drury reflects a clear policy direction: enabling growth in well-served areas. Delaying development contradicts this intent and risks misalignment between local and national planning priorities.
- 4 The scale of infrastructure funding already allocated to Drury is unprecedented. Immediate key projects such as Papakura to Drury is unprecedented. Drury SH1 Upgrade (P2D) - \$725m, Papakura to Pukekohe Electrification Project - \$419m, Drury East and West Rail Stations - \$268m and new arterial roads - \$310m are either under construction or nearing completion. The investments are designed to support the establishment of a metropolitan town centre in Drury and the establishment of a substantial population in the wider Drury area. Without concurrent land development and associated development, these assets will remain underutilised, delaying returns on public expenditure.
- 5 The sunk cost of infrastructure without accompanying development creates economic drag. Maintenance costs begin accruing before assets are fully used, opportunity costs mount as housing and commercial activity are deferred. Timely development ensures that infrastructure investments yield economic returns through job creation, housing and commercial activity.
- 6 Major developers – including Kiwi Property, Fulton Hogan and Oyster Capital – have already invested heavily in land acquisition, planning construction of significant civils works, upgrades of council roads and infrastructure and families will soon be living in the Drury East area. This private investment is being matched with recent announcements by Fisher and Paykel Healthcare's securing a 105 hectare site in Drury to establish a second New Zealand campus and the establishment of up to 20,000 jobs in the long term.

Lack of Planning by Auckland Council

- 7 Since the Auckland Unitary Plan became operative in part over a decade ago Auckland Council has struggled to meaningfully progress council-led plan changes that respond to the region's evolving urban growth needs.
- 8 While the Unitary Plan was a landmark achievement in consolidating planning frameworks, it was intended to be a living document-adaptable to demographic shifts, infrastructure investment and



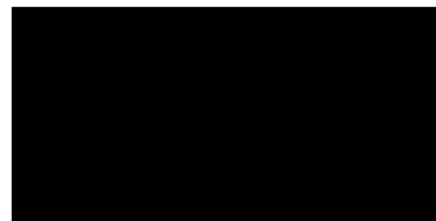
housing demand. However, the council has largely failed to initiate or deliver substantive updates, leaving critical growth areas constrained by outdated zoning and planning rules.

- 9 Notably, since the Unitary Plan was made operative in part, Council has only notified one plan change (PC5-Whenuapai) that proposed urbanising Future Urban Zoned land. PC5 was withdrawn after five years, prior to completion of the first instance hearing process. Thus, all the FUZ land that has been rezoned for urban development has been subject to private plan changes such as Kiwi Property's PC48 in Drury.
- 10 This inertia has created a disconnect between infrastructure investment and land use planning, central government has committed billions to transport and housing-enabling infrastructure across Auckland, yet the Council has not kept pace with enabling development through timely plan changes. The lack of alignment between infrastructure readiness and planning permissions has led to inefficiencies, delays in housing delivery, and missed opportunities to leverage public investment. In areas like Drury, where infrastructure is already being delivered, the absence of proactive planning undermines the very purpose of that investment and Council's failure to lead in this space reflects a broader planning paralysis that is stalling Auckland's ability to respond to its housing crisis and population growth.
- 11 Delays create uncertainty, discourage investment, and risk reputational damage to Auckland's planning system. Supporting timely development signals confidence and stability to the market.

Mismatch within Council

- 12 In New Zealand, councils have a statutory obligation under the Local Government Act 2002 to plan for sustainable growth and development within their communities. It is clear in reading the evidence in Annexure 1 that Auckland Council is unaware of the status of a number of projects in the Drury area.
- 13 For clarity attached is an augmented version of the tables provided in Sections 2.2 and 2.6 of Ms Duffield's statement (Council's Annexure 1). I have summarised Ms Duffield's comments and added my thoughts. The attachment summarises the current status of various projects. Copies of the Infrastructure Agreements and Council consents are available if required.

DATED this 26 day of August 2025



David Schwartzfeger

**Summary of Bridget Duffield's advice regarding the Funding and Financing of key Drury Projects
(Auckland Council Annexure 1 Funding and Financing 11 August 2025)**

| Project Summary (Council) | Current Funding Status and Timing (Council) | Kiwi Property Comment |
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| Waihoehoe Road Ultimate Upgrade | To be funded through Central Government Roads of Regional Significance (" RORS "). Delivery is underway. Auckland Transport (" AT ") has entered an Infrastructure Funding Agreement (" IFA ") with the Drury developers. | The project is funded by Kiwi Property, Fulton Hogan and Oyster Capital with AT providing 5 road widening strips. AT has signed an IFA. It is unclear to Kiwi Property how Council considers RORS is delivering this project. The designation in place; detailed design has been completed by KP/FH/OC; and the resource consent application is due for lodgement in August 2025. |
| Drury Central Rail Station | Phase 1 is being funded by central government. Delivery is underway. Additional funding will be required to complete the Station, such as when the rail line is converted to four tracking. | Drury Stations (x2) are funded by Central Government (Kiwi Rail). Construction is well advanced for the Drury Central Station and it is scheduled to open in early 2026. The ultimate upgrade of the rail line through Drury and the Station (multi tracking, etc) are not required for the establishment of the Drury Metropolitan Centre). |
| SH1 six-laning Papakura to Drury (" P2D ") | Funded through NZTA. Delivery underway. Estimated completion date available. | Project funded by central government (NZTA). Stage 1 of P2D complete. Stage 2 construction underway. Target completion Drury connection 2028. |
| Direct connection (off-ramp) from State Highway 1 to the Drury Centre via a single lane slip lane from SH1 interchange to Creek Road (" Direct Connection "). | Threshold (c) in Trigger Table in the Drury Centre Precinct I450. This connection is referenced in proposed condition 85. However, while a condition exists, delivery remains dependent on sequencing and broader infrastructure funding arrangements. The RLTP and the 30 Year DC Policy do not include this piece of infrastructure. There are no indications | IFA in place between NZTA and KP. Consent issued by Council for the Direct Connection. Enabling works (on motorway) are under construction. The offramp design is at 100%. NZTA is due to commence engagement with P2D contractor in Q4-2025. Kiwi Property's traffic advisors have explained why they consider that this trigger can be pushed out. |

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| | that NZTA would plan to provide it. The RLTP and the 30 Year DC Policy assume that this Direct Connection is in place. Funding is not in place to accommodate adverse traffic impacts on other AT roads if this Direct Connection is not in place at the appropriate time. The Integrated Transport Assessment recognises (Table 11) that this is “not programmed”. | |
| Mill Road and the Drury South Interchange | Mill Road and the Drury South Interchange are multi-billion \$ NZTA projects. There are various stages of these projects. Within NZTA / Crown plans, there is no funding commitment for the Drury South Interchange, Southern and Northern Connections of Mill Road. Projects of the scale of Mill Road and Drury South Interchange, will not occur quickly. Business Cases, funding solutions and commitment, designations and delivery will not be done in months but will take many years. This is a project with uncertainty around when / if it will be delivered. The Integrated Transport Assessment recognises (Table 11) that these projects are “not programmed”. Unfunded. | Mill Road is a NZTA project and forms part Central Government’s Roads of National Significance (“RoNS”). The NZTA Board endorsed and approved \$91m in 2025 to complete design and secure consents for Stage 1. The NOR for stage 1 has been lodged. The RoNS programme is aimed at supporting South Auckland’s rapid growth and improving safety and travel times. www.beehive.govt.nz/release/progress-mill-road-stage-one. |
| Opaheke Northern Link | The 30 year DC policy assumes this will be built in stages, initially as a 2 lane arterial with FTN bus lanes added at a later date. The completion date for the later ultimate layout was 2049. The Integrated | Project required for last stage only. The interim design of the southern section of Opaheke Road is under construction as part of the Waihoehoe Precinct (PC50 and subsequent fast track Consent), with space provided for the Ultimate upgrade to provide bus lanes in the future, if required. An NOR is in place for the section as it |

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| | Transport Assessment recognises (Table 11) that this is “ <i>not programmed</i> ”. | passes through the Waihoehoe Precinct. DCs beyond that. |
| Neighbourhood Parks | It is unclear how the appropriate neighbourhood park is to be provided. Kiwi Property has proposed a solution that is not supported as being adequate by Auckland Council. | Kiwi Property does not propose to vest any neighbourhood parks as part of this development. All open spare areas will remain owned and managed by Kiwi Property. Council has a statutory obligation under the LGA to plan for sustainable growth and development within their communities. Council approved in 2025 the collection of \$482m in development levies for the acquisition of neighbourhood, suburban and civic parks but Kiwi Property understands that Council has not identified the locations of these parks and is not actively planning for them (as required by the Local Government Act). The proposed area being developed for the Project represents 15% of the PC48 area and less than 5% of the wider Drury East Plan Change Areas (PC48-50). There is therefore extensive land outside the application site that would be well suited to public open space. |
| Civic Space | It is unclear how the appropriate civic space is to be provided or how it can be funded. Kiwi Property has proposed a solution that is not supported as being adequate by Auckland Council. | Kiwi Property does not propose to vest any civic space in Council. All such spaces will remain owned and managed by Kiwi Property. Council has a statutory obligation under the Local Government Act 2002 to plan for sustainable growth and development within their communities. Council approved in 2025 the collection of \$482m in development levies for the acquisition of neighbourhood, suburban and civic parks but Kiwi Property understands that Council has not identified the locations of these spaces and is not actively planning for them (as required by the Local Government Act). |
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