

Sunfield Fast-track

Auckland Council Specialist Memo

Annexure 1:

Funding and Financing

Brigid Duffield

4 August 2025

Funding and Financing Memo

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Date: 4 August 2025

1. INTRODUCTION

1.1 This memorandum provides comments on the infrastructure Funding and Financing aspects of the Sunfield fast-track approval application (**Application / Development**), drawing on my professional expertise in infrastructure funding. It is structured as follows:

- (a) Introduction
 - i. Qualifications, Experience and Code of Conduct
 - ii. Executive summary
 - iii. Documents reviewed
- (b) Infrastructure requirements
- (c) Infrastructure financing solution for this Application
- (d) New funding and financing tools
- (e) Recommendations
- (f) Proposed conditions
- (g) **Appendix A:** Infrastructure Funding and Financing tools available to Auckland Council

Qualifications and Experience

- 1.2 I am an infrastructure financing and funding specialist.
- 1.3 I am employed as Chief Advisor Growth Infrastructure Funding and Finance within the Policy, Planning & Governance directorate at Council. I have been working in this role for 5 years. I support Council group with expertise in funding and financing aspects for the alignment of significant infrastructure programmes. This is achieved through working with Crown and Crown entities, and other significant stakeholder groups to align strategic infrastructure investment for growth in the Auckland region.
- 1.4 Prior to my current position, I have held senior global commercial and consulting roles including Commercial Manager for Tāmaki Regeneration focusing on development and its financing and funding (2015 to 2019). I have a Masters in Land Economy from Cambridge University (1991) and have held executive roles focusing on the commercial implications of choices and decisions (1999 to 2004). I have been a Strategic Consultant and Director at PwC (and independently) and have worked with many businesses to achieve successful commercial planning (1994 to 1999, 2004 to 2015). These roles have been predominantly private sector

based but have more recently moved into the public sector in both local and central government.

Code of Conduct

- 1.5 While I am providing this memorandum in a corporate capacity for Auckland Council, I have infrastructure funding and financing qualifications and experience, as outlined above, and to the extent that my advice addresses matters in respect of which I have expertise, I can confirm that I have read the Environment Court Practice Note 2023 – Code of Conduct for Expert Witnesses (**Code**), and have complied with it in the preparation of this memorandum.

Executive Summary

- 1.6 The Sunfield Fast-track Application represents an area which spans 56.5 ha of out of sequence growth in a Future Urban Zone (**FUZ**) area (approximately 30 years ahead of existing planned timelines), and then a further 188 ha which is not envisaged to be urbanised. Auckland Council, Auckland Transport, and Watercare Services Limited have not planned for infrastructure in this area to support the Development proposed by the Application and have not allocated any funding within their current planning horizons. There has been no Council structure planning for, or identification of, long-term infrastructure and funding requirements associated with future urban development within Takanini. Much of the area zoned future urban is also potentially subject to flooding and currently under review as to the extent to which the zone that should be retained.
- 1.7 The development requires significant infrastructure both within the Sunfield area and to connect it to the wider urban network. It is unclear how this infrastructure is to be funded. The Applicant makes various contradictory statements about the funding of infrastructure, stating both that they will fully fund all bulk and local infrastructure, but also stating that Council will be expected to pay for the infrastructure. It is unclear how the significant infrastructure financing and funding cost will be paid for. There are no agreements confirming what the Applicant will be funding, what the scope of these proposed works are or how ongoing operational expenditure (opex) will be paid. There is reference to discussions with Council on an Infrastructure Funding Agreement. These discussions are at a very early stage, and were largely focused on the original Private Plan Change proposal area rather than the much larger Fast Track area. There is substantial infrastructure funding required. The applicant has not provided any clarity of how this significant infrastructure cost will be funded to ensure appropriate development outcomes.
- 1.8 Without a confirmed funding solution, there is a risk that the Development could proceed without the full suite of supporting infrastructure and infrastructure services, which may result in adverse impacts, or could face material delays to implementation. Additionally, there is a substantial risk that providing infrastructure for this development could displace planned investment in other areas of Auckland where funding is already in place. This would undermine the strategic and phased approach to infrastructure provision through which Auckland Council, Auckland Transport, and Watercare Services Limited seek to maximise the return on investment of scarce infrastructure funding resources.

Documents reviewed

- 1.9 The following documents have been reviewed in preparing this memorandum:

- (a) Sunfield Fast Track Approval Application
- (b) Sunfield Planning Report
- (c) Sunfield Economic Assessment
- (d) The following technical assessments:
 - Healthy Waters Technical Assessment
 - Watercare Technical Assessment
 - Auckland Transport Technical Assessment
 - Parks and Community Facilities Technical Assessment
 - Economics Technical Assessment
 - Strategic Planning Assessment.

2. INFRASTRUCTURE REQUIREMENTS OF THE APPLICATION

- 2.1 The Development requires significant infrastructure both within the Sunfield area and to connect it to the wider urban network. This includes transport networks, water supply, wastewater and stormwater systems, as well as parks and community facilities. Beyond the capital investment needed to build this infrastructure, substantial ongoing operational expenses will be required for maintenance and service delivery.
- 2.2 The scale of infrastructure required extends beyond what would normally be needed for direct effects mitigation. The development will also trigger cumulative infrastructure needs that arise when multiple developments combine to create demand for additional network capacity.
- 2.3 The current Long Term Plan makes no provision for either capital or operational expenditure in the Sunfield area. There has been no work undertaken by Council to confirm longer term infrastructure and funding as has occurred in the likes of planned growth areas such as Drury or the North West.
- 2.4 The Applicant makes a series of statements in relation to infrastructure and its funding. Set out below are a number of these statements along with comments.

Reference	Applicant Statement	Comment about this statement
Page 218: Planning Report	<i>"The integration of infrastructure is a key component of the proposal, which includes the stormwater network, roading upgrades, and public transport. It is noted that the applicant will fund the bulk and network infrastructure and will enter into funding agreements with Auckland Council and key delivery partners."</i>	Applicant states they will provide (finance and fund) bulk and network infrastructure. There is no detail what this bulk and network infrastructure is. There is no signed agreement and no clarity about the broad scope of what is being included in the bulk & network infrastructure referred to by the Applicant, or any depth of scope about what these

Reference	Applicant Statement	Comment about this statement
Page 240: Planning Report	<i>"It is recognised that Auckland Council needs to make infrastructure investment decisions across the region which provide value for money. However, the bulk and network infrastructure funding for this proposal will be provided for by the applicant."</i>	<p>items are. Very limited discussions have occurred to date on specific infrastructure assets.</p> <p>Very little external upgrades to networks beyond the site are proposed. The development is identified as "essentially a first for New Zealand"¹ in terms of its low forecast vehicle trip generation. This relies on a number of measures including the ongoing provision of high frequency passenger transport services.</p> <p>Auckland Council has no financing/funding in the 2024 to 2034 LTP for infrastructure to support Sunfield. Infrastructure in the FUZ area is not planned to be paid for via Auckland Council, Auckland Transport, Watercare Services until 2050+ (for some elements). There is no intention to pay for large parts of the infrastructure to support the Rural zoned area. Given that Auckland Council has no plans to pay for any capex or opex to support this proposal, it is unclear what form the Infrastructure Funding Agreement could take.</p> <p>It is positive to note the acknowledgement of the need for Council to make value for money decisions for the region.</p> <p>Auckland Council has no capex or opex available to support this development based on its careful investment decision making including the consideration of value for money.</p>
Page 240: Planning Report	<i>"The infrastructure required for the proposal will be an extension or connection to existing infrastructure, with the Awakeri Wetlands to the south-west, and existing roads (Pakaraka Drive, Bellbird Street, Cosgrave Road, Walters Road, Hamlin Road, Airfield Road) being extended, upgraded or directly connected."</i>	<p>The Applicant notes here a list of infrastructure that they state is required for this proposal. Reading this along with the statements on Page 218 and 240 of the Planning Report, this suggests that this is the extent of bulk and network infrastructure that is proposed to be provided by the Applicant.</p> <p>From reading this statement, this suggests the Applicant is not intending to fund other bulk and network infrastructure: Roads; Water, Wastewater, Stormwater, Reserves, Community Facilities</p> <p>It is unclear how this infrastructure will be funded.</p>

¹ Executive summary Commute ITA

Reference	Applicant Statement	Comment about this statement
Page 242, Planning Report	<i>"The Council states it does not have the ability to fund Stages 2 and 3 of the Awakeri Wetlands. This is clearly a prerequisite to urban development of the Cosgrave Road block and as outlined previously in this report, Winton are discussing with Auckland Council entering into an Infrastructure Funding Agreement, which will see the applicant undertake the design and consenting of Stages 2 and 3, and will in turn fund and implement Stages 2, 3, 4 and 5 of Awakeri Wetlands."</i>	<p>There is no signed agreement and no clarity about the scope of what is being included. Very limited discussions have occurred to date.</p> <p>Auckland Council has no financing/funding in the 2024 to 2034 LTP for infrastructure to support Sunfield. Infrastructure is not planned to be paid for via Auckland Council until 2050+ (for some FUZ elements), or never intended to be paid for (for large parts of the infrastructure to support the Rural zoned area). Auckland Council cannot include items into a Development Contributions Policy if they do not intend to provide the infrastructure. Given that Auckland Council has no plans to pay for any capex or opex to support this proposal, it is unclear what form the Infrastructure Funding Agreement could take</p> <p>There is a considerable additional work and distance of travel to confirm any signed agreement for the provision of these items.</p>
Page 296 Planning Report	<i>"Winton and Council have commenced discussions around entering into an Infrastructure Funding Agreement for Winton to fund and undertake the construction of Stage 2 and 3 of the Awakeri Wetlands on behalf of Auckland Council and to seek appropriate development contribution offsets for undertaking these works."</i>	
Page 244 Planning Report	<i>"The Takaanini Frequent Transit Network (FTN) is a bus route proposed between Drury (a future urban area on the periphery of Auckland) and Manurewa train station (an established urban area in South Auckland). The planned route is to give community access to Drury train stations, Papakura Train Station and Manurewa Train Station There will still be considerable detailed design and funding considerations required before implementation. However, Sunfield is upgrading the public transport network by providing a direct bus service between Sunfield and the Papakura and Takanini rail stations. This service will not only provide good connections for the residents of Sunfield, but obviously will provide a service for others in the Cosgrave area."</i>	<p>The FTN is not currently funded within the 2024 to 2034 LTP.</p> <p>The proposal will need to assume that this is not available when transport modelling is undertaken.</p> <p>If a bus service is provided by Sunfield, this will need to be done at no cost to Auckland Council. This includes the bus service itself and any infrastructure needed in the road corridor such as intersections, bus stops etc anywhere on it's route. There is no capex or opex funding for this work with the Auckland Council budgets.</p> <p>The bus service is critical for the transport modelling assumptions. These assumptions are unprecedented in this country and there will need to be certainty that the bus service will be provided by the Applicant from the start of the development, and continue to operate in perpetuity at the Applicant's cost.</p>
Page 47 Planning Report	<i>"Provision of a frequent public transport system ('Sunbus') linking both internally within the site and wider network (including Takanini and Papakura town centres and train stations). This includes the provision and funding for a fleet of vehicles operating continuously."</i>	
Page 244 Planning Report	<i>"Therefore, the deferral of this area being considered acceptable for growth is largely a financially driven decision, not a planning one. Given it is anticipated</i>	It is unclear that infrastructure funding can be resolved.

Reference	Applicant Statement	Comment about this statement
	<i>that the infrastructure funding can largely be resolved, subject to more detailed discussions, Sunfield should return to a more logical and earlier planning development timeline."</i>	
Page 88: Economic Assessment	<i>"Cost of Infrastructure: Although being directly adjacent to the Auckland urban boundary means the extent of required infrastructure upgrades is likely to be limited, the cost of any upgrades to the wider network will need to be serviced by the Council. These capital costs are likely to be mitigated, at least in part, through either developer contributions or the level at which the developer provides the infrastructure itself."</i>	<p>In the Planning Report (as shown above), it is stated that all bulk and network infrastructure to support the proposal will be provided by the Applicant. This statement in the Economic Assessment appears to contemplate that Council will be incurring cost in upgrading the wider network.</p> <p>Auckland Council has no financing/funding in the 2024 to 2034 LTP for infrastructure to support Sunfield. The FUZ area is not planned to be paid for via Auckland Council until 2050+ (for some elements), and there is no intention to pay for the infrastructure to support the Rural zoned area.</p>
Page 89: Economic Assessment	<i>"Also, the timing of development of the FUZ extent in the FULSS means any additional public sector infrastructure costs have already been considered."</i>	<p>It is unclear what this statement is referring to. Reference to the FULSS appears to have little relevance. Auckland Council has no financing/funding in the 2024 to 2034 LTP for infrastructure to support Sunfield. The FUZ area is not planned to be paid for via Auckland Council until 2050+ (for some elements), and there is no intention to pay for the infrastructure to support the Rural zoned area. There has also been no structure planning or work on long term infrastructure costs for an area which is subject to flooding and under review as to the extent to which the FUZ zone should be retained.</p> <p>In addition, the approach taken with Drury and the northwest is that the bulk of infrastructure is funded by development within the area.</p>

2.5 There is considerable uncertainty about what the infrastructure is that is needed to support this Application and how infrastructure is to be paid for:

- (a) There is a lack of clarity about what the bulk and network infrastructure is that is required for this Development and how this is to be funded.
- (b) The various statements that the Applicant makes in its Application that they will pay for all bulk and network infrastructure can have little, if any, weight.

- (c) There is little detail what infrastructure is being referred to, and it is unclear if this is consistent with the expectations of what is required by Auckland Council, Auckland Transport and Watercare Services.
- (d) There are no agreements confirming scope or how capex or ongoing opex will be paid.
- (e) There are contradictions in the application documents where it is expected that Council will pay for additional infrastructure.
- (f) The transport demands are based on very aspirational “first for New Zealand” forecasts.
- (g) There has been no sensitivity analysis on the infrastructure implications of higher demand than forecast or how this risk will be managed. The capex for transport is based on “first for New Zealand” assumptions which would, even if realisable, rely on major ongoing opex commitments. There has been no sensitivity work on the implications of these assumptions not being realised or even the passenger transport infrastructure upgrades required to accommodate additional Public Transport services from the area.

2.6 Set out below is a summary of the infrastructure that has been discussed is required both within the Sunfield area, and to support its connection to the wider urban area in terms of both capital items and operational expenditure.

Capital Items

2.7 The table of Capital Items required draws on information from the Applicant and information from reviewing the technical assessments. It is noted that not all items proposed by the Applicant and in the technical assessments, may be considered acceptable/required by the other party.

Asset area	What is required	Scale	Who is paying for – is it clear?
Transport	Infrastructure for all transport modes to support the development both internally to the site and on the external existing road network.	There is a lack of clarity about the infrastructure solutions. The scale of infrastructure required is therefore unclear	It is unclear who is paying for these infrastructure items
	Infrastructure that is consistent and integrated with the Mill Rd Notice of Requirement.	It is likely to be of a significant scale.	It is unclear what the full extent of the required infrastructure solutions are that are needed, especially external to the site, that do not have a funding solution.
	Infrastructure / solutions for the significant congestion that will be generated on already	It is unlikely that current rail stations and transfer facilities could accommodate the volume of frequent bus	Impact: No clarity about how infrastructure is to be funded

Asset area	What is required	Scale	Who is paying for – is it clear?
	<p>constrained road corridors and intersections.</p> <p>Infrastructure to ensure appropriate stormwater and flooding solutions to manage road safety issues.</p> <p>Infrastructure and design solutions that clarify land and infrastructure to be vested.</p> <p>Certainty regarding the required infrastructure on the existing road network for the privately funded public transport service proposed, including at rail stations or transfer points.</p>	services assumed by the applicant.	
Water Wastewater	<p>The Applicant needs to provide:</p> <ul style="list-style-type: none"> • A technically robust, and sustainable permanent private servicing solution for both potable water and wastewater for the Rural zoned land; and • A technically robust feasibility assessment to determine the development can be serviced by the bulk water and wastewater networks for the FUZ zoned land, without compromising Watercare's ability service plan-enabled urban development; and • Should feasibility assessment determine the need for upgrades within the bulk water and/or wastewater network, the 	The exact scale of capital works needed to provide bulk water and wastewater servicing to the development is uncertain because the Applicant's servicing plans are unclear, and significant feasibility assessment is needed to understand the actual or potential impact of servicing unanticipated urban development.	<p>Based on the Applicant's response to Watercare's Section 67 memo, the assumption is that the Applicant will fund all the required upgrades to the bulk water and wastewater networks required to enable development of the site.</p> <p>There is a high risk to Watercare and ratepayers if there is not a clear commitment from Applicant, should Watercare be required to support unanticipated urban growth.</p>

Asset area	What is required	Scale	Who is paying for – is it clear?
	cost of these upgrades are fully borne by the Applicant		
Stormwater	<p>Stormwater solution and infrastructure to support:</p> <ul style="list-style-type: none"> The southern portion of the development that naturally drains to the Pahurehure Inlet Catchment The remainder of the Fast Track development area An integrated Stormwater Management Solution and infrastructure that is consistent and integrated with the Mill Rd Notice of Requirement 	<p>There is a lack of clarity about the infrastructure solutions. The scale of infrastructure required is therefore unclear.</p> <p>The application does not currently provide sufficient evidence that stormwater effects can be adequately mitigated for the remainder of the Fast Track development area.</p> <p>The recent designation from NZTA for the Mill Road Corridor increases the scope of possible Council investment needed to develop and construct an integrated stormwater management solution for this area</p> <p>It is likely to be of a significant scale given the extent of the flood plain in this area</p>	<p>It is unclear who is paying for these infrastructure items</p> <p>It is unclear what the infrastructure solutions are that are needed for an integrated stormwater solution for the northern part of the development.</p> <p>Additional land acquisition, (e.g. north of Airfield Road) may be required to support a resilient and effective stormwater strategy</p> <p>No CAPEX allocated in Council's 2024–2034 LTP.</p> <p>Impact: No clarity about how infrastructure is to be funded. There are no funding and financing mechanisms in place to facilitate these options and promote long-term, sustainable stormwater management.</p>
Parks	<p>Neighbourhood Service Hubs and Private Green Pockets:</p> <ul style="list-style-type: none"> Informal amenity spaces within Commonly Owned Lots (COLs/COALs). Not proposed for public vesting and not suitable substitutes for formal recreation parks. 	Not available	<p>Assume Applicant</p> <p>Assume will not be vested in Auckland Council</p> <p>Assumed to be delivered and maintained by the applicant through a residents' society or similar entity. These will not be Council assets.</p>

Asset area	What is required	Scale	Who is paying for – is it clear?
	<p>Formal Recreation Reserves:</p> <ul style="list-style-type: none"> Dedicated, flood-free neighbourhood parks capable of accommodating structured recreation (e.g. play, sport), community and civic use (e.g. clubrooms, libraries). Required to deliver local catchment-level service provision. There is political approval for one park located within the original FUZ, but it has not been anticipated to be acquired until the 2050+ timeframe 	<p>Not available – not scoped in applicant’s proposal. All land currently identified for formal recreation is flood-prone and proposed to vest as drainage reserve in Auckland Council</p>	<p>It is unclear who is paying for these infrastructure items</p> <p>Applicant is proposing to vest all <u>drainage reserves</u>.</p> <ul style="list-style-type: none"> Applicant has verbally indicated that they will be paying all capex to plan and develop assets on top of this land (sport fields and play provisions and associated passive recreation infrastructure like seating and walkways), as per the plans, but there is nothing in writing to this effect. No infrastructure solution proposed. <p>Note: Drainage reserves are not considered appropriate for flood-free reserves.</p> <p>No funding or land dedication for flood-free reserves.</p> <p>No CAPEX allocated in Council’s 2024–2034 LTP.</p> <p>Impact: No clarity about how infrastructure is to be funded for formal neighbourhood parks. Unclear how appropriate flood free reserve locations can be provided. Risk that appropriate parks will not be provided.</p>

Asset area	What is required	Scale	Who is paying for – is it clear?
Community Facilities	This Application is not of a scale that on its own will trigger the need for a Community Facility such as a library. It will drive the need cumulatively with other growth, for additional community facilities.		<p>Additional Community Facilities are not included in the plans for this specific area and there is no financing/funding in the 2024 to 2034 LTP to purchase or develop Community Facilities such as a library within this area.</p> <p>Impact: Community Facilities would be provided through the wider network of facilities across Auckland which will require people from this area to travel to the facilities. Cumulatively the growth will drive the need for additional Community Facilities which will require Capex costs.</p>

Services: Opex

- 2.8 The table of Opex Items required draws from information from the Applicant and information from reviewing the technical assessments. It is noted that not all items proposed by the Applicant and in the technical assessments, may be considered acceptable/required by the other party.
- 2.9 It is noted that once new titles are created, rates will be paid. In AC strategic and financial planning, assumptions are made about the additional rates that will be paid as growth occurs. Assumptions are also made about the increased costs associated with this new growth. Rates fund a wide range of services provided by AC such as essential services like rubbish collection, public transport, park maintenance, libraries, water delivery, and environmental protection.
- 2.10 Rates also support local events, community facilities, and various infrastructure projects. In the AC strategic and financial planning assumptions, a certain growth projection with certain associated Opex costs are assumed. Different areas do not incur equivalent Opex costs. For example:
- (a) Additional intensification in brownfields areas, generally does not result in large kms of new roads. However, in greenfields areas such as Sunfield, many kms of new roads are created with the subsequent increase in renewals, maintenance and depreciation

that comes with this. Indications are that greenfields developments may incur more opex to AC/AT than is recovered via rates.

- (b) Low vehicle trip generation forecasts as proposed by Sunfield, would likely require higher ongoing Opex such as providing the levels of public transport and travel demand management required to ensure the extremely low vehicle trip generation forecasts are realised.
- (c) Government subsidy for additional passenger transport and travel demand related expenditure is typically capped meaning providing service to unplanned areas, such as Sunfield, impacts on the ability to service the rest of the region.

Asset area	What is required	Scale	Who is paying for – is it clear?
Transport	Opex (renewals, maintenance & depreciation) for additional roads/transport elements Scope currently unclear	The renewals & maintenance components of the operating expenses on these roads is unclear given the lack of definition of the infrastructure requirements	No assumption in the 2024 to 2034 LTP/RLTP that Opex would be required for additional roads in this area Opex assumed by council from 2050+ for the FUZ area only when relevant roads are in the Council plans The Applicant has not indicated commitment to fund Opex for these roads for the period between proposed vesting and when in the Council plans. This includes in perpetuity for the roads in the Rural area which are never assumed to be in Council plans. Impact: Unclear how Opex can be paid
	It is uncertain what the confirmed intention is for Bus Services required for this site. There is some comment that there is an expectation that AT will provide some Bus Services, and in other cases that the Sunbus will be sufficient and provided by the Developer – Capex and Opex The level of Public Transport service is far in excess of that which would be typically provided by AT for equivalent	With the proposed frequency the bus services can require Opex up to \$20m per year. Fares are only likely to cover a small percentage of the cost.	No assumption in the 2024 to 2034 LTP/RLTP that Opex would be required for any bus service to service this area Opex assumed by Council from 2050+ for the FUZ area only when in the Council plans It is unclear if the Applicant has provided commitment to fund all Opex for all bus services stated as required or the duration of any funding. Noting that Council does not have this in its funding plans.

Asset area	What is required	Scale	Who is paying for – is it clear?
	<p>areas. It appears to be driven by a need to achieve unprecedented low levels of private vehicle travel at a quarter of the lowest levels assumed for areas in close proximity to RTN services.</p> <p>Clarity about what is required in relation to Bus Services and associated Opex is required</p>		<p>.</p> <p>Impact: Clarity about the Bus Service requirements, their timing and their funding of is required.</p>
Water	Opex for water supply schemes	Information not available for opex for water supply scheme.	<p>No opex assumed in the 2025-2034 Budget to support a public water supply scheme to support Sunfield.</p> <p>Opex assumed by WSL from 2050+ for the FUZ area, when in the Council/WSL plans. No Opex assumed by WSL for the Rural area.</p> <p>Impact: No plan for how Opex can be paid.</p>
Wastewater	<p>Opex for wastewater scheme</p> <p>If the Applicant is proposing a Lower Pressure System (LPS) for wastewater servicing, the Applicant has provided no information about how servicing of this private scheme will be managed. <i>[Noting one of the key issue with LPS is that this requires private assets, which residents will inevitably (incorrectly) expect Watercare to service.]</i></p>	Information not available for opex for wastewater scheme.	<p>No opex assumed in the 2025-2034 Budget to support a public wastewater scheme to support Sunfield.</p> <p>Opex assumed by WSL from 2050+ for the FUZ area, when in the Council/WSL plans. No Opex assumed by WSL for the Rural area.</p> <p>Impact: No plan for how Opex can be paid.</p>
Stormwater	Opex (renewals, maintenance & depreciation) for stormwater assets	Estimate not available at this time.	No assumption in the 2024 to 2034 LTP/RLTP that Opex would be required

Asset area	What is required	Scale	Who is paying for – is it clear?
	Scope currently unclear		<p>for the stormwater assets and associated land.</p> <p>Opex assumed from 2050+ for the FUZ area, when in the Council plans. No Opex assumed for the Rural area.</p> <p>The Applicant has not indicated commitment to fund Opex for these stormwater assets for the period between proposed vesting and when in the Council plans. This includes in perpetuity for the stormwater assets required to support the Rural area which are never assumed to be in Council plans</p> <p>Impact: No plan for how Opex can be paid</p>
Parks	<p>Opex (renewals, maintenance & depreciation) for Parks:</p> <ul style="list-style-type: none"> Neighbourhood service hubs and private green pockets (privately held) Formal Recreation Reserves 	Estimates not available at this time.	<p>The Applicant has indicated commitment to fund Opex for the Neighbourhood service hubs and private green pockets through a Residents Society.</p> <p>Applicant has <u>verbally</u> indicated willingness to fund Opex, including maintenance for streetscapes for 2 years, reserves for 3 years. No agreements in place. Verbal agreements relate to the Formal Recreation Reserves being on the Drainage Reserves. These are not considered appropriate flood free locations.</p> <ul style="list-style-type: none"> It is unclear what is being offered by the Applicant for Opex of flood free locations <p>Formal Recreation on the Drainage Reserves land as proposed by the Applicant will increase maintenance and Opex costs and there are potential adverse impacts that will result. Such as from:</p>

Asset area	What is required	Scale	Who is paying for – is it clear?
			<ul style="list-style-type: none"> Issues associated with the movement of the peat soil which will in turn cause higher maintenance costs for buildings; Use of stormwater land for parks where there is a high risk of flooding; Low planting success associated with soil conditions and flooding and large scale of planting maintenance <p>The increased whole of life costs associated with the Applicant proposed locations are considerable. The Applicant proposing paying maintenance for only 2-3 years would leave AC with an adverse cost impact over the long term.</p> <p>No assumption in the 2024 to 2034 LTP/RLTP that Opex would be required for the parks</p> <p>Opex assumed from 2050+ for the FUZ area, when in the Council plans for recreation reserves in flood-free areas (not on Drainage Reserves at a higher cost). No Opex assumed for the Rural area.</p> <p>Impact: Unclear how Opex can be paid for all park assets. Unclear how appropriate flood free reserve locations can be provided. Risk that appropriate parks will not be provided.</p>
Community Facilities	Opex for Community Facilities in the wider Auckland area will need to be covered.		<p>Impact: The community facilities costs are part of a wider Auckland network which this development will be need to pay their share of.</p>

3. INFRASTRUCTURE FUNDING AND FINANCING GAP FOR THIS APPLICATION

- 3.1 As context **Appendix A** provides a summary of Financing & Funding tools available to Auckland Council. This summary explains the functions and limitations of the available tools and the need to bring together an integrated package of tools to provide infrastructure funding and financing solution.
- 3.2 The infrastructure financing gap for this Application exists because the requirements are substantial while no funding mechanisms are currently in place or work undertaken on infrastructure requirements. Council's Long Term Plan and Regional Land Transport Plan do not include any infrastructure for Sunfield, as this area was not anticipated for development within the planning period. Even if Council were to seek to change those plans, it lacks sufficient borrowing capacity to finance the required additional infrastructure investment in the short to medium term.
- 3.3 There is therefore considerable uncertainty about the necessary infrastructure to support this Application and how infrastructure is to be paid for.
- 3.4 The Sunfield area, is included as part of the general Contributions Policy for Auckland in that if land is consented, the Applicant would need to pay the Development Contribution (**DC**) appropriate for the identified address. To provide an indication of what this DC would be, the DC Estimator Tool can be used² with various assumptions. Two examples are shown below showing a DC of \$13,858 per HUE and \$64,392 per HUE. The difference relates to the increased Stormwater charge in some areas.

Example 1:

80 Hamlin Road ARDMORE
LOT 1 DP 21397

Existing use

For the residential vacant allotments: 0 allotment(s).

Proposed development

For detached dwelling units 100 - 249m²: 1 unit(s) with buildings.

Development contributions estimate

Activity	Proposed HUEs	Existing HUEs	Chargeable HUEs	Rate per HUE	DC Charge (\$ excl GST)
Reserve Acquisitions	1.00000	0.00000	1.00000	432.00	432.00
Reserve Development	1.00000	0.00000	1.00000	3,131.00	3,131.00
Stormwater	1.00000	0.00000	1.00000	848.00	848.00
Transport	1.00000	0.00000	1.00000	8,814.00	8,814.00
Community Infrastructure	1.00000	0.00000	1.00000	633.00	633.00
TOTAL					\$13,858.00

* The assessment of existing use can never exceed the value of proposed use.

** This estimate does not include water supply or wastewater charges. To find out what charges may apply please contact [Veolia Water](#) for developments in the Papakura area, and [Watercare Services Limited](#) for the rest of Auckland.

² <http://dcestimator.aucklandcouncil.govt.nz/>

This DC is largely based on regional and sub regional items as shown below:

DC Policy 2025	Invoice issued on or before 30 June 2026*	
Reserve Development Auckland wide	\$ 25	\$ 3,131
Reserve Development Local - Takanini	\$ 3,106	
Reserve Acquisition Auckland wide	\$ 432	\$ 432
Community Infrastructure Auckland wide	\$ 633	\$ 633
Stormwater - Urban Auckland	\$ 734	\$ 848
Stormwater - Manukau Central	\$ 114	
Transport Auckland wide	\$ 8,814	\$ 8,814
	\$ 13,858	\$ 13,858
* Note: Charges are based on the financial year in which the invoice is issued. Charges increase per year.		

Example 2

55 Cosgrave Road ARDMORE
SECT 4 SO 495342

Existing use
For the residential vacant allotments: 0 allotment(s).

Proposed development
For detached dwelling units 100 - 249m²: 1 unit(s) with buildings.

Development contributions estimate

Activity	Proposed HUEs	Existing HUEs	Chargeable HUEs	Rate per HUE	DC Charge (\$ excl GST)
Reserve Acquisitions	1.00000	0.00000	1.00000	432.00	432.00
Reserve Development	1.00000	0.00000	1.00000	3,131.00	3,131.00
Stormwater	1.00000	0.00000	1.00000	50,884.00	50,884.00
Transport	1.00000	0.00000	1.00000	9,312.00	9,312.00
Community Infrastructure	1.00000	0.00000	1.00000	633.00	633.00
TOTAL					\$64,392.00

* The assessment of existing use can never exceed the value of proposed use.

** This estimate does not include water supply or wastewater charges. To find out what charges may apply please contact [Veolia Water](#) for developments in the Papakura area, and [Watercare Services Limited](#) for the rest of Auckland.

This DC is largely based on regional and sub regional items, as well as a specific Stormwater charge, as shown below:

DC Policy 2025	Invoice issued on or before 30 June 2026*	
reserve development Auckland wide	\$ 25	\$ 3,131
reserve development local - Takanini	3106	
reserve acquisition Auckland wide	\$ 432	\$ 432
community infrastructure Auckland wide	\$ 633	\$ 633
stormwater - Urban Auckland	\$ 734	\$ 50,884
stormwater - manurewa papakura	\$ 50,150	
transport Auckland wide	\$ 8,814	\$ 9,312
Southern Growth Area 1	\$ 498	
	\$ 64,392	\$ 64,392
* Note: Charges are based on the financial year in which the invoice is issued. Charges increase per year.		

- 3.5 The Sunfield fast-track Application represents an area which spans 56.5 ha of out of sequence growth, and then a further 188 ha which is not envisaged to be urbanised. Auckland Council, Auckland Transport, and Watercare Services Limited have not planned for infrastructure in this area to support the development proposed by the Application at this point in time and have not allocated any funding within their current planning horizons or for the long term growth in this area. This compares to the 30 year planning of the infrastructure required for the Investment Priority Areas in Auckland, where a DC has been adopted to support the long term infrastructure requirements. This scale of the DC required in these areas shows the scale of DC to support the infrastructure for a planned area. The average DC price for the 2025/26 year for the two greenfield Investment Priority Areas are³:

- (a) Drury: \$64,000
- (b) Inner North West: \$72,000

- 3.6 If the infrastructure required to support Sunfield were included in Council's planning and DC policy, the development contribution per dwelling would likely be substantially higher, in line with other greenfield investment priority areas. As a simple example, if the DCs were paid on 8,000 Housing Unit Equivalents (**HUEs**) at the current example DC price of \$13,858, the total DC would total \$110m. If instead, the DC price for Drury (\$64k) & the Inner North West (\$72k) were used for this greenfield development, then the total DC for 8,000 HUEs would be \$510m to \$580m. This is over four times higher than \$110m.

Note:

- (a) \$13,858 has been chosen as the DC price to use as the scenario to compare given that in both Drury and the Inner North West there is very limited Stormwater investment included in the Development Contributions Policy as it is expected that this will be provided as developer mitigation by the Developers and there is limited or no cumulative stormwater investment envisaged to be required

³ https://infocouncil.aucklandcouncil.govt.nz/Open/2025/05/20250529_GB_AGN_11286_WEB.htm, Item 13, Paragraph 191

- (b) 8,000 has been chosen as a scenario from which to do this comparison given there is no clear HUE estimate for Sunfield but there are estimated to be 3,197 homes plus approx. 600 retirement units, plus employment healthcare, education and a town centre.

- 3.7 If this Application is granted without a funding solution, Council may need to consider difficult trade-offs, such as reallocating money from other areas in Auckland, which would impact ratepayers through reduced services elsewhere or inadequate provision for other planned growth areas.
- 3.8 Alternatively, Council could decline to accept vested assets / land or simply not provide expected services such as bus routes or parks maintenance.
- 3.9 A further option would be to enter into an agreement with the Applicant for it to cover all of the necessary capital expenditure and operational expenses until the area's originally planned development timeframe of 2050 and beyond for the FUZ area, and in perpetuity for the Rural area which are never assumed to be in Council plans. The Applicant has not indicated a willingness to agree to provide this funding.

4. NEW FUNDING AND FINANCING TOOLS

- 4.1 The Government has announced new funding and financing tools as part of Going for House Growth, including Development Levies to replace Development Contributions, updates to Targeted Rates, and changes to the Infrastructure Financing and Funding Act. However, these tools remain uncertain and will not be available until at least 2027 at the earliest. Once the new tools are known and legislation enables their use, it will become clearer whether they are appropriate for Sunfield's infrastructure needs.
- 4.2 These emerging tools focus primarily on capital costs rather than operational expenses. The Fast Track decision must therefore either determine the infrastructure funding likelihood based on currently available tools (which indicates a significant funding gap) or hope that new unknown tools will resolve both capital and operational funding needs, which introduces significant risk.

5. RECOMMENDATIONS

- 5.1 The recommendations of this memorandum centre around ensuring funding certainty and protecting Auckland's infrastructure programme to enable growth in a strategic manner throughout the region.

Ensuring Funding Certainty

- 5.2 An infrastructure financing and funding solution must be fully developed and committed to ensure the area can deliver the envisaged growth with required infrastructure. Without the ability to pay for infrastructure, there is significant risk that the Development will occur ahead of necessary infrastructure or that the Development will stall, resulting in poor urban outcomes. The infrastructure required, including both direct and cumulative effects, needs to be fully scoped and understood across all asset categories. An infrastructure financing and funding solution must be fully developed and committed to ensure the area can deliver the envisaged growth with required infrastructure.

- 5.3 Given the out-of-sequence nature of this Application and the absence of financing and funding in current plans, greater certainty is required. To provide funding certainty, the developer could enter into legally binding arrangements confirming responsibility for infrastructure delivery and associated operational costs. This commitment should cover construction of new and upgraded infrastructure, with clear agreements about which assets will vest to Council and which will remain private. For vested infrastructure, the Applicant should pay ongoing operating costs, maintenance and depreciation. For privately held infrastructure, agreements must ensure long-term provision with appropriate structures for operation and maintenance, preventing Council from inheriting failing assets by default.

Protecting Auckland's Infrastructure Programme

- 5.4 Infrastructure funding is a scarce resource that Council, Auckland Transport and Watercare carefully manage through stringent processes. These processes plan and allocate funding based on where growth is expected to occur. As this Application represents out-of-sequence development, it must not impact Council's debt profile or other funding commitments, nor result in diversion or delay of planned infrastructure investment elsewhere in Auckland.
- 5.5 This approach aligns with other infrastructure providers' policies. NZTA's Cost Sharing Guidance states that where developers seek to bring forward projects, they bear the full cost unless the agency considers it appropriate to reprioritise. Similarly, Hamilton City Council's Growth Funding Policy requires that unfunded growth projects should not increase Council's expenditure beyond that provided for in the Long Term Plan.

6. PROPOSED CONDITIONS

- 6.1 If the Application is granted, conditions should be imposed requiring certainty of infrastructure financing and funding before the Development proceeds. These conditions should ensure that the Development demonstrates how infrastructure will be paid for and confirms that required infrastructure provision will not displace planned investment in other areas of Auckland. Consideration could be given to conditions or covenants such as requiring private funding and private operational responsibility for infrastructure, and / or deferring development stages until infrastructure is funded and delivered.
- 6.2 There also need to be robust review conditions which would enable Council to respond to scenarios where the "first for New Zealand" demand assumptions are not realised or the funding by the applicant of the measures required to realise them is not provided.

APPENDIX A - INFRASTRUCTURE FINANCING AND FUNDING TOOLS AVAILABLE TO AUCKLAND COUNCIL

Defining Financing and Funding

- 1 Infrastructure **Financing**: is borrowing used to cover the cash payments for purchasing or building infrastructure. As infrastructure provides benefits over a long period, either to developers as they roll out their developments or to residents through the improved amenity provided, many of the funding sources are received over time and can be appropriate that financing is used to pay for them. This financing can either be equity or debt. Generally, this is debt such as Council Debt, Crown Debt, Developer Debt or Private Finance. Any debt will need to be serviced and repaid later.
- 2 Infrastructure **Funding**: is how the investment is finally paid for. Where financing has been used this repays the debt or equity. The table below shows the various ways that different types of debt can be funded:

Debt	Funding of this debt
Council Debt	The sources of funds that can be used to repay the debt include: <ul style="list-style-type: none"> • Development Contributions (DCs) • General Rates • Targeted Rates • Crown Subsidies (where relevant)
Watercare Services Ltd Debt	
Crown Debt	The main method to repay this debt is through general taxes.
Private Finance	The method that is largely discussed for infrastructure to be financed via Private Finance is through the Infrastructure Funding & Financing Act 2020 (the IFF Act). The method to repay this Private Finance is through a levy. The IFF Act was enacted in 2020 and has not yet been used for a greenfields growth area in practice in New Zealand.
Developer Debt	If Developer Debt is used to pay for the infrastructure, this will be repaid in some way by the Developer (for instance, by using profits).

Types of Infrastructure Financing and Funding Tools

- 3 Set out below is a short summary of different financing and funding tools and some of the nuances and challenges associated with them:
- 4 Development Contributions (DCs)
 - 4.1 DCs are the Council's main source of funding growth infrastructure.

- 4.2 DCs can fund regional and local growth driven infrastructure requirements.
- 4.3 DC catchment areas are calculated based on planned infrastructure spending across funding areas and expected growth/demand in each area.
- 4.4 DCs can be set at regional and local (or sub-regional) funding areas.
- 4.5 Revenue flow, in some situations, precedes expenditure, but then continues long after investment.
- 4.6 DCs can be charged if there is a level of certainty that the projects / infrastructure can be delivered. This requires the projects to be identified in the LTP or Regional Land Transport Plan (**RLTP**) if they are planned in the next 10 years. This ensures there is confidence there is adequate financing for the project, such that the DCs can be collected.
- 4.7 The Council's DC Policy can be amended through standard 3 yearly review or on an ad hoc basis where projects and budget have been identified. This must address all the legislative tests for applying a DC – including certainty that the project will occur and financing is available.
- 4.8 DCs can also be included for the longer-term investment plans for the areas identified in the LTP as Investment Priority Areas to match the full costs of infrastructure required (which can take up to 30 years) with the full development anticipated in the area serviced. This is to be implemented by including projects planned for delivery beyond the LTP period in the Contributions Policy. The first update to the policy was implemented for transport, parks and community infrastructure in Drury in April 2023.
- 4.9 DCs are an uncertain revenue stream as they are contingent on when development occurs because the contributions are charged at the time of either resource or building consent.
- 4.10 DCs are not only uncertain in terms of timing but also overall collection. Council may not collect all expected revenue if growth does not occur.
- 4.11 DCs can only fund the growth portion of infrastructure provision (the non-growth portion, such as the renewals and level of service components, must be funded through other means such as General Rates).
- 4.12 An extensive process of Public Consultation and Decision making is required to confirm the DC Policy.
- 4.13 It is noted that the policy of the Council is to use DCs for growth related infrastructure provided by the Council, with Financial Contributions only used as

set out in Schedule 6 of the Contributions Policy 2022 Variation A. This is discussed in Section 3 of the Contributions Policy 2022 Variation A⁴

5 Targeted Rates (TRs)

- 5.1 TRs can be applied when the Council is able to separately identify the groups of specific properties which benefit from infrastructure or services, or those who cause costs to the community.
- 5.2 The Council can levy a TR for one or more activities or groups of activities, or in relation to one or more categories of rateable land within the local authority area. It could be levied as an annual uniform charge on all or some rateable properties, or as a one-off payment.
- 5.3 TRs:
 - (i) Can be used for additional infrastructure that has not been included in DC funding or instead of DCs
 - (ii) Can be levied as a one-off payment or over time.
 - (iii) Can provide the Council with a certain revenue stream.
 - (iv) May be imposed on properties and people with no intention to develop.
- 5.4 An Extensive process of Public Consultation and Decision making is required to confirm the targeted rate.

6 Infrastructure Growth Charges (IGCs)

- 6.1 The IGC is a contribution towards the capital investment Watercare Services Ltd has made in Water and Wastewater bulk infrastructure to provide services to new or existing customers who increase their demand on its services.
- 6.2 Through the IGC, the cost of increasing the capacity of Auckland's bulk infrastructure is paid for by those who increase demand on the system with some resilience for future demand.
- 6.3 Without the IGC Watercare Services Ltd would need to recover a greater proportion of growth-related capital investment costs through operational charges. This would cost all customers a lot more for their water and wastewater services.
- 6.4 IGCs:

⁴ <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/development-contributions-policy/Documents/development-contributions-policy-2022-variation-a.pdf>

- 6.4.1 Are generally paid at the time demand is placed on the network, which is typically at the time of construction.
- 6.4.2 Are set at the same standard charge across IGC areas, of which there are nine.
- 6.4.3 Only fund bulk infrastructure that is in planned growth areas (treatment plants, large pump stations and transmission pipes).
- 6.4.4 Do not fund connection pipes from a development area to the nearest bulk network pipe.

7 General Rates

- 7.1 Are used to fund non-growth infrastructure.
- 7.2 An extensive process of public consultation and decision making is required to confirm the General Rates as part of the LTP process.

8 Water Rates

- 8.1 Are used to fund non-growth Water and Wastewater infrastructure.
- 8.2 An extensive process of public consultation and decision making is required to confirm the Water Rates as part of the LTP process.

9 The Infrastructure Financing & Funding Act 2020 (IFF Act)

- 9.1 The IFF Act provides a financing and funding tool with the ultimate decision-maker being the Crown. The purpose of the IFF Act is to provide a funding and financing model to support the provision of infrastructure for housing and urban development that:⁵
 - 9.1.1 supports the functioning of urban land markets; and
 - 9.1.2 reduces the impact of local authority financing and funding constraints; and
 - 9.1.3 supports community needs; and
 - 9.1.4 appropriately allocates the costs of infrastructure.

⁵ Section 3 of the IFF Act.

9.2 Special Purpose Vehicle(s) can be created for projects and enabled by the legislation to raise finance for the infrastructure. This is then funded by the collection of multi-year levies to repay the finance raised. The multi-year levy amount and term as well as who will pay for the infrastructure (the project beneficiaries) would be presented as part of a proposal and eventually agreed by Cabinet, based on the specifics of each funded infrastructure project, and recommended to the Governor-General in Council by the responsible minister. On completion of a specific infrastructure project, the asset would be vested in Council.

9.3 The IFF Act is a widely enabling piece of legislation that can be implemented in many ways. It has not yet been implemented in New Zealand for a greenfield development area. The two successful IFF projects in New Zealand to date have City-wide focus in the existing Wellington and Tauranga areas, and neither are in Greenfield areas. If land is zoned on the assumption that an IFF will be successful, in my view this is likely to be speculative and not without risk given the process involved. As such, there is currently a limited understanding of how to convert the theory in the IFF Act into practice.

10 Crown Infrastructure Partners – unique deal example

10.1 Prior to the enactment of the IFF Act, a bespoke deal was undertaken through Crown Infrastructure Partners (**CIP**) to facilitate urban development at Milldale in North Auckland. This deal at Milldale was unique with one landowner (Fulton Hogan) and limited infrastructure requirements. It used a specific set of agreements and legal structure. For example, Infrastructure Payments are used to repay the financing for five Bulk Housing Infrastructure projects required to facilitate the Milldale Development. A Milldale property owner's obligation to pay the Infrastructure Payment is set out in, and secured by, a registered Encumbrance over the property owner's land. The IFF Act was developed with the learnings from Milldale in mind to provide specific legislation that can be used in a greater number of scenarios.

11 Infrastructure Funding Agreements

11.1 Infrastructure funding agreements are contracts between the Council and private sector (e.g. developers) for the provision of infrastructure by the private party for specific developments to agreed standards. These agreements are a negotiated outcome between a developer and the Council. They set out clear expectations as to delivery of infrastructure, timing, and cost sharing, and can be entered into at any time. These agreements:

11.1.1 Can be difficult and time consuming to negotiate. This is particularly so where there is more than one landowner or developer involved (for example, a collector road requiring upgrades may have many adjoining landowners/developers and not all of those parties will necessarily be willing to enter into an agreement to pay for the upgrades).

11.1.2 May require the Council to be able to finance and fund any share of the infrastructure not covered by the developer.

11.1.3 May not seem fair and equitable in relation to other developments where infrastructure has been provided in other ways such as through DCs.

12 Co-Funding

12.1 For some of the infrastructure that the Council provides, co-funding arrangements are in place. An example of this is for transport where the NZ Transport Agency Waka Kotahi (**NZTA**) provides co-funding for the capital expenditure of transport infrastructure in Auckland alongside the Council.

12.2 NZTA, as part of the development of each National Land Transport Programme (**NLTP**), reviews and sets the Funding Assistance Rate for each local authority. This is in line with requirements under the Land Transport Management Act 2003. This is paid to local government from the National Land Transport Fund (**NLTF**) for local land transport activities that are approved for funding within the NLTP, such as local road maintenance and improvements, public transport services and cycling improvements. This is to recognise there are national and local benefits from investment in the transport network.

12.3 Auckland Transport and NZTA have specific processes and methodologies to agree on funding for projects on an ongoing basis and these processes take time to progress.

13 Additional Strategic Funding

13.1 In addition to co-funding through NZTA, there are other strategic funding packages that Crown provides on a periodic basis. For example:

13.1.1 The New Zealand Upgrade Programme (**NZUP**) – for a limited number of projects (now incorporated into Roads of National Significance and Roads of Regional Significance).

13.1.2 The Housing Acceleration Fund (**HAF**) – focused on very specific areas and criteria.

How the different infrastructure financing and funding tools work together

14 Each tool in isolation has complexity. Bringing the tools together into an overall infrastructure financing and funding solution has further complexity. Each tool needs to be aligned to create an integrated funding solution. This involves all different parts of the funding and financing toolkit. They all must be aligned in *total quantum* and in *timing*. Equally, an integrated funding solution needs to bring together different processes, stakeholders and decision makers in order to produce a workable result.