



Construction of low-rise glass offices in
Wynyard Quarter, Auckland

ENHANCING INFRASTRUCTURE OUTCOMES THROUGH PRECINCTS

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THE RECENT PUBLICATION OF THE RAUTAKI HANGANGA O AOTEAROA NEW ZEALAND INFRASTRUCTURE STRATEGY FROM TE WAIHANGA (THE NEW ZEALAND INFRASTRUCTURE COMMISSION) HIGHLIGHTED THE CONSIDERABLE INFRASTRUCTURE DEFICIT NEW ZEALAND IS FACING.

If we are to address this deficit, we need to be smart about how we plan and deliver infrastructure investment. A precinct approach to infrastructure provides an avenue to maximise both public value and outcomes for our investment pipeline. Well-planned precincts provide a unique transformation opportunity to take a human-centred approach to making infrastructure and places more purposeful.

THE PRECINCT APPROACH

Worldwide, there is increasing political and business momentum towards the use of precincts to drive enhanced infrastructure outcomes. Precincts are place-based or outcomes-based focal points for public and private investment and development that improve livability, and drive economic growth and prosperity.

Precincts are underpinned by an aligned vision or special purpose (for example, health, innovation, education or transit-oriented development). They represent the modern best practice example of creating a place for residents, workers, and commuters to mix and interact, aiming to maximise economic and social benefits to the local and broader economy.

Precinct thinking has been embraced across the Tasman Sea, where it is a key strategic focus area for several Australian states, with New South Wales recently announcing a new approach to precinct planning. Prominent examples of precincts across the Tasman Sea include Melbourne's Fishermans Bend Innovation Precinct, which is expected to employ at least 40,000 people in manufacturing, engineering and design by 2050; and the Martin Place Metro precinct in Sydney's CBD, which integrates a metro station with commercial and retail spaces.

Deloitte has recently applied our precincts framework to support the New South Wales Government with the development of the Meadowbank Education and Employment Precinct. This precinct will see the revitalisation of an existing tertiary education facility into a technology-focused campus, incorporating new primary and secondary school facilities, as well as improved connectivity to transport hubs.

Developments in New Zealand, such as the Wynyard Quarter Innovation Precinct and key pillars of the Christchurch rebuild, reflect a trend towards taking the precinct approach closer to home, although it is not yet fully woven into our strategic infrastructure planning fabric.

WHY A PRECINCT APPROACH?

Precinct approaches unlock numerous benefits, many of which are achieved by overcoming silos to deliver more coordinated investments with higher returns.

A common theme from traditional approaches to infrastructure development is that planning and delivery can be reactive and siloed in the absence of a strategic plan. That is, infrastructure is being delivered to solve a problem that already exists once an undersupply has been identified, and there is a lack of coordination between infrastructure owners – leading to separate planning decisions.

The precinct approach instead utilises collaborative, comprehensive planning and multisector investment to shape future urban settlement and demand management, creating an attractive place from the get-go, with a long-term

plan on how it will grow and become better. Infrastructure investments are strategically considered as a coherent package, with an aim of delivering returns greater than the sum of their parts through a multiplicative effect.

Where government is the anchor investor, precincts are an opportunity to deliver more of a return from the public investment. This can be in the form of value capture opportunities or through incorporating synergistic opportunities, such as complementary private facilities, into project planning to enhance project benefits. From the social and environmental vantage point, well-planned precincts offer environmental advantages when compared to traditional urban and commercial sprawl, and further provide opportunities for community connectedness – driving long-term wellbeing.



Guy Finny



Haley Blackwood

SUCCESSFUL PRECINCT DELIVERY

Precincts are successful when there is focus on the longer-term transformation of a place, beyond immediate needs. Precincts can be successfully delivered through using a four-stage framework developed by Deloitte, comprised of defining, designing, developing and operating.

It is essential to first understand the strategic context of the proposed precinct, to engage with stakeholders to test demand for the services and the vision, and to understand how the opportunity presented by the precinct can address the needs of the community. It is important to obtain early commitment from both public and private sectors to ensure they are invested in the precinct's success, and become enablers rather than blockers. Precincts cannot be created by government acting alone, and instead require collaboration across and within both government and private sectors.

The design phase considers the precinct delivery model based on the role that government will be playing, as well as the funding and financing structure for the investment. Investment is typically injected in stages in alignment with the precinct plan, and can be financed by either government or private investment – the latter providing the opportunity to reduce development time frames.

Once developed, precincts must be maintained for long-term delivery of benefits, and maintenance of consistency and feel – for example, by ensuring that future tenants align with the original precinct goals. Ongoing activation, such as pop-ups and events, as well as operation and management of the precinct, is key to ensuring benefits are maintained through precinct operation, noting that this requires ongoing funding. Proven funding models include an annual estate management fee levied on long-term leaseholders through contracts or through regulatory arrangements, such as rates.

THE NEW ZEALAND OPPORTUNITY

While Te Waihangā (the New Zealand Infrastructure Commission) does not explicitly call for taking a precinct approach in the Rautaki Hanganga o Aotearoa – New Zealand Infrastructure Strategy 2022–2052 (the Strategy), it echoes the same fundamental sentiments, which suggests that there is significant opportunity in New Zealand to emulate precinct approach best practices, as observed in Australia and abroad. The Strategy calls for effective strategic planning that considers future demand for infrastructure, alongside integration with different infrastructure and networks.

There are several major upcoming infrastructure projects and programs that represent opportunities for precinct thinking. These include Auckland Light Rail, the Additional Waitematā Harbour Connections crossing, and Let’s Get Wellington Moving – each of which have the potential to reshape the existing urban fabric. Delivery of these projects can be used as catalysts for transit-oriented developments, structuring precincts around these core transit routes to improve connectivity and benefit the public realm.

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The Strategy further identifies the need to increase housing development opportunities in areas with good access to infrastructure. This highlights the opportunity for Kāinga Ora – Homes and Communities to maximise use of its Specified Development Project process powers, as granted through the *Urban Development Act 2020*, to drive the design of housing precincts that provide residents with equitable access to transport, health, education and employment. This

opportunity is further reflected in planned development areas, such as Drury, where major housing investment will also require complementary investments in transport and social infrastructure (as well as consideration of commercial zones).

Further embracing place- and outcomes-based approaches to planning and delivering infrastructure has a lot to offer New Zealand.

Precincts are an opportunity to ensure alignment between investment and the needs of the community, unlocking additional economic, social and environmental benefits. If we are to maximise outcomes from our current \$64-billion pipeline of infrastructure investment, consideration of opportunities to incorporate precinct approaches needs to be front of mind. //



Auckland Waterfront