

10 December 2024

New Zealand Infrastructure Commission  
Te Waihanga

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## **ASB response - Developing an enduring National Infrastructure Plan Discussion Document**

ASB welcomes the opportunity to provide feedback on the Infrastructure Commission's (the Commission's) Discussion Document.

ASB's feedback is outlined in Appendix A, enclosed with this letter. Please note that we have not responded to every question in the Consultation, as either we did not have sufficient feedback, or we did not consider the question relevant to ASB. The key points of our submission are outlined below.

### **New Zealand's infrastructure challenge requires an all of government and private sector approach**

In early 2024 ASB commissioned a report which found that \$1 trillion dollars is needed over the next 30 years to get New Zealand's infrastructure up to standard. Infrastructure is complex and the challenges are multifaceted. An integrated approach with a strong focus on the planning, procurement and financing phase as well as better cross-sector collaboration is needed if we are to solve New Zealand's infrastructure challenge. We welcome the establishment of the newly announced National Infrastructure Agency, and we are keen to work closely with the agency as it carries out its remit.

### **A long-term bipartisan approach is needed to provide investment certainty**

We support the Government's efforts to work towards a bipartisan, long-term approach to New Zealand's infrastructure pipeline. However, for this pipeline to come to fruition we need to acknowledge and address the inherent difficulty in infrastructure development in New Zealand. We often underestimate the breadth of challenges involved in developing and executing infrastructure projects. Significant challenges experienced in the development of individual projects (e.g. Auckland Light Rail or Transmission Gully) are only multiplied in the consideration of a 30-year pipeline.

To address this, in parallel to its work to secure bi-partisan agreement on critical infrastructure projects, we encourage the Government to develop and seek agreement on future methods of working in the form of clear decision-making processes and guidelines that provide market participants necessary consistency and comfort. In turn, this will enable wider infrastructure stakeholders to make their own strategic investment decisions beyond the election cycle.

### **Boosting our planning, procurement and financing capability will help close the infrastructure deficit**

New Zealand has a dearth of infrastructure related capacity including labour, capital and expertise. While construction sector expertise remains challenged, greater focus needs to be given to the planning, procurement and financing capability that is needed before a project is 'shovel ready'. Ensuring New Zealand has the appropriate expertise in these areas will be integral if the projects in New Zealand's infrastructure pipeline are to come to fruition.

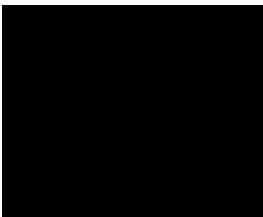
**Resilient infrastructure will be critical to New Zealand's adaptation response**

Resilient infrastructure will underpin New Zealand's approach to adaptation. As the Commission continues its work it is critical that the pipeline of infrastructure enables a robust adaptation response, is resilient in nature and able to withstand increasing impacts of a changing climate. Ensuring that infrastructure is built in the right place and in a way that mitigates climate change risk will be essential to New Zealand's broader adaptation response.

The impacts of the National Infrastructure Plan will be felt across the New Zealand ecosystem, from small subcontractor businesses through to global institutions. It will enable certainty and provide support to attract and retain international expertise in New Zealand as well as providing employment to many New Zealanders. As a bank, we recognise that we have a role to play not only financing but also providing expertise to address New Zealand's infrastructure challenges and we look forward to continuing to engage with the Commission as it develops the National Infrastructure Plan.

If you have any questions or wish to discuss any aspect of our submission further, please feel free to contact me at [REDACTED]

Ngā mihi



Head of Infrastructure  
**ASB Bank Ltd**

## Appendix A: Feedback on Discussion Document questions

No.	Draft Question	ASB feedback
1	What are the most critical infrastructure challenges that the National Infrastructure Plan needs to address over the next 30 years?	<ul style="list-style-type: none"> <li>• New Zealand is facing a serious infrastructure deficit over the coming years and there are competing demands for public infrastructure funding. Health, housing, transport and the climate transition will all require significant levels of public investment and ultimately difficult trade-offs.</li> <li>• It's important that we have informed debate on the future of New Zealand's infrastructure, acknowledging the scale and nature of the challenges that come with ageing infrastructure, changing demographics and increasing health and social demands.</li> <li>• The impact of climate change on New Zealand's critical infrastructure will be significant. Given the role of infrastructure in New Zealand's adaptation response we encourage the Commission to ensure its programme of work is aligned with the Government's broader adaptation approach.</li> </ul>
2	How can te ao Māori perspectives and principles be used to strengthen the National Infrastructure Plan's approach to long-term infrastructure planning?	<ul style="list-style-type: none"> <li>• ASB promotes the Te Ōhanga Māori (Māori economy) and sees infrastructure as a critical tool to unlocking further potential in the Māori economy as well as ensuring infrastructure is positioned to improve social outcomes,</li> <li>• We recognise the relationship between people, the environment, and the built world for balanced development and acknowledge and support the principles below:               <ul style="list-style-type: none"> <li>○ Kaitiakitanga (Guardianship): Promoting sustainable resource use and reducing environmental impact.</li> <li>○ Whakapapa (Long-Term Thinking): Planning for future generations with multi-generational investment strategies.</li> <li>○ Manaakitanga (Inclusion): Ensuring equitable and accessible infrastructure, with co-governance involving iwi and hapū.</li> <li>○ Te Tiriti o Waitangi: Embedding Treaty obligations by consulting Māori and protecting cultural landscapes.</li> <li>○ Mātauranga Māori (Knowledge): Leveraging indigenous insights to enhance resilience and adaptability.</li> </ul> </li> <li>• The above approach fosters sustainability, resilience, and cultural inclusivity, aligning with New Zealand's unique identity and long-term well-being.</li> </ul>
3	What are the main sources of uncertainty in infrastructure planning, and how could they be addressed when considering new capital investments?	<ul style="list-style-type: none"> <li>• A key source of uncertainty are challenges around attracting, developing and retaining the specialist capability required to support effective infrastructure planning and investment.</li> <li>• Competing demands and shifting priorities of different Governments has led to a loss of expertise. While often</li> </ul>

		<p>referred to in the context of infrastructure delivery (i.e. construction and engineering), the same applies to the financial and commercial capability required to effectively plan and procure infrastructure.</p> <ul style="list-style-type: none"> <li>• Current efforts to establish a level of bipartisan support are welcomed by the sector however demonstration of long-term cross-party collaboration is required. Ultimately, we would like to see a level of bi-partisan support similar to that secured for the development and passing of the Zero Carbon Act. This will ensure the framework is enduring.</li> </ul>
4	<p><b>How can the National Infrastructure Pipeline be used to better support infrastructure planning and delivery across New Zealand?</b></p>	<ul style="list-style-type: none"> <li>• While we are broadly supportive of the National Infrastructure Pipeline, at the outset we need to recognise the complexity involved in developing and executing across a 30-year horizon.</li> <li>• ASB supports a progressive approach, working towards realistic expectations in the next 5 years. In the short term, selecting smaller and simpler projects which can be delivered within our current capability will help build expertise and provide a blueprint for successful public and private sector collaboration on larger and more complex developments.</li> <li>• Centralising expertise in the short term and incentivising its retention are critical. By providing the market certainty of a pipeline of projects and relative stability in funding decisions and requirements, private sector participants are able to make strategic investment decisions across their asset and staff base to attract and retain international expertise in New Zealand.</li> <li>• The establishment of the National Infrastructure Agency is a welcome first step. Acknowledging earlier comments on the need to develop appropriate expertise, we encourage the Government to consider whether its mandate could be extended over time to address wider challenges similar to the UK's Infrastructure and Projects Authority.</li> </ul>
5	<p><b>Are we focusing on the right problems, and are there others we should consider?</b></p>	<ul style="list-style-type: none"> <li>• Refer Question 3</li> </ul>
6.	<p><b>What changes would enable better infrastructure investment decisions by central and local government?</b></p>	<ul style="list-style-type: none"> <li>• Refer Question 4</li> </ul>
7	<p><b>How should we think about balancing competing investment needs when there is not enough money to build everything?</b></p>	<ul style="list-style-type: none"> <li>• Refer Question 1</li> </ul>

8	<b>How can we improve leadership in public infrastructure projects to make sure they're well planned and delivered? What's stopping us from doing this?</b>	<ul style="list-style-type: none"> <li>• We need to ensure our leaders are appropriately equipped and empowered to identify and address issues before they arise. Infrastructure is multi-faceted, it is critical that our leaders understand the different disciplines involved, and most importantly how they are interconnected.</li> <li>• Refer also Question 10.</li> </ul>
9	<b>How can we build a more capable and diverse infrastructure workforce that draws on all of New Zealand's talent?</b>	<ul style="list-style-type: none"> <li>• Refer Question 10</li> </ul>
10	<b>What approaches could be used to get better value from our infrastructure dollar? What's stopping us from doing this?</b>	<ul style="list-style-type: none"> <li>• Currently, specialist experience and capability is too thinly spread and without appropriate coordination this challenge could be further exacerbated as the number of infrastructure projects grows.</li> <li>• Recent examples of nationally significant infrastructure projects (e.g. Auckland Light Rail &amp; Transmission Gully) illustrate the challenges of 'learning on the go' in a complex environment.</li> <li>• To address this, we need to identify and agree nationally critical &amp; complex infrastructure and focus our limited specialist expertise in these areas.</li> <li>• We also need to consider whether non-critical infrastructure needs to be descoped, adopting modular/standardised solutions where appropriate. Careful management of the "need to have" versus the "like to have", is required to maximise infrastructure benefits within a limited government funding pool.</li> <li>• Refer also Questions 4 &amp; 10.</li> </ul>
11	<b>What strategies would encourage a better long-term view of asset management and how could asset management planning be improved? What's stopping us from doing this</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
12	<b>How can we improve the way we understand and manage risks to infrastructure? What's stopping us from doing this?</b>	<ul style="list-style-type: none"> <li>• Refer Question 4</li> </ul>
13	<b>How can we lower carbon emissions from providing and using infrastructure? What's stopping us from doing this</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
14	<b>Are any changes needed to our infrastructure institutions and systems and, if so, what would make the biggest difference?</b>	<ul style="list-style-type: none"> <li>• Refer Question 4</li> </ul>
15	<b>How can best practice network pricing be used to provide better infrastructure outcomes</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

16	<b>What regulatory settings need to change to enable better infrastructure outcomes</b>	<ul style="list-style-type: none"> <li>Banks are likely to play a key role in financing future infrastructure delivery and the climate transition. To facilitate this, we encourage the Commission and the Government to consider the introduction of regulatory settings which facilitate increased liquidity and reduced funding costs in targeted settings (e.g. “RBNZ BPR133 specialised lending – project finance” applied to infrastructure and energy assets).</li> </ul>
17	<b>Do you have any additional comments or suggestions that you would like us to consider as we develop the National Infrastructure Plan</b>	<ul style="list-style-type: none"> <li>We note that the Discussion Document does not explicitly reference the role in the private sector and would encourage the Commission to ensure it reflects the role of the sector as it progresses its work.</li> <li>The private sector must be involved in conversations around New Zealand’s infrastructure pipeline from the outset. ASB is keen to engage with the Commission, relevant officials and Government to share our knowledge, international expertise, and insights with the Commission and the newly established National Infrastructure Agency.</li> </ul>