

Infrastructure weekly update

For the week starting 13 May 2024



To: Hon Chris Bishop, Minister for Infrastructure

Minister's comments:

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1. Actions arising from previous meetings

| Meeting date | Agreed action | By whom | By when | Status |
|--------------|--|---------|-------------|-----------------------------------|
| 29 January | Provide advice on prioritisation, implications and trade-offs for development of 30-year infrastructure plan | TW | s9(2)(g)(i) | Pending |
| 15 April | Publish Transmission Gully Executive Summary report and Te Waihangā Foreword | TW | asap | On track – to be published 10 May |
| 16 April | Provide a briefing on the PPP modernisation scope of work | TW | Sent 9 May | Completed – TW-2024-400 refers |
| 16 April | s9(2)(f)(iv) | | | |

2. Key issues and updates

2.1. Next steps on the Waitematā Harbour Connections (WHC) work

We have provided input to a briefing led by the Ministry of Transport on next steps for this project. At the Minister of Transport's request, this briefing outlines the views of the Ministry, Treasury and Te Waihanga, building on advice from Waka Kotahi to the Minister about proposed next steps.

Waka Kotahi has recommended to the Minister that the next Phase should involve:

- s9(2)(f)(iv) [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

Our position, which is reflected in the Ministry's briefing, is that:

- s9(2)(f)(iv) [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

We understand that the Minister of Transport will ask for this briefing to be relayed to you. s9(2)(f)(iv)

[Redacted]

The timeline for the Cabinet paper is not yet agreed, and more work is needed on it to reflect agencies' positions. We will keep your office informed.

Andy Hagan, General Manager Delivery

2.2. Update re Cabinet paper on land transport time-of-use pricing

We have provided you with an aide memoire setting out our feedback to Ministry of Transport officials on this draft Cabinet paper [TW-2024-402 refers]. We have also asked for a comment to be included in the Cabinet paper reflecting our position that:

- Although we support time of use charging, we have concerns about perceived barriers to implementation – eg, that a requirement to obtain universal agreement from all regional transport committee representatives could prove too high a bar to achieve.
- A unilateral power for Ministers to revoke schemes for local roads could have a chilling effect on private investment. Instead, we consider that for local roads, an independent monitor – together with existing checks and balances on local government – would provide sufficient safeguards to ensure that pricing is set to achieve positive network outcomes.
- National data and interoperability standards should be considered to ensure consistency among multiple charging schemes. This would enable efficient billing and enforcement processes and provide a seamless experience for road users travelling through multiple schemes.

We are seeking further information from the Ministry about the proposed timeline for this paper to be taken to Cabinet and will keep your office informed.

Barbara Tebbs, General Manager Policy

2.3. Upcoming events

We advise you of any significant forums or events that Infrastructure Commission staff are attending or presenting at.

| Event | Event date | Description (attending/presenting/purpose) |
|---|--------------------|---|
| Engineering NZ/ACE NZ | 15 May | Ross Copland is speaking at this event, and looking to lead a discussion on what's behind the emerging decrease in confidence about the ability to design and deliver projects within budget. |
| Wellington Regional Leadership Committee Seminar | 15 May | Geoff Cooper, General Manager Strategy, will be presenting on findings from some of the Commission's recent research. |
| Āpōpō Congress on Asset Management | 21 and 22 May | Peter Nunns, Director – Economics, will be presenting on findings from some of the Commission's recent research on 21 May. On 22 May, Ross Copland, Chief Executive, will be moderating a discussion panel. We understand the Minister is also attending. |
| Wellington Transport Analytics Unit (partnership between GWRC and NZTA): The Future of Transport Infrastructure Funding | 29 May | Peter Nunns, Director – Economics, will serve on a panel looking at range of transport funding options. |
| Infrastructure New Zealand AGM | 11 June | Ross Copland will be speaking at this event. |
| Auckland-based Infrastructure Leaders Network Meet-Up (Commission event) | 14 June (8am-12pm) | This event will be based on the successful format of the inaugural Meet-up in Wellington in February. The Minister and US Court are |

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| | | both attending. We are working with your offices to support your attendance. |
| Local Government New Zealand Infrastructure Symposium | 14 June | Peter Nunns, Director – Economics, will present findings of some of our recent research, including infrastructure pricing. |

Anna Moodie, General Manager Operations

3. Upcoming advice

3.1. Upcoming briefings and aides memoire for the Minister

We provide advice to the Minister on our work programme and our contribution to the government’s wider work programme – both proactively and in response to requests from him.

| Topic and tracking number | Date due to your office | What this advice covers | Deadline for Minister’s feedback |
|---|--------------------------------|--|---|
| Consultation on Cabinet paper: Land transport: time of use charging [TW-2024-402] | Sent 7 May | Sets out our comments to MOT on this draft Cabinet paper. We understand that Departmental and Ministerial consultation were undertaken in parallel, and that consultation closed on 8 May. | 8 May |
| Enhancing the Crown’s PPP model and policies [TW-2024-400] | Sent 9 May | Your upcoming Cabinet Paper on Infrastructure Funding and Financing will allocate the Parliamentary Under-Secretary responsibility for the review and refresh of the Crown’s PPP, Sale and Leaseback and Unsolicited Proposal policies, frameworks and contracting models. We will work together with the Treasury and other agencies on these matters, with the Commission taking lead responsibility for the PPP Review. | n/a Further interim briefings and milestones tbc ahead of the final briefing on 30 September |
| Meeting with GHD | 10 May | Provides background information for your meeting with delegates from GHD at 1pm on 14 May. | 14 May |
| Briefings re reports and publications | | | |
| Release of Transmission Gully Post Construction Review Executive Summary [TW-2024-392] | Sent 1 May | Following your decision on 15 April to publish the Transmission Gully Executive Summary report and Te Waihangā Foreword, this briefing provides final documents ahead of publication on 10 May. | 10 May |

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|--|--------------|---|-------------------------------------|
| Māori engagement in infrastructure – research report | 15 May (tbc) | Informs you of our plan to publish a report into Māori engagement on projects initiated by infrastructure providers as well as a summary of the history of Māori experiences of infrastructure development. | For publication late May/June (tbc) |
| Potential sites for aggregate extraction in fast growing regions | 23 May (tbc) | Informs you of key findings from research and reports on potential sites for aggregate extraction in fast growing regions, and our plan to publish the reports late May. | For publication late May/June (tbc) |
| Commentary papers on Infrastructure Pricing Study – research reports | May | Aide memoire will outline key findings from two research reports that consider how Infrastructure Strategy recommendations about transport pricing (congestion pricing/road tolls) and water pricing (volumetric charging/metering) may affect these sectors’ performance against the best practice pricing principles outlined in the PwC Infrastructure Pricing Study. These papers are signalled in an aide memoire delivered 23 April [TW-2024-393 refers]. | For publication in June (tbc) |
| Aide memoire on OECD Infrastructure Week | 9 May | Aide memoire summarizing the OECD Infrastructure Week held in Paris in April and attended by the Commission. We will summarize learnings relevant to PPP’s and other infrastructure priorities. | n/a |
| Policy papers relating to the ‘What’s Fair’ deep dive work programme | June | <p>Informs you of our plan to publish a final report and three policy papers:</p> <ul style="list-style-type: none"> • Final report – <i>Paying for infrastructure: What’s fair? Insights, findings and recommendations</i> • Supplementary papers: <ul style="list-style-type: none"> – <i>How various pricing policies affect households across different income levels</i> – <i>Pricing policy simulations</i> – <i>Access and quality of four networked infrastructure services</i> | For publication in June |

3.2. Upcoming briefings and aides memoire for the Parliamentary Under-Secretary

We provide advice to Mr Court in line with his delegations from the Minister – both proactively and in response to requests from him. All advice to Mr Court is copied to the Minister.

| Topic and tracking number | Date due to your office | What this advice covers | Deadline for US’s feedback |
|--|-------------------------|---|---|
| Enhancing the Crown’s PPP model and policies [TW-2024-400] | Sent 9 May | The Minister for Infrastructure’s upcoming Cabinet Paper on Infrastructure Funding and Financing will allocate you responsibility for the review and refresh of the Crown’s PPP, Sale and Leaseback and Unsolicited Proposal policies, frameworks and contracting models. We will work together with the Treasury and other agencies on these matters, with the Commission taking lead responsibility for the PPP Review. | n/a Further interim briefings and milestones tbc ahead of the final briefing on 30 September |

3.3. Monitoring and performance reports

We provide quarterly reports on our performance against the Statement of Performance Expectations, regular updates on the National Infrastructure Pipeline, and updates on cross-government work to deliver the Infrastructure Strategy.

| Topic | Date due to your office | What this report covers | Timeline |
|---|-------------------------|--|----------------------------------|
| Statement of Performance Expectations (SPE) | 13 May 2024 | We received the Letter of Expectations on 15 April and provided a draft SPE to your office on 2 May. Because the draft SPE did not have Board endorsement, we will provide an updated draft on or before 13 May following the Board meeting. | To be delivered to you by 13 May |

3.4. Upcoming Cabinet papers

We provide advice to you on upcoming papers that you or your colleagues are taking to Cabinet, where relevant to the infrastructure system.

| Lead Minister | Description | Date due to your office | Committee | Timeframe |
|---------------------------|-------------|-------------------------|------------|------------|
| s9(2)(f)(iv), s9(2)(g)(i) | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |

3.5. Ministerial Official Information Act requests

Where requested, we provide information to inform responses to OIAs that you receive.

| Date received from your office | Correspondent | Description of request | Date due to Minister | Date due to send |
|--------------------------------|---------------|--|----------------------|------------------|
| 3 April | s9(2)(a) | Copies of specific briefings provided to the Minister for Infrastructure | Sent 17 April | 1 May 2024 |
| 19 April | s9(2)(a) | List of advice received by the Minister for Infrastructure between 26 February and 2 April | Sent 23 April | 30 April |

3.6. Departmental Official Information Act requests

We provide you with a heads-up on OIAs that we have received and our proposed response.

| Date received | Correspondent | Description of request | Date due to send |
|---------------|---|--|------------------|
| 14 March | Being coordinated by the Ministry for the Environment | Proactive release of documents relating to Fast Track Consenting. With your office for review. | Asap |
| 15 April | s9(2)(a) | Copies of specific documents listed on our website; information about our attendance at upcoming delegations to Europe led by Infrastructure NZ (INZ); copies of email correspondence with INZ and Water NZ (scope tbc). | 14 May |
| 7 May | s9(2)(a) | Copies of specific briefings provided to the Minister for Infrastructure - transferred from the office of the Minister for Infrastructure [OIA24-CB109] | 5 June |

3.7. Upcoming Ministerial meetings

Where requested, we provide support for meetings the Minister is attending.

| Meeting | Meeting date | Who will be attending/presenting | Comment / action |
|--------------------------------------|----------------|--|--|
| Meeting with GHD | 14 May, 1pm | Thabit Shams and Maurice Hoban, GHD. Brendan Herder attending for InfraCom | We will provide an aide memoire by 10 May. |
| Going for Housing Growth meeting | 14 May, 4.45pm | Geoff Cooper/Peter Nunns to attend | Agenda tbc |
| Climate Priorities Ministerial Group | 20 May, 7.30pm | Barbara Tebbs to attend for InfraCom | We will provide input to papers as required. |
| Āpōpō conference | 21 May, 3.30pm | Minister to speak for approx. 10 mins. | We will prepare a speech and Q&A by 14 May. |

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| Meeting re New Dunedin Hospital (tbc) | 21 May, 6.30pm | Ministers Bishop, Reti and Jones | Briefings and officials' attendance tbc |
| Infrastructure and Investment Ministers Group meeting | 21 May, 7pm | Hons Bishop, Willis, Brown, Jones and Parliamentary Under-Secretary Court | We will support the Tsy's secretariat as required. |
| RMA Ministerial Group | 22 May, 7pm | Ministers and US Court. Barbara Tebbs and Paul Alexander to attend for InfraCom | We will provide input to papers as required. |
| Going for Housing Growth meeting | 23 May, 3.30pm | Geoff Cooper/Peter Nunns to attend | Agenda tbc |
| Monthly meeting Minister Bishop/US Court | 28 May, 5.15pm | Minister, US Court, and officials (as required). | Agenda tbc |
| Housing Ministerial Group (tbc) | 28 May, 7.30pm | Hons Willis, Upston, Potaka, Penk and US Court. Geoff Cooper to attend for InfraCom | Tbc |
| Building Together conference | 6 June, 12.30pm | Ministers Willis and Minister Bishop will be on a panel to discuss procurement and funding models, construction and infrastructure priorities | We will provide an aide memoire with context, talking points/FAQs by 4 June. |
| Meeting with LGNZ | 10 June, 1.15pm | LGNZ and InfraCom (attendance tbc) | A briefing is probably not required – tbc |
| Going for Housing Growth | 11 June, 3.30pm | Geoff Cooper and Peter Nunns to attend. | Agenda tbc |

3.8. Upcoming meetings for the Parliamentary Under-Secretary

Where requested, we provide support for meetings US Court is attending.

| Meeting | Meeting date | Who will be attending/presenting | Comment / action |
|--|--------------------------------------|---|--|
| Industry workshops on infrastructure national direction and standards | 13 May 10.30-12pm 15 May 2-3.30pm | Industry stakeholders, MfE and InfraCom officials | You have expressed an interest in attending sector-specific workshops on infrastructure national direction. We have provided invitations and further information about these workshops to your office. |
| Meeting with officials to discuss the Infrastructure national direction work programme | 16 May | Barbara Tebbs, Tanya Perrott and Paul Alexander to attend for InfraCom, MfE officials | Agenda/papers tbc |
| Infrastructure and Investment Ministers Group meeting | 21 May, 7pm | Hons Bishop, Willis, Brown, Jones and Parliamentary Under-Secretary Court | We will support the Tsy’s secretariat as required. |
| RMA Ministerial Group | 22 May, 7pm | Barbara Tebbs and Paul Alexander to attend for InfraCom | We will provide input to papers as required. |
| Monthly meeting Minister Bishop/US Court | 28 May, 5.15pm | Minister, US Court, and officials (as required). | Agenda tbc |
| Housing Ministerial Group meeting | 28 May, 7.30pm | Hons Willis, Upston, Potaka, Penk and US Court. Geoff Cooper to attend for InfraCom | Tbc |

[Note that, due to timeframes, Written and Oral Parliamentary questions and media requests will be provided directly to the Minister’s office and not signalled in this report.]

Appendix A: List of upcoming reports and publications

We investigate a range of topics to help build the capability and performance of the infrastructure system and to support discussions with the sector. We publish reports that we commission or author ourselves – including research insights, ‘deep dive’ inquiries, project reviews, economic analysis, and policy insights. The list below sets out our current programme of reports. We provide the Minister’s office with a heads-up before publishing.

| Topic / Title | Type of report | Intended publication date | What this report or publication covers |
|--|-------------------|---------------------------------|---|
| Monitoring progress against the Infrastructure Strategy | Monitoring report | 9 May 2024 | This report shows progress against the New Zealand Infrastructure Strategy’s 68 recommendations. This report will meet the monitoring requirements spelled out in our SPE. |
| Transmission Gully post-construction review | Project review | 10 May 2024 | In August 2020, the Government directed us to oversee an independent review of how the Transmission Gully Project was commissioned. When this was released in April 2021, we were instructed to do a further review once the project was complete. While we expected to have the review finalised in late 2022, finalisation and release of the review has been delayed because Transmission Gully has not been completed to the standard required by NZTA. However, the post-construction review’s Executive Summary and the Commission’s foreword (learnings for future projects) are ready for publication. A meeting with the Minister, Reviewers, NZTA and Commission occurred on 15 April where the Minister agreed to publication of the Transmission Gully report Executive Summary and the Commission’s foreword. We have provided a briefing with final documents for release in anticipation of this release [TW-2024-392 refers]. |
| Infrastructure pricing | Research Insight | W/C 13 May 2024 [likely 17 May] | This is part of a programme of work to develop an economic framework for pricing infrastructure across four sectors – land transport, water, telco and energy. Research to be published includes current pricing analysis done by PwC. We provided you with an aide memoire that outlines key findings of the Pricing Study, with a copy of the report, on 23 April [TW-2024-393 refers]. |
| Potential sites for aggregate extraction in fast growing regions | Research report | W/C 27 May 2024 | This work is being undertaken by GNS and is intended to provide useful spatial planning information to inform local government integrated planning. The product will provide geospatial information on potential aggregate sources in four regions: |

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|--|----------------------|---------------|---|
| | | | Auckland, Wellington, Tauranga and Queenstown where supply is currently constrained. Between now and publication we are engaging with the relevant local government agencies and MBIE, and then with the quarrying sector, to ensure the final product is fit for purpose. The published geospatial data will be hosted by GNS with free password protected access for users. We will provide you an aide memoire on this work in late May. |
| Paying for infrastructure technical reports | Research notes | May/June 2024 | Series of technical research notes associated with the 'Paying for infrastructure' – Deep dive topic. |
| Māori engagement in Infrastructure | Research report | May/June 2024 | This work aims to deliver on a recommendation in the New Zealand Infrastructure Strategy for 'a 'state of play' of Māori engagement for infrastructure'. It includes both a report into Māori engagement on projects initiated by infrastructure providers as well as a summary of the history of Māori experiences of infrastructure. |
| Water metering and leakage | Research report | June 2024 | Examines the economic and societal benefits of using water metering and volumetric charging to help solve water network-related challenges. |
| Transport pricing case studies | Research report | June 2024 | This looks at experience of tolling, congestion charging and other forms of pricing and demand management. |
| Introducing water meters | Case studies | June 2024 | Includes foreword from us, followed by case studies and reflections on introducing water metering commissioned from Pat Dougherty, Director Wellington Water. These are about his experiences introducing water metering in Kapiti and Nelson. |
| Paying for infrastructure – Deep dive topic | Research report | June 2024 | Final report of deep dive summarising key findings and recommendations from project and supplementary reports. |
| Taking care of Tomorrow Today: An Asset Management State of Play | Research report | June 2024 | This paper outlines how mature our asset management tools and processes are across different infrastructure sectors, and provides recommendations to improve public sector asset management. |
| Transparency response paper | Response to research | June 2024 | This report analyses the possible actions the Government could make in response to the Infrastructure Commission's work on transparency in projects. A briefing on this was provided to the Minister on 26 March [TW-2024-339 refers]. |

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|---|----------------------------|------------|---|
| Auckland's infrastructure | Insights from our research | Q3 2024 | Using recently published research, this report will drill down into several pieces of our published research to provide Auckland-focused insights. |
| Insurance of infrastructure against natural disasters | Research Insight | Q3/Q4 2024 | This report is expected to provide information on current approaches to insuring infrastructure assets, across multiple networks, against natural disasters. It will also explore the economic consequences of different approaches to insurance or self-insurance. |
