



Title: **Testing our thinking - Developing an enduring National Infrastructure Plan**

Organisation: **Nelson Regional Development Agency Limited**

Reference: **NIPC24-0002884** | Submitted: **10/12/2024 04:44 pm** | Submitted by:

## Summary of information submitted

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### Page 1 - Introduction

[NIPC24-0002884](#)

## We're seeking feedback

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Our Discussion Document, [Testing our thinking: Developing an enduring National Infrastructure Plan](#), sets out our thinking as we begin work to develop a National Infrastructure Plan. The Discussion Document sets out what we expect the Plan will cover and the problem it's trying to solve, as well as the approach we're proposing to take to develop it.

We're sharing this now to test our thinking and give you the chance to share your thoughts. Let us know if we've got it right or if there are issues you think we've missed.

We'll use your feedback as we develop the Plan. We'll be sharing our thinking by presenting at events around the country, hosting workshops and webinars, and sharing updates through our website, newsletter, and social media. We'll also seek feedback on a draft Plan before publishing the final Plan in December 2025.

## Submission overview

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You'll find 17 main questions that cover the topics found in the Discussion Document. You can answer as many questions as you like and can provide links to material within your responses. On the final page (6. Next steps) you can provide any other comments or suggestions that you would like us to consider as we develop the National Infrastructure Plan. Submissions are welcomed from both individuals and organisations.

A few things to note:

- You can save progress using the button at the top right of this form.
- A red asterisk (\*) denotes a mandatory field that must be completed before the form can be submitted.
- We expect organisations to provide a single submission reflecting the views of their organisation. Collaboration within your organisation and internal review of your submission (before final submission), is supported through our Information Supply Platform. You'll need to be registered with an Infrastructure Hub account, and be affiliated with your organisation to utilise these advanced features. Many organisations will already have a 'Principal respondent' who can manage submissions and assign users at your organisation with access to the draft responses.
- Submissions will be published on our website after the closing date. The names and details of organisations that submit will be published, but all personal and any commercial sensitive information will be removed.

## Further assistance

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Each submission that is started is provided a unique reference identifier. These identifiers are shown in the top right of each application page. Use this identifier when seeking further assistance or communicating with us about this submission by using one of the following methods.

- Use [info@tewaihanga.govt.nz](mailto:info@tewaihanga.govt.nz) to contact us with any questions relating to our Discussion Document and consultation.
- Use [inform@tewaihanga.govt.nz](mailto:inform@tewaihanga.govt.nz) for help managing roles and permissions of user accounts affiliated with your organisation in the Information Supply Platform (ISP).

## Submission method

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Our preferred method is to receive responses through this form. However, we anticipate some submitters will wish to upload a pdf document, especially where their submission is complex or long. If this submission method is necessary, please use [this word template](#) and save as a pdf. We ask that you retain the structure and headings provided in the template as this will support our processing of responses.

### Select a submission method

To continue, select the method you will be using.

[Online form](#)

The Discussion Document includes five sections. Below we're seeking feedback on why we need a National Infrastructure Plan. We also want to test our thinking on our long-term needs and make sure we have a clear view of what investment is already planned.

## Section one: Why we need a National Infrastructure Plan

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A National Infrastructure Plan can provide information that can help improve certainty, while retaining enough flexibility to cancel or amend projects as circumstances or priorities change.

### 1. What are the most critical infrastructure challenges that the National Infrastructure Plan needs to address over the next 30 years?

- a. Improved resilience to climate change and more severe weather events*
- b. Meeting the needs of population growth*
- c. Replacing our portfolio of aging/underfunded infrastructure*
- d. Developing and agreeing fair, intergenerational funding models*
- e. Ensure that increasing competition for budgets, and the need for prioritisation of spend, doesn't create new regional disparities or deepen existing regional disparities.*

### 2. How can te ao Māori perspectives and principles be used to strengthen the National Infrastructure Plan's approach to long-term infrastructure planning?

*Applying a te ao Māori intergenerational perspective will underpin the importance of genuine long-term planning, and hopefully reduce the impacts of our election cycle on the Infrastructure Agency's cycles of work planning, budget planning and delivery.*

## Section two: Our long-term needs

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The National Infrastructure Plan will reflect on what New Zealanders value and expect from infrastructure. To do this, the Plan needs to consider New Zealanders' long-term aspirations and how these could be impacted over the next 30 years.

### 3. What are the main sources of uncertainty in infrastructure planning, and how could they be addressed when considering new capital investments?

*We acknowledge the need for a systems-wide approach to assessing the need for infrastructure, and that this will consider "how much infrastructure is needed, and the factors that will drive investment in different sectors and regions."*

*Within a systems-wide approach, uncertainty will remain around assessment and prioritisation processes – particularly how the specific challenges faced by specific regions will be adequately recognised. E.g. Some regions are responsible for a large geographic area yet have small ratepayer bases. Some regions are exposed to greater risks (e.g. significant lengths of coastline). Some regions require more significant investment in existing infrastructure due to a larger underinvestment in maintenance over previous decades. Infrastructure planning in a “systems-wide” system needs to reflect that, when pitting region against region for contestable funds and/or limited central budgets, the ‘playing field is not level.’*

## Section three: What investment is already planned

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We already gather and share data on current or planned infrastructure projects through the National Infrastructure Pipeline. This data, alongside other information gathered by the Treasury or published by infrastructure providers, helps to paint a picture of investment intentions.

### 4. How can the National Infrastructure Pipeline be used to better support infrastructure planning and delivery across New Zealand?

*The Pipeline will provide a valuable nation-wide view of developing and investment ready projects. If councils and regions use the Pipeline effectively and consistently, it will provide a useful snapshot of demand for infrastructure investment across short, medium and long-term horizons.*

## Section four: Changing the approach

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We have used our research and publicly available information on infrastructure investment challenges to identify key areas for change. The next question and the following three pages seek further detail on the three themes in section four of our paper. Within each of the three themes, we explore some topics in more detail, outlining the evidence, discussing the current ‘state of play’, and asking questions about where more work is needed.

### 5. Are we focusing on the right problems, and are there others we should consider?

*Nothing to add, beyond the issues already outlined in the Discussion Document.*

## Changing the approach — Capability to plan and build

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Section four looks at changes that we can make to our infrastructure system to get us better results. We've broken these changes down into three themes: capability to plan and build, taking care of what we have, and getting the settings right.

For the first theme, we look at three key areas:

- Investment management: Stability, consistency, and future focus
- Workforce and project leadership: Building capability is essential
- Project costs: Escalation means less infrastructure services.

### Investment management: Stability, consistency, and future focus

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We're interested in your views on how we can address the challenges with government infrastructure planning and decision-making.

#### 6. What changes would enable better infrastructure investment decisions by central and local government?

*We note the comment in the consultation document that only 18 of 44 capital projects considered for funding for Budget 2024 included business cases, and only 3 included cost-benefit analysis. Improving our evidence-informed decision-making offers a low-hanging fruit; If funding decisions aren't being informed by robust business case, what are they being informed by?*

*We strongly agree with your reference to efficient and effective public procurement processes. These must also be invested in.*

#### 7. How should we think about balancing competing investment needs when there is not enough money to build everything?

*A lack of funding/finance at the national scale will mean on-going and potentially increased prioritisation of budgets across sectors and regions: this will likely lead to increased competition between sectors and regions. How this prioritisation process is designed and implemented also needs careful consideration. Will Regional Agencies, sector groups and Councils be required to invest increasing amounts of time and resource into competitive contestable funding rounds (e.g. Provincial Growth Fund, Regional Investment Funds), often with limited returns? Government will be aware that engaging with contestable funding rounds puts considerable pressure on staff resources and delivery of BAU, especially with short timeframes for submission deadlines.*

*We also encourage more efficient alignment across government agencies in relation to submissions. For example, The Infrastructure Commission is requesting submissions at the same time as submissions for the Regional Deal process being run by DIA. With obvious linkages between the two, it is not yet clear how Government is acknowledging these linkages. From our perspective, we also seek to avoid duplication of staff effort.*

## Workforce and project leadership: Building capability is essential

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We're interested in your views on how we can build capability in the infrastructure workforce.

### 8. 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?

*The capabilities outlined in Figure 15 are a good summary of what is needed of project leadership teams. We acknowledge your recognition of capability gaps in your Discussion Document, and the need to do more work to build capability.*

### 9. How can we build a more capable and diverse infrastructure workforce that draws on all of New Zealand's talent?

*Nothing to add, beyond the issues and barriers already outlined in the Discussion Document.*

## Project costs: Escalation means less infrastructure services

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We're interested in your views on further opportunities to improve our ability to deliver good infrastructure at an affordable cost.

### 10. What approaches could be used to get better value from our infrastructure dollar? What's stopping us from doing this?

*We encourage measures to support healthy commercial competition in our key construction sectors and cost competitiveness during procurement processes. We assume that your granular data on specific project types where NZ costs are higher than other high-income countries can be used to understand and identify opportunities to improve cost efficiencies.*

*We acknowledge comments in the Discussion Document on the importance of project scope and effective planning and design.*

*We note the lack of information on the extent to which the government currently invites, or intends to invite, overseas companies to bid for tenders.*

*We assume learnings from a range of infrastructure projects overseas are already being explored.*

## Changing the approach — Taking care of what we've got

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The second theme in section four looks at how we can get better at taking care of what we have. It looks at three areas:

- Asset management: Managing what we already have is the biggest task
- Resilience: Preparing for greater disruption
- Decarbonisation: A different kind of challenge.

### Asset management: Managing what we already have is the biggest task

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Asset management means looking after our infrastructure. We are interested in your views on how we can improve planning for this.

#### 11. 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?

*The section in the Discussion Document on renewing and replacing existing infrastructure is detailed and informative. It highlights clearly the complexity of juggling priorities for limited infrastructure budgets. Your comment "it can feel like there are benefits in 'sweating assets' to pay for operating the health system" potentially suggests that paying for new infrastructure (in this example, new hospital infrastructure) comes at the expense of health care operating budgets? This isn't useful positioning. We appreciate the complexity of setting the Government's annual Budget, but assume the new Infrastructure Agency will be positioning infrastructure investment as a stand-alone financial priority, not placing infrastructure requests as a sub-set of other government budget areas (health, education, water, etc.)?*

### Resilience: Preparing for greater disruption

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We are interested in your views on how we can better understand the risks that natural hazards pose for our infrastructure.

#### 12. How can we improve the way we understand and manage risks to infrastructure? What's stopping us from doing this?

*Your document outlines the need for more research to improve our understanding of natural hazard risk. Noting that our science system has been under review (of one ilk or another) for the past several years, and budgets across our RSI system are facing severe constraints, will the new Infrastructure Agency lead, commission (and pay for) the work*

*required to improve understanding of natural hazard risk, or leave it to CRIs and universities to prioritise necessary research in a piecemeal fashion?*

## Decarbonisation: A different kind of challenge

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We're interested in your views on how we can improve understanding of the decarbonisation challenge facing infrastructure.

### 13. How can we lower carbon emissions from providing and using infrastructure? What's stopping us from doing this?

*Geographically large, and comparatively remote regions such as Nelson Tasman face network constraints to providing some alternative lower carbon solutions. For example, there is currently a proposal before the Regional Infrastructure Fund to upgrade the power network along SH6, so new electric vehicle charging stations can be installed at Springs Junction – a critical and isolated junction linking Tasman, Canterbury and the West Coast. There is demand for electric vehicle charging stations, and a willingness to install them, but the existing power network can not support them. The cost of upgrading the network makes the proposition for new charging stations unviable without government support.*

*Nelson City Council has a relationship and Memorandum of Understanding with the Climatorium in Lemvig, Denmark. The Climatorium is a world leading organisation, and is developing climate solutions for commercial application, including several in the infrastructure space. E.g. their 'Climate Road' uses water surface run off from a road to generate electricity for local users. Given New Zealand's size, small taxpayer base, and isolated position, we need to invest time into building relationships and leveraging the advancements being made by global leaders in this field.*

## Changing the approach — Getting the settings right

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The third theme in section four looks at how we can get our settings right to get better results from our infrastructure system. It looks at three areas:

- Institutions: Setting the rules of the game
- Network pricing: How we price infrastructure services impacts what we think we need
- Regulation: Charting a more enabling path.

### Institutions: Setting the rules of the game

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We're interested in your views on what changes to our infrastructure institutions would make the biggest difference in giving us the infrastructure we need at an affordable cost.

**14. Are any changes needed to our infrastructure institutions and systems and if so, what would make the biggest difference?**

*Nothing to add, beyond the issues already outlined in the Discussion Document.*

## **Network pricing: How we price infrastructure services impacts what we think we need**

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We're interested in your views on further opportunities to improve network infrastructure pricing.

**15. How can best practice network pricing be used to provide better infrastructure outcomes?**

*This detailed and informative section of your Discussion Document highlights the complexity of the issues we need to address at a national level.*

*The use of PPPs to deliver projects, and the levying of increased user charges, needs to be considered and assessed on a case-by-case basis.*

## **Regulation: Charting a more enabling path**

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We're interested in your views on further opportunities to improve regulation affecting infrastructure delivery.

**16. What regulatory settings need to change to enable better infrastructure outcomes?**

*Nothing to add, beyond the issues already outlined in the Discussion Document.*

Section five in the Discussion Document is on the next steps. In this section, we're asking you for any additional comments, suggestions, or supporting documentation that we should consider in our development of the National Infrastructure Plan.

### 17. Do you have any additional comments or suggestions that you would like us to consider as we develop the National Infrastructure Plan?

Click 'Add another' to add multiple suggestions or comments.

*Item 1*

*No, thank you.*

### 18. Attach any documents that support your submission

Click 'Add another' to add multiple attachments in PDF format.

*Document 1*

*No attachment*

## Thank you for your response

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Thank you for providing feedback on our Discussion Document. We'll use your comments as we continue to develop the Plan. This will not be the only opportunity for you to provide feedback, but it is an important way to test our emerging thinking on the development of an enduring National Infrastructure Plan.

If you have prepared a submission on behalf of an organisation, you'll need to be an authorised *respondent* to make the final submission. If you entered a new organisation during sign-up, or your organisation does not already have a *Principal respondent* assigned, you will have been asked to nominate yourself or someone else for this role as you started this submission. Our team will have worked to verify these accounts allowing *Principal respondents* to manage access and assignment of requests for information to people within your organisation.

If you require any assistance please reach out to our team at [inform@tewaihang.govt.nz](mailto:inform@tewaihang.govt.nz).

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