

14 April 2025

s9(2)(a)

Via email: s9(2)(a)

Dear s9(2)(a)

Thank you for your Official Information Act (OIA) request which was partially transferred from the Office of Hon Chris Bishop on 17 March 2025. Specifically, the following requests for documents were transferred to us:

Paper	Title	Agency / Minister
1	TW-2025-529 Infracom Infrastructure weekly update for the week starting 10 February 2025	Infrastructure Commission
2	TW-2025-531 Infracom Background information for your meeting with Regional Deals Ministers on 11 February	Infrastructure Commission
4	Health New Zealand Infrastructure Investment Plan	Infrastructure Commission
7	Infrastructure weekly update for the week starting 17 February	Infrastructure Commission
13	National Infrastructure Plan work on investment planning and asset management settings	Infrastructure Commission
14	Infrastructure weekly update for the week starting 24 February 2025	Infrastructure Commission

## Information being released

Please find enclosed copies of papers 2 and 13 as set out in the table below. Some information has been withheld under the following sections of the OIA:

- 9(2)(a): to protect individuals' privacy
- 9(2)(b)(ii): to protect the commercial position of the person who supplied the information, or who is the subject of the information
- 9(2)(f)(iv): to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials.

Item	Date	Document Description	Decision	Section of the OIA applied
2	7 February	Background information for your meeting with Regional Deals Ministers on 11 February [TW-2025-531]	Release in part	9(2)(a)
13	20 February	National Infrastructure Plan work on investment planning and asset management settings [TW-2025-533]	Release in part	9(2)(a) 9(2)(b)(ii) 9(2)(f)(iv)

## Information publicly available

As you are aware, we periodically publish proactive information releases on our website here: <https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases>. This is where you can find our infrastructure weekly updates. Accordingly, I am refusing your request for papers 1, 7 and 14 under section 18(d) of the OIA as this information is or will soon be publicly available.

Item	Date	Document Description	Decision and URL
1	2 February	Infrastructure weekly update for the week starting 10 February 2025 [TW-2025-529]	Refused 18(d) – will soon be publicly available here: <a href="https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases">https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases</a>
7	13 February	Infrastructure weekly update for the week starting 17 February 2025 [TW-2025-532]	Refused 18(d) – will soon be publicly available here: <a href="https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases">https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases</a>
14	20 February	Infrastructure weekly update for the week starting 24 February 2025 [TW-2025-534]	Refused 18(d) – will soon be publicly available here: <a href="https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases">https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases</a>

## Information to be withheld in full

I have decided to withhold in full paper 4 under the following sections of the OIA:

- 9(2)(b)(ii): to protect the commercial position of the person who supplied the information, or who is the subject of the information, and
- 9(2)(f)(iv): to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials.

Item	Date	Document Description	Decision	Section of the OIA applied
4	10 February	Health New Zealand Infrastructure Investment Plan [TW-2025-530]	Withhold in full	9(2)(b)(ii) 9(2)(f)(iv)

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and the enclosed documents may be published on the Commission's website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely



Andy Hagan  
**General Manager, Investment**

## Background information for your meeting with Regional Deals Ministers on 11 February

**Date:** 7 February 2025

**Report No:** TW-2025-531

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	Note the contents of this aide-memoire	11 February 2025
<b>Attachments</b>		
None		

### Contact details

Name	Role	Phone
Nadine Dodge	Principal Economist/IPP Team Leader, Strategy	s9(2)(a)
Peter Nunns	General Manager, Strategy	s9(2)(a)

### Purpose

1. To support your attendance at the Regional Deals Ministers' meeting on 11 February, this aide memoire provides you with background information about:
  - the Infrastructure Priorities Programme (IPP) process and timeframes, and how the IPP could apply to projects being considered in Regional Deals.
  - The opportunity for the Regional Deals process to be supported by the National Infrastructure Pipeline (Pipeline), and for coverage of the Pipeline to be improved.

### Key Point

2. Both the IPP and the National Infrastructure Pipeline could add value to the quality assurance and evaluation processes for infrastructure investments being considered as part of Regional Deals. You may wish to raise this opportunity with Ministers when considering the processes for selecting the first Regional Deal(s).



# Background

## The Infrastructure Priorities Programme (IPP)

3. The IPP provides a structured independent review of infrastructure proposals and problems of national importance. It will provide a menu of high-quality vetted proposals available to decision-makers and the public.
4. Applications for the first round of IPP closed on 20 December. We received a total of 44 applications by the deadline, and 27 of these passed the initial triage step. Of those applications that passed the triage step, nine are from local government and reflect a range of investment readiness across proposals.
5. The round 1 IPP assessments will be completed by the week of 21 April and will be publicly released on 12 May. Round 2 will be open to applicants from 10 February to 17 April. Round 2 IPP assessments will be completed by the week of 8 September and will be publicly released on 29 September. Based on conversations with Councils, we anticipate at least 10 applications to the IPP from local governments in Round 2.
6. The Commission has been in contact with the Department of Internal Affairs (DIA) regarding the approach being taken for the Regional Deals. While the IPP is only focused on infrastructure projects, Regional Deals may have infrastructure and non-infrastructure components. Our understanding is that the first step in the Regional Deals process is to identify proposal(s) that are viable and robust candidates for the first Regional Deal, to be followed by more detailed development of deals in 2025-2026.
7. Once robust candidates for Regional Deals have been identified, the IPP could be used as a resource to identify individual infrastructure projects to be included in Regional Deals. Using the IPP in this way could provide additional assurance that projects are aligned with strategic objectives, provide good value for money, and are deliverable.

## The National Infrastructure Pipeline

8. As noted in our recent weekly report [TW-2025-529 refers], 59 local government organisations are now contributing to the National Infrastructure Pipeline, with the December quarterly update published on 20 December. The Pipeline is growing to become a robust record of the full picture of local and central government infrastructure investment intentions. For consistency, we recommend that any infrastructure investments included in Regional Deals should also be recorded in the Pipeline.
9. The Pipeline is New Zealand's national dataset of infrastructure project information. It supports coordination of project and programme planning and helps inform decisions on funding, prioritisation, and scheduling with an understanding of opportunities and market capacity constraints or delivery challenges.
10. We have discussed, with DIA, the Pipeline information in relation to Regional Deals, including:

- a. using the Pipeline to gain context on competing regional project demand for workers and resources that may affect the delivery of Regional Deal projects,
  - b. monitoring infrastructure projects funded by Regional Deals, and interconnection between Pipeline and Regional Deal data, and
  - c. strengthening the Pipeline's utility in Regional Deal decision-making, through alignment with DIA processes and documentation.
- 11. Maintaining an up to-date and complete Pipeline (including tracking changes to projects across a project's lifecycle) provides an important evidence base to inform decision making across Government and the construction sector, as well as informing officials' advice on system improvements.
- 12. Better quality and transparency of Pipeline information will improve the decision-making processes for Regional Deals. One way of improving the information could be by setting obligations in Regional Deal processes that require applicants and awardees to:
  - a. submit and maintain their infrastructure projects in the Pipeline, and
  - b. include the unique Pipeline project identifier codes (for applicable infrastructure projects) in Regional Deal information submitted to the to the DIA.

## Next steps

- 13. At your meeting on 11 February, the Regional Deals Ministers may wish to discuss how the IPP process and the National Infrastructure Pipeline can be used to support decisions about infrastructure investments as part of Regional Deals.
- 14. The IPP process can be used to identify individual projects because:
  - a. the process has had strong engagement from local government, and the Commission expects the investment menu to include many local government projects, and
  - b. the process can provide additional project-level assurance, providing confidence in the robustness and deliverability of projects.
- 15. Similarly, the inclusion of proposed infrastructure projects and maintenance programmes in the National Infrastructure Pipeline will assist Ministerial decision making about relative priorities and trade-offs when considering infrastructure investments as part of Regional Deals.



## National Infrastructure Plan work on investment planning and asset management settings

**Date:** 20 February 2025

**Report No:** TW-2025-533

To	Action sought	Deadline
To Hon Chris Bishop, Minister for Infrastructure	<b>Refer</b> this briefing to Hon Nicola Willis, Minister of Finance  <b>Discuss</b> with Infrastructure Commission and Treasury officials the timing considerations of the draft NIP and Budget 2026	To discuss with officials week commencing 24 February

### Attachments

1. Appendix A: Key deliverables

### Contact details

Name	Role	Phone
Ryan McGowan	Senior Adviser, Strategy	s9(2)(a)
Peter Nunns	General Manager, Strategy	s9(2)(a)

### Actions for the Minister's office staff

**return** the signed report to the NZ Infrastructure Commission | Te Waihanga

**forward** the report to the Minister of Finance, subject to the Minister's agreement

### Minister's Comments

## Recommendations

We recommend that you:

1. **Refer** this briefing to the Minister of Finance.

*Refer / not referred*

2. **Discuss** with Infrastructure Commission and Treasury officials the timing considerations if you wish to progress any National Infrastructure Plan recommendations as part of Budget 2026.



Peter Nunns

**General Manager, Strategy**

Hon Chris Bishop

**Minister for Infrastructure**

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# National Infrastructure Plan work on investment planning and asset management settings

## Purpose

1. In our weekly update for 10 February 2025 [TW-2025-529 refers], the Infrastructure Commission outlined the work we are doing on central government investment and asset management as part of the National Infrastructure Plan (NIP), noting that we would provide you with a more detailed briefing on this.
2. This briefing provides further information on:
  - a. the approach we have taken to review existing investment planning and asset management system settings and practice to identify key areas for improvement,
  - b. the subsequent programme of work we have developed to focus on these improvement areas, and
  - c. timing considerations should you wish to implement recommendations based on the draft NIP (due June 2025) in time for Budget 2026.

## We are looking closely at central government system settings

3. There is clear evidence that the public investment management system is not currently performing as well as it needs to be. New Zealand is ranked among the bottom of high-income countries for the efficiency of its infrastructure investment. Central government owns almost half of all infrastructure assets and accounts for a comparable share of capital expenditure, so its role as an investor and asset manager will be critical for meeting our long-term infrastructure needs.
4. As part of our work developing the NIP, we are reviewing the design of, and adherence to, investment planning and asset management system settings within central government to identify areas where New Zealand could improve to better align with best practice. This work is building off the substantial body of research and analysis already undertaken by the Commission including system settings advice developed during the establishment of the National Infrastructure Agency, the Asset Management State of Play, *Build or Maintain* research, and transparency study.
5. For clarity, we are using the terms 'investment planning' and 'asset management' to mean the following:
  - a. **Investment planning:** the development of 10-year (plus) plans by agencies setting out funding requirements to deliver on that agency's organisational strategies and Government priorities
  - b. **Asset management:** the operating, maintaining, renewing and disposing of assets throughout their lifecycle. Asset management ensures that assets deliver required



levels of service and meet demand in the most cost-effective manner possible. It involves taking a long-term, often inter-generational view.

6. The Commission also has responsibilities under Cabinet Office Circular (23) 9: Investment Management and Asset Performance (CO (23) 9) as system leader for infrastructure. This includes the ability to produce guidance related to this role that central government agencies in scope of the Circular must then follow. We have a related requirement in our Statement of Performance Expectations (SPE) to develop asset management guidance.

## We are using a best practice framework to assess system settings

7. To help us understand whether current system settings are supporting central government to be an efficient and effective infrastructure investor and asset owner, we are assessing current policies against the Public Investment Management Assessment (PIMA) framework developed by the International Monetary Fund (IMF) in 2015.
8. We are using the PIMA framework as it provides an internationally respected and structured framework for assessing 15 pillars of the public investment management system across the full investment lifecycle:
  - a. **planning** (including setting of fiscal targets; national and sectoral planning; project appraisal; and alternative infrastructure financing)
  - b. **allocation** (including multi-year capital budgeting; budget comprehensiveness; maintenance funding; project selection)
  - c. **implementation** (including procurement; portfolio management and oversight; monitoring of public assets).
9. For each aspect, the PIMA framework asks three questions, with policy and institutional settings assessed on 'design' (strength in theory) as well as 'effectiveness' (strength in practice). This enables us to develop comprehensive and credible analysis of what is working, what isn't, and what to do to address gaps and poor practice.
10. Based on our emerging analysis, New Zealand's performance against the PIMA framework appears to be mixed. Some aspects of our system appear to be less in need of improvement than others – e.g., fiscal targets, financial controls, and cash availability. So far, our assessment has highlighted three key areas where New Zealand's settings and practice most diverge from best practice:
  - a. **National and sectoral planning:** There has been increased focus on planning and performance reporting in recent years, including the revised Cabinet Office Circular (23) 9. The development of the NIP itself is a step forward in improving New Zealand's national and sectoral planning. However, requirements for investment and asset management plans could be more specific; review and approval processes are not always clear; and there are variations in planning capabilities between agencies. Agency planning practice is also highly variable, and there is often no clear link between an agency's investment planning, what is funded through the Budget



process and what is included as part of the fiscal strategy and forecasts.

s9(2)(b)(ii), s9(2)(f)(iv)

- b. **Asset management:** Asset management across central government needs significant improvement to make better use of existing assets and deliver better outcomes. CO (23) 9 sets out high-level requirements for asset planning and asset registers, with a need for more detailed requirements, reporting against these requirements, and consequences if these are not met. CO (23) 9 enables system leaders (such as the Infrastructure Commission) to develop further asset-specific guidance and requirements to support implementation.
- c. **Project appraisal and selection:** In some cases, investment proposals are submitted for Budget funding without robust business cases or cost benefit analysis. Where clear requirements do exist – such as those in CO (23) 9 – compliance is mixed, often due to agencies lacking the necessary capabilities and incentives.

## We are starting work on the key improvement areas

11. The early findings from our draft PIMA assessment have informed our next steps, both as part of the NIP and in our role as system leader for infrastructure under CO (23) 9. We are developing a work programme of outputs designed to help improve investment planning and asset management.
12. Better investment planning and asset management settings will lead to improved investment proposals coming through to appraisal and selection stages and help lift the quality of information presented to Ministers. We are scoping and progressing the following key deliverables for this work (more detail on these is set out in Appendix A):
  - a. **Planning and performance requirements and indicators for asset management plans and investment plans** (draft to be published for consultation in June 2025)
  - b. **Recommendations on governance and oversight of asset management plans and investment plans** (to be included in the draft NIP to be published in June 2025)
  - c. **Commencement of review of central government agency asset management plans and investment plans** against planning and performance requirements and indicators (where possible, analysis will be included as part of the draft NIP to be published in June 2025)
  - d. **Key themes and recommendations** drawn from PIMA analysis, engagement with agencies etc (to be included in draft NIP to be published in June 2025).



13. The Commission is also planning to embed a more systematic approach to providing guidance and reviewing practice (including project and programme outcomes), in accordance with our system leader role under CO (23) 9, as part of our current organisational realignment. Asset management and investment planning present an opportunity to progress this approach whilst aligning with priority areas for the NIP.
14. We will be undertaking both targeted and broader engagement with central government agencies throughout this work. This will be critical to success, to ensure that what we are proposing will work in practice and consider specific challenges and opportunities that agencies are facing.
15. This work is ambitious in scope. We are phasing the work over the course of 2025 to ensure we are setting achievable timeframes, both for the work and for adequate consultation and engagement.

## You can use the draft NIP to inform Budget 2026

16. The NIP will make recommendations on infrastructure system settings. Based on our emerging analysis against the PIMA framework, this may include recommended changes to investment planning and asset management settings and practices. The Commission is working closely with the Treasury as these are being developed.
17. Based on past Budgets, many key Ministerial and Cabinet decisions for Budget 2026 are likely to commence from August 2025 onwards – after the release of the draft NIP in June 2025, but well before the release of the final NIP in December 2025. If you wish to implement any recommendations related to investment planning and asset management in time for Budget 2026, this will need to be based on the draft NIP, rather than the final NIP.
18. To illustrate these timing considerations, Table 2 below sets out the potential timing of key Budget and fiscal management documents and processes (based on previous Budget timing) where Ministers could take decisions to implement any recommendations within the draft NIP. For example, if you and the Minister of Finance wish for the infrastructure needs analysis to inform the fiscal strategy assumptions about capital allowances and associated operating spending, the Treasury would provide this advice as part of the fiscal strategy 'roadcheck' advice in October 2025.

Table 2. Budget/fiscal management process	Indicative timing
Budget strategy (setting overall direction for the Budget including priority areas for investment, approach to Budget invitations)	August/September 2025
Fiscal strategy 'roadcheck' advice (Treasury advice to Minister of Finance on fiscal targets over the short- and long-term)	October 2025
Budget invites to agencies	September /October 2025

Budget Policy Statement (the Government's document outlining its Budget priorities and fiscal strategy)	December 2025
Treasury Economic and Fiscal Updates	Half Year Economic and Fiscal Update: December 2025

19. We are working with the Treasury on the development of the NIP, given their role in leading the Government response and likely key role in implementing recommendations that you, and other Ministers, wish to progress. This is to ensure there is early visibility and engagement of our emerging analysis, likely recommendations, and possible implementation approaches.
20. If you wish to progress NIP recommendations as part of Budget 2026, this will require a more active role for Treasury officials in NIP development from this point on to ensure recommendations are quickly implementable once you have received the draft NIP.
21. We have consulted with the Treasury in the development of this report to discuss the timing and reporting considerations we have outlined above. The Treasury agrees that any decisions on recommendations to implement through Budget 2026 should be based on the draft NIP (but not before this is received). The Treasury has also noted:
  - a. The NIP will be an important but not exclusive consideration for Budget funding decisions.
  - b. More active engagement on the NIP from the Treasury will need to be balanced against other priorities.

## Next steps

22. If you wish to progress NIP recommendations as part of Budget 2026, we recommend you discuss this with Commission and Treasury officials at your weekly agency meeting in the week commencing 24 February 2025.



## Appendix A: Key deliverables

Key deliverables from the Commission's upcoming work on investment and asset management	Indicative timing
<p><b>Self-assessment of New Zealand policy and institutional settings against the IMF PIMA framework</b></p> <p>This deliverable is summarised above.</p>	<p><i>Technical report to be published alongside the National Infrastructure Plan.</i></p>
<p><b>Planning and performance requirements and indicators for asset management plans and investment plans</b></p> <p>Agencies are required by CO (23) 9 to maintain asset management plans but are given only high level requirements and principles on what this means. Unlike with business cases, there is no detailed guidance or performance indicators to help agencies understand what best practice looks like, what they will be assessed against or to enable Ministers to understand key areas of performance that will give them confidence that an agency is delivering value for money from its planning and investment activities.</p> <p>We will develop planning and performance minimum requirements and indicators for asset management plans and infrastructure investment plans.</p> <p>These requirements and indicators will be limited in number (approximately 10) and are likely to cover the following elements:</p> <ul style="list-style-type: none"> <li>• <b>Planning practices</b> (e.g. asset management maturity; asset management plans are integrated with agency organisation and service delivery strategies and plans; risk management practices in place; systems in place to monitor asset performance)</li> <li>• <b>Non-financial performance</b> (e.g. asset utilisation targets and measures; maintenance and renewal backlog targets and measures)</li> <li>• <b>Financial performance</b> (e.g. adequate maintenance budgets in place; evidence that depreciation funding is used appropriately).</li> </ul> <p>As part of this work, we will also develop an assessment framework to enable us to measure adherence and performance against the requirements.</p>	<p><i>Draft for consultation alongside draft NIP in June 2025</i></p>



Key deliverables from the Commission's upcoming work on investment and asset management	Indicative timing
<p><b>Recommendations on governance and oversight of asset management plans and investment plans</b></p> <p>It is not enough to set requirements or indicators without a review and approval pathway (a clear governance and oversight regime). This is needed because:</p> <ul style="list-style-type: none"> <li>• Assurance of plans is needed to give Ministers confidence that the required standards are being met, to support their decision-making</li> <li>• Approval of plans is needed, to give agencies a clear mandate and provide a signal to market about investment intentions</li> <li>• Ongoing reporting on plans is needed, to ensure these are delivered in line with what was approved and to the standard required.</li> </ul> <p>There's currently no such process in place, including how asset management plans and investment plans then inform funding decisions on specific investment proposals/business cases; some plans are approved by Cabinet, whereas others don't get any formal approval. We will develop a proposed governance and oversight approach for how asset and investment plans should be reviewed, approved and reported. We intend to work closely with the Treasury on this work. This will:</p> <ul style="list-style-type: none"> <li>• Align with existing processes as part of the investment management system, and other public finance and reporting processes</li> <li>• Clarify roles and responsibilities</li> <li>• Provide options to implement the proposed approach.</li> </ul>	<p><i>For incorporation in draft NIP for consultation in June 2025</i></p>
<p><b>Review of key central government agency asset management and investment plans (against planning and performance requirements and indicators)</b></p> <p>There are longstanding questions about the quality and comprehensiveness of agency analysis and planning. We need to understand how much confidence we can have in this information, especially if Ministers and Cabinet are to rely on the NIP for fiscal and Budget strategy.</p> <p>As a starting point, we will review the plans developed in three capital intensive areas – transport, education, and health. These have all been high priority areas for this Government as well as the Minister. We will review these plans against the requirements and indicators we're developing to enable us to:</p> <ul style="list-style-type: none"> <li>• Analyse agency planning against the infrastructure needs analysis, to calibrate the level and composition of investment need</li> <li>• Develop investment recommendations that Ministers may wish to consider when considering investment and funding decisions.</li> </ul>	<p><i>Where possible, analysis completed to inform draft NIP for consultation in June 2025.</i></p>
<p><b>Key themes and recommendations drawn from PIMA analysis, engagement with agencies, and other work outlined above</b></p> <p>We will summarise all of the above work into a single summary document, bringing together key facts and findings, our thematic analysis of key challenges, and recommendations for change with practical implementation pathways. This will be the key document that will directly inform the content of the NIP.</p>	<p><i>For incorporation in draft NIP for consultation in June 2025</i></p>