NEW ZEALAND INFRASTRUCTURE COMMISSION
Te Waihanga

Introduction to Investment Decision Assurance (IDA)

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Te Kāwanatanga o Aotearoa
New Zealand Government

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Webinar series

This is a series of five webinars to brief agencies on the new Investment Decision Assurance (IDA) infrastructure programme. These webinars will cover:

1. **Introduction to IDA** (this webinar) – overview of new system, roles and transition arrangements
2. **IDA process** – The end-to-end IDA process, roles, steps and outputs
3. **IDA Reviews Pre-investment** – Review methodology, evidence and preparation before an investment decision
4. **IDA Reviews Post-investment** – Review methodology, evidence and preparation during delivery and transition to operations
5. **IDA Reviews Ask Me Anything** – Opportunity for questions on any of the above topics

Note: this session focuses on the system, relationship and transition rather than covering the detailed review methodology.

Webinar outline

Outline of webinar

1. System changes

What's changing, the case for change, key changes to the system, and how reviews fit into the investment management system

2. Introduction to IDA reviews

Introduction to scope of reviews, review outcomes, and how reviews will work

3. Practical elements

Upcoming dates, preparing for reviews, the Commission's teams

System changes



What is IDA for infrastructure?

IDA reviews assess if a project:	IDA reviews provide:	IDA reviews do not:
addresses a strategic need	independent advice to investors at key decision points	provide audits of compliance
demonstrates value for money	forward looking assessments guidance on proposal quality	provide audits financial accounts
can be successfully delivered	targeted advice for SROs	constitute an investment decision

Why the system is changing

> Strengthening investor assurance for asset management and investment plans, long-term plans, and programme/project proposals will help the Government allocate its constrained resources to projects and activities that – taken together – deliver the greatest benefits for New Zealanders. Over time, better information and decisions will lead to higher-quality infrastructure assets and services that are more reliable, resilient, growth-enabling, and sufficient to meet Kiwis' needs.
>
> Multiple assurance products are also causing duplication and overcomplication for both Ministers and agencies. There are too many assurance and project review tools (each with their own information requirements, reporting formats, and outputs), but none of them fully support decision makers.

Investor Assurance Cabinet Paper: https://www.treasury.govt.nz/publications/information-release/investor-assurance-advice-and-cabinet-paper

- The wider changes to the IMS address three recommendations from the National Infrastructure Plan (Recommendations 7,8, and 9).
- The Plan saw broad bipartisan support across Parliament.

IDA in the Plan

IDA in the National Infrastructure Plan

Recommendations for long-term system shifts

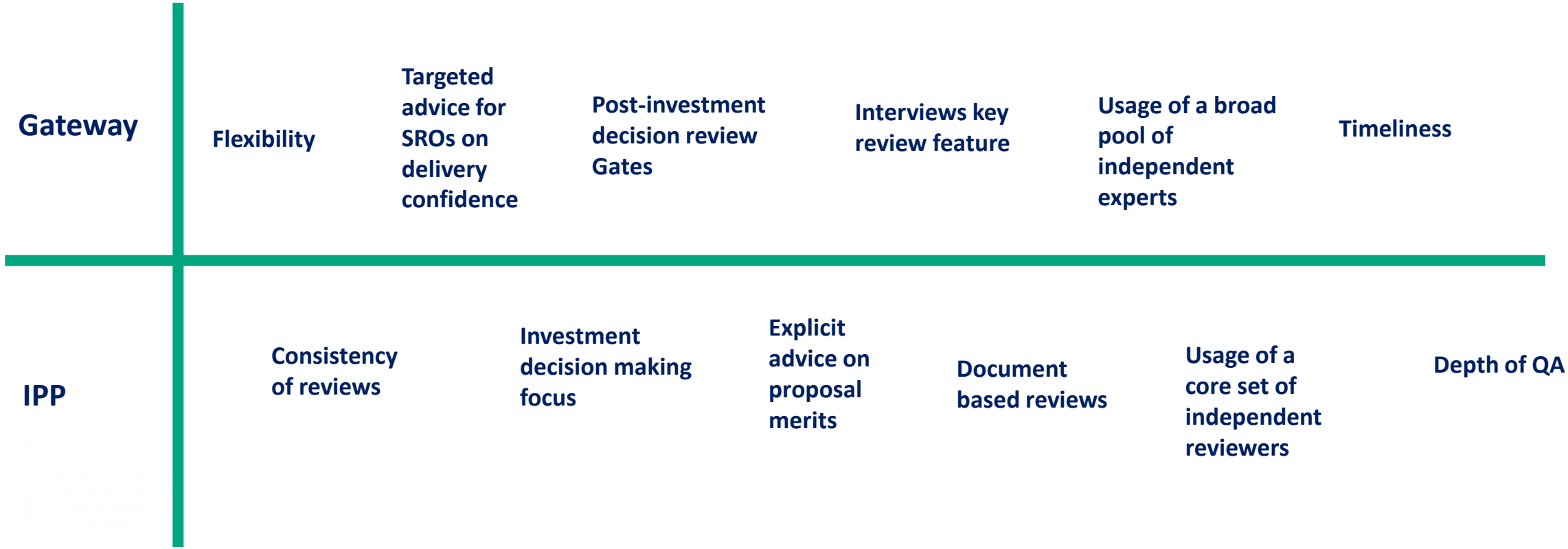
Planning what we can afford	Looking after what we've got	Prioritising the right projects	Making it easier to build better
1. **Needs-based capital allowances:** Ensure fiscal strategy and capital allowances are informed by the Commission's independent assessment of long-term needs and agencies' infrastructure asset management and investment plans. (page 59)	3. **Long-term investment planning:** Introduce legislative requirements for capital-intensive central government agencies to prepare and publish long-term investment and asset management plans aligned with the Government's fiscal strategy. (page 92)	7. **System-wide assurance:** Establish a consolidated assurance function that provides Ministers with a system-wide view of infrastructure planning, delivery, and asset management performance and risk. (page 103)	11. **Stable resource management framework:** Commit to maintaining a stable legislative framework for resource management that enables infrastructure development while managing environmental impacts. (page 118)
2. **Land transport funding and oversight:** Reform the land transport funding and investment oversight system to ensure financial sustainability and enhance economic and social outcomes by aligning investment expectations with available revenue and strengthening efficiency and accountability in delivery. (page 71)	4. **Predictable Government funding signals:** Extend the horizon over which Governments plan their infrastructure funding intentions and communicate these intentions to agencies and the public. (page 92)	8. **Asset management assurance:** Establish an assurance function for capital-intensive central government agencies covering asset management and investment planning activities. (page 103)	12. **Integrated spatial planning:** Ensure spatial planning within the resource management system aligns infrastructure investment with land-use planning and regulation. (page 118)
	5. **Multi-year budgeting:** Adopt multi-year budgeting arrangements that leverage and reinforce high-quality infrastructure planning, delivery and asset management practices. (page 93)	9. **Investment readiness assurance:** Strengthen investment assurance by applying a transparent, independent readiness assessment to major government-funded investment proposals. (page 104)	13. **Optimised infrastructure use:** Set land-use policies to enable maximum efficient use of existing and new infrastructure. (page 119)
	6. **Asset management performance reporting:** Require, through legislation, capital-intensive central government agencies to report on asset information and asset management performance, including progress against their investment and asset management plans. (page 93)	10. **Project information coordination:** Require all infrastructure providers to maintain up-to-date data in the National Infrastructure Pipeline and strengthen arrangements for improving data quality over time. (page 107)	14. **Accelerated electricity investment:** Establish clear, consistent, and coordinated government policies to accelerate electricity infrastructure investment that supports economic growth and emissions reduction. (page 125)
			15. **Coordinated workforce development:** Align workforce development planning and policy with infrastructure investment and asset management plans and the Commission's independent view of long-term needs. (page 130)
			16. **Public sector project leadership:** Strengthen public sector project leadership through a consistent, system-wide approach to appointing, developing, and supporting infrastructure leaders. (page 130)

9. **Investment readiness assurance:** Strengthen investment assurance by applying a transparent, independent readiness assessment to major government-funded investment proposals. (page 104)

The best of both

Bringing forward the best of Gateway and the IPP

Stronger investor-focused assurance: External investment assurance will be focused on what Ministers need to make good decisions on behalf of New Zealanders. This means simplifying the assurance space by consolidating existing products like the Infrastructure Priorities Programme (IPP) and Gateway – taking the best elements of both.



Sources: *Gateway and IPP Comparative Review, Interviews with SROs, Commission analysis*

Shift in focus

Shift in focus to investment decision making

- Gateway's current focus is on giving SROs independent advice on delivery confidence.
- Answers the question:

Can the project be successfully delivered given current project settings and resourcing?

- IDA reviews will focus on supporting robust investment decisions and high quality delivery planning.
- Answers these questions:

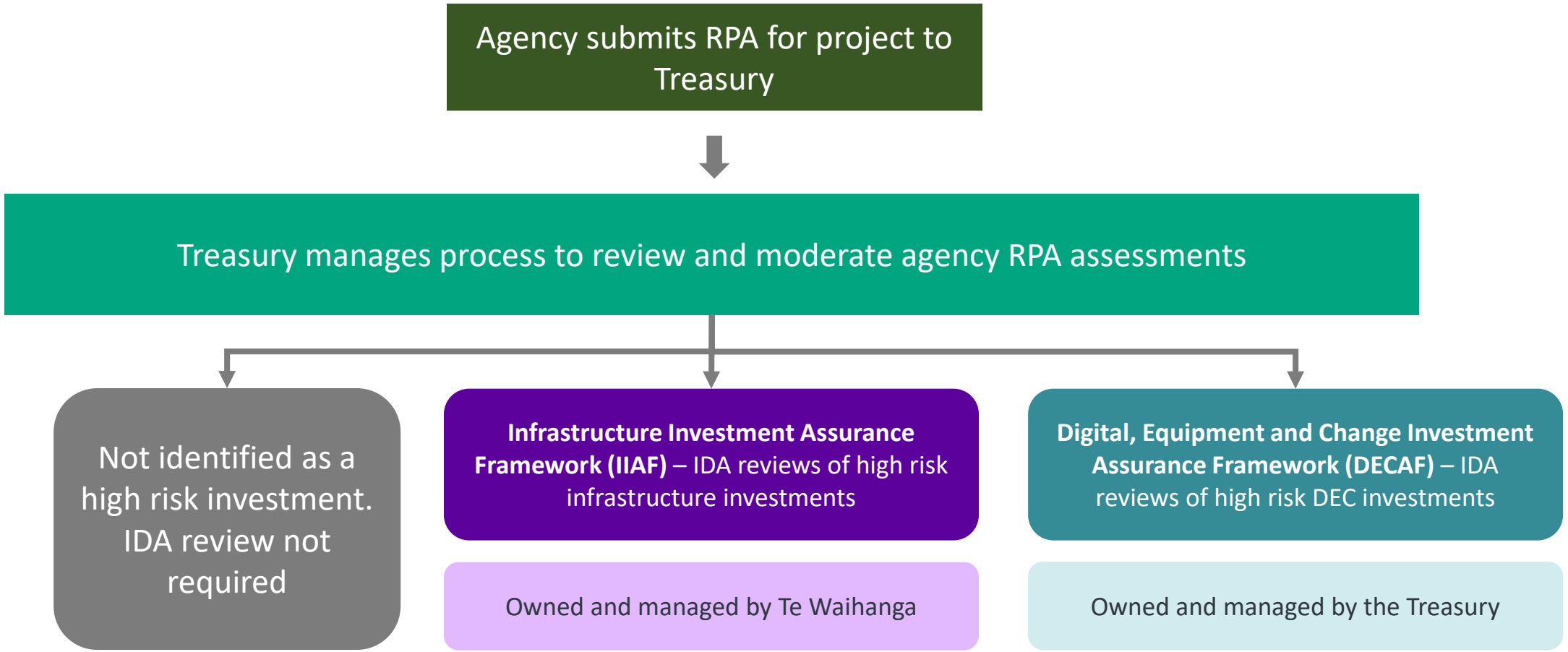
Does the project meet a strategic need and demonstrate value for money?

Can it be successfully delivered as currently planned and resourced?

What remains the same

- SROs will continue to receive targeted advice (including opportunities to identify areas of focus)
- 8 week review timelines
- Review cost will remain at $75k
- Will be reviewed by independent experts

Entry into IDA process



IDA Infrastructure within the wider IMS

Cabinet Office Circular CO (23) 9 – sets out Cabinet's expectations for agencies management of investments

Risk Profile Assessment (RPA) – identifies proposals that are high risk and subject to IDA Policy

BBC framework and guidance – Treasury standardised methodology for preparing business cases for major project spending

Investment Decision Assurance Policy – Treasury's policy, endorsed by Cabinet, that sets parameters for IDA reviews

Infrastructure Investment Assurance Framework (IIAF) – IDA reviews of infrastructure proposals, owned and managed by Te Waihanga

Digital, Equipment and Change Investment Assurance Framework (DECAF) – IDA reviews DEC investments, owned and managed by Treasury

IIAF workbooks and templates – Guidance and review questions for IIAF reviews, owned and maintained by Te Waihanga

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Treasury Fitness Assessment – Treasury's standardised assessment of proposal. Provides Cabinet with summary of IDA Review alongside Treasury Analysis of agency's past performance and the fiscal landscape

How the system fits together



Policy

Overarching settings that apply to all review types.

Introduction to IDA reviews



Review stages

Point	Project stage	Focus of review
1	**Strategic assessment**	Should investors devote resources to the planning and development of this project?
2	**Programme Business or Indicative Business Case**	Is this project ready to progress to the detailed business case phase?
3	**Detailed business case**	Is there a preferred option that meets the service need, maximises public value, and is ready to move to procurement planning?
4	**Approval to deliver**	Does the procurement outcome provide an acceptable basis for the investor to approve funding, award and enter into the contract, and commit the investment to delivery?
5	**Readiness for service**	Is the asset or service ready to move into operation?
6	**Operational and benefits realisation**	Did the investment deliver public value and what lessons were learned to improve future outcomes?

Review outcomes

Overall review outcome

Proceed	The investment is ready to proceed to the next stage
Proceed with action	The investment is ready to proceed to the next stage provided recommendations are addressed within an agreed timeframe
Pause and revise	The investment is not ready to proceed to the next stage until urgent recommendations are addressed.
Revert or stop	The investment is not ready to proceed; it is recommended to stop or revert to a previous stage for further development before any investment decisions are made.

Scope of reviews

Reviews cover six key focus areas

Strategic alignment

Is the investment addressing a clear need and aligned with relevant priorities?

Value for money

Is the investment expected to deliver, or delivering, benefits that justify its costs?

Financial

Is the investment affordable, sufficiently funded and financially sustainable?

Commercial

Are the commercial, procurement, and contractual arrangements fit for purpose?

Deliverability

Are the key risks, dependencies, approvals, stakeholder interests and operational requirements understood and managed?

Governance & capability

Are governance, leadership, capability, resourcing and assurance sufficient to support successful outcomes?

Key focus area rating scale

Broad description of rating scale

Broad approach for scale

Green

Aligned with expectations, high confidence in success.

Amber

Generally aligned with expectations, but some need for improvement or reservations on confidence

Red

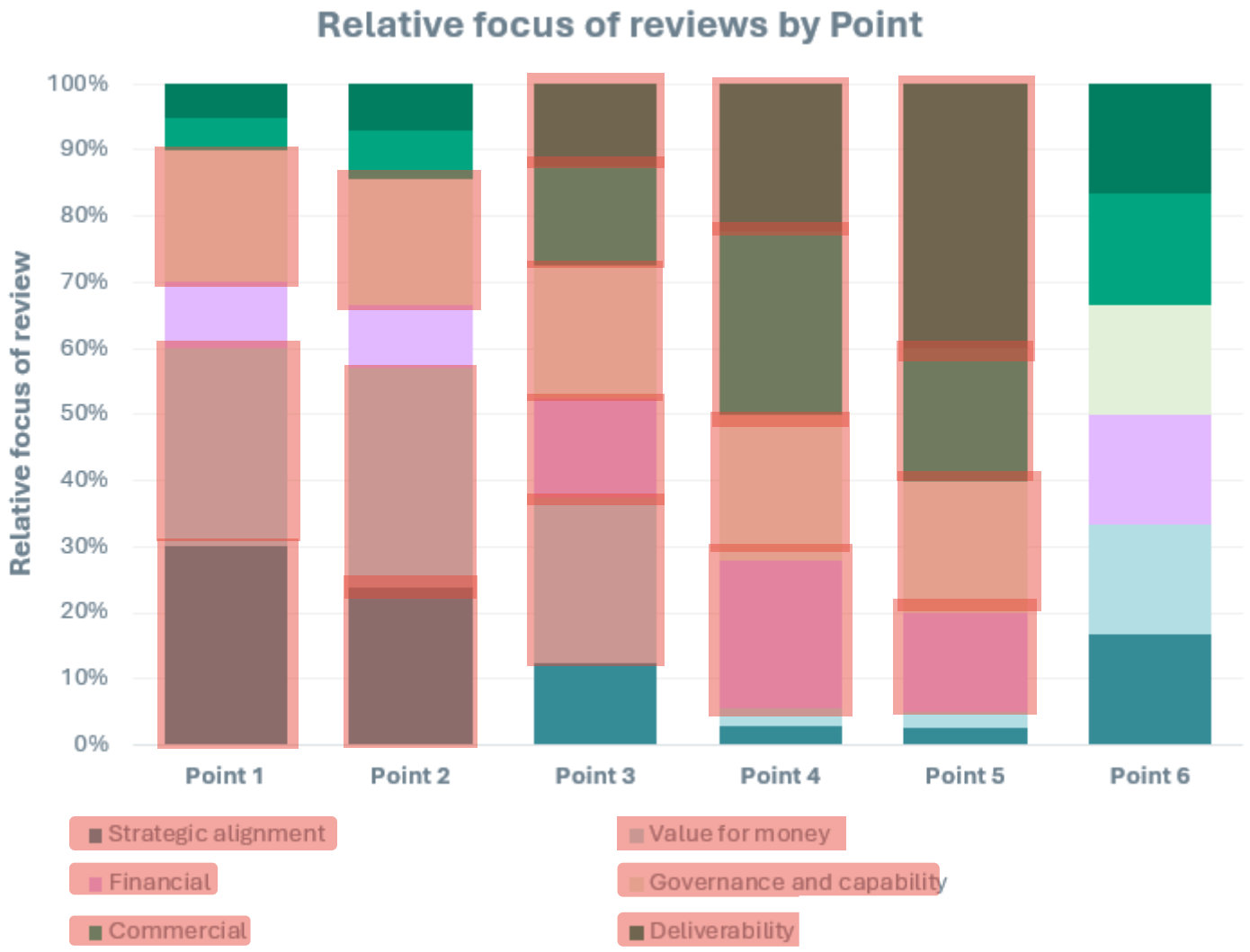
Material issues that threaten project success.

Example – Rating scale for Financial at Point 1

Status	Description
Green	There is high confidence that affordability has been considered in scoping, there is a credible path to funding, AND funding is in place to progress the project or programme to the next stage or plans are in place to secure this.
Amber	Affordability has been considered in scoping, but some assumptions or parameters require further development. A plausible funding pathway has been identified, and funding for the next stage is available or supported by a credible plan to secure it.
Red	Affordability has not been considered in scoping, OR the scope is outside affordability parameters, OR there is no evidence that funding is likely to be available to progress the project or programme to the next stage.

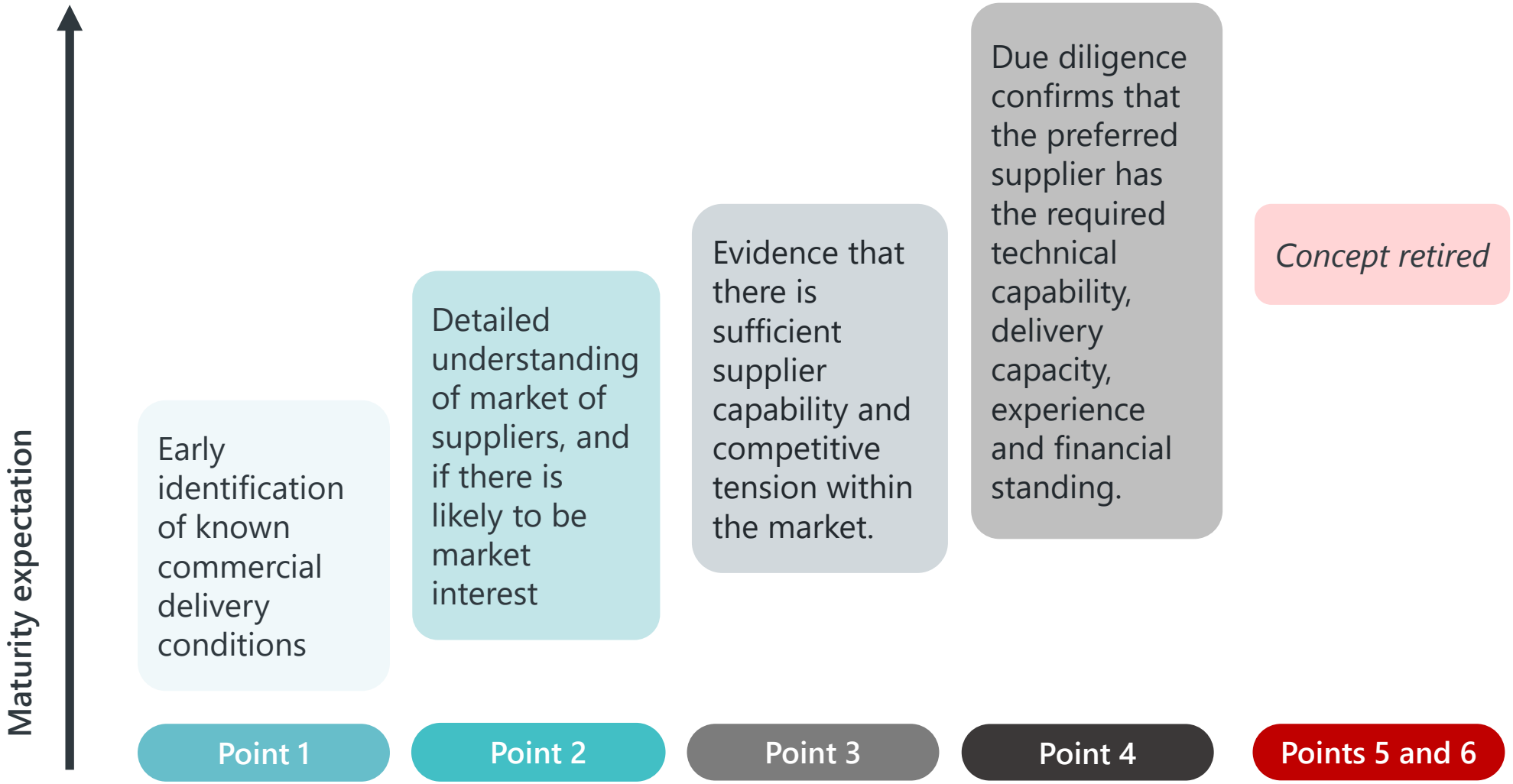
Expectations are tailored to maturity level of each point

Emphasis by Point



Maturity ladder approach

Maturity Ladder Approach



Review outcomes

Three tiers of advice

1.

Overarching advice

- Proceed
- Proceed with action
- Pause and revise
- Revert or stop

2.

Key focus area scores

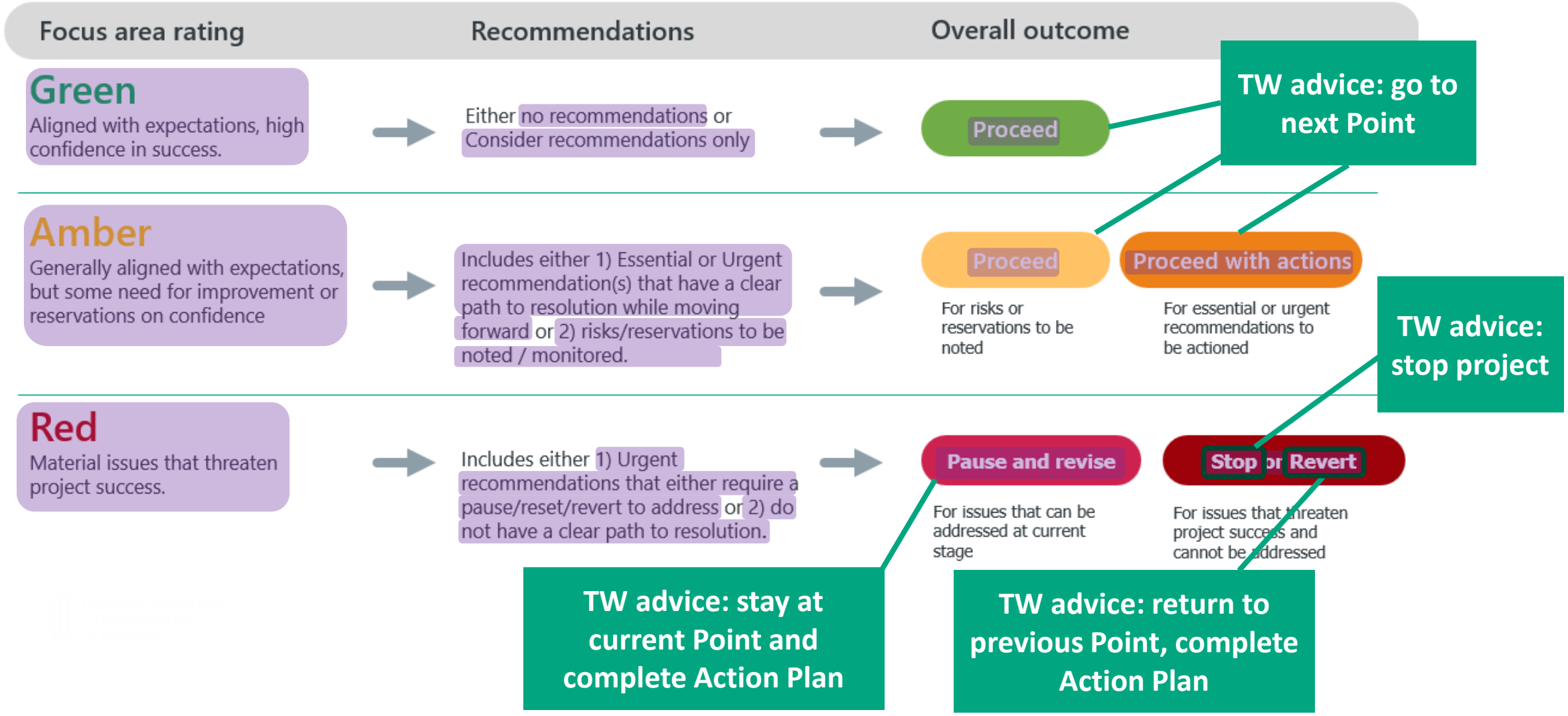
- **Green**
- **Amber**
- **Red**

3.

Recommendations

- Good practice
- Essential
- Urgent

Review outcomes



Resources

Guidance, workbooks and resources

NEW ZEALAND INFRASTRUCTURE

Table 1 - Examples of root cause and visible symptom problem definitions

Example of a root cause problem definition	Example of a visible symptom problem definition

	Status	Description
●	Green	The proposal demonstrates a clearly defined and credible problem, supported by appropriate early evidence of its scale and consequences, including quantitative or monetary estimates where available, and strong alignment with current strategic priorities.
●	Amber	The proposal identifies a credible problem and demonstrates alignment with current strategic priorities, but the definition, evidence, sizing, or consequences require further development.
●	Red	The proposal does not define the problem, AND/OR does not size the problem in any meaningful way, AND/OR is not aligned to current strategic priorities.

t cause problem.
to signal their relative

eferred solution.

At Point 1, the Strategic Alignment assessment focuses on whether there is a credible early case for further investigation. The assessment should show that the proposal has identified a clear and material infrastructure problem, has an early understanding of its likely scale, and is framed around the likely root cause rather than a preferred solution. A strong strategic case at this stage means the agency can show that the relative importance of problem statements is understood, and that the consequences of no further investment are clear enough to justify

Practical elements



Our team

IDA infrastructure assurance review teams at the Infrastructure Commission

Decision Assurance

Will lead reviews in pre-investment decision phases, IDA Points 1-3 (currently Gates 0-2).

Focus on supporting robust investment decision making for infrastructure.

Delivery Assurance

Will lead reviews in post-investment decision phases, IDA Points 4-6 (currently Gates 3-5).

Focus on supporting high quality delivery of infrastructure investments.

Asset Management Assurance

Will lead reviews of agencies' asset management plans (beginning later in 2027).

Focus on supporting best practice in asset management planning for central government infrastructure.

IDA@tewaihanga.govt.nz is your first point of contact

Roles and responsibilities

Role	Key responsibilities
Investors	Consider IDA review findings; assess risks; make and own investment decisions
Treasury Policy / Fiscal & Economic Adviser	Enact and maintain IDA Policy; endorse IDA Frameworks; prepare Fitness Assessments; share system insights
Assurance units (Treasury and Te Waihanga)	Manage delivery of IDA reviews; provide IDA review summary for Fitness Assessments; share trends and insights; review effectiveness of frameworks
Review Team	Undertake independent IDA reviews; provide timely notification on additional information requirements
Review Team Leader	Facilitate review team moderation, review robustness of findings, lead engagement with SRO
Agencies	Nominate an SRO; complete and RPA; remain accountable for investment planning and delivery; comply with assurance requirements in CO (23) 9, IDA Policy & Framework; provide final IDA report to portfolio Minister
SRO	Ensure investment meet objectives and benefits; initiate IDA reviews in timely manner; ensure IDA submission meets information requirements; support scrutiny at relevant ministerial meetings; ensure findings are addressed and escalated without suppressing key findings; prepare Action Plan addressing recommendations within two weeks of IDA review

Preparing

What agencies can do to prepare

- Reach out if you expect to need to submit a proposal to IDA Infrastructure over the next year (in particular for those before end of Q1 2027)
- Review our workbooks for the Point stages you expect to need to apply for (check expectations for investment planning and evidence)
- The more complete your application, the more smooth the review process

Transition: timelines

- Reviews underway and priority reviews that can’t be delayed will continue through Gateway*.
- All other reviews will move to IDA from 2 November.
- There will be an initial period (to end of 2026) where both Gateway and IDA systems are operating.

*Prioritisation principles

- Contractual obligations/approval timelines
- Commissioning of services and operational handover timing
- Readiness for Cabinet / Budget 2027 decision
- Whether investment is high profile / high risk or of significant public interest
- Completion of escalated action-plan reviews

Next steps

- 20 October – Webinar 2 – review process
- 28 October – 'Ask me anything' IDA drop in session
- 2 November – Workbooks on Te Waihanga website
- 18 November – Webinar 3 - IDA Reviews Pre-investment

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