



# Annual Report

## Pūrongo ā-Tau

Transforming infrastructure  
for all New Zealanders




1 July 2023 - 30 June 2024

[tewaihanga.govt.nz](https://www.tewaihanga.govt.nz)









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## New Zealand Infrastructure Commission, Te Waihanga

**Annual Report 2023/24**  
**November 2024**

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1 July 2023 – 30 June 2024

# Our year at a glance

Te tau kua taha ake

## Our research and evidence helped shape the conversation about what are New Zealand's infrastructure issues and solutions.

- We investigated critical issues for our infrastructure system, publishing new research on our infrastructure workforce and drivers of construction costs, local government financing tools as well as the first comprehensive assessment of the value of New Zealand's infrastructure.
- We highlighted the cost of maintaining and renewing public hospitals, providing insights into the change needed in our approach to health infrastructure.
- We completed a deep-dive investigation into fairness and how New Zealanders pay for infrastructure. This found that the average New Zealand household spends \$13,500 per year on infrastructure, and that New Zealanders hold a range of views about what are fair ways to pay for infrastructure services and these views often differ across sectors. For example, three-quarters of New Zealanders thought it was fair to pay for electricity and water based on usage, but only one-third thought it was a fair way to pay for roads.
- We hosted our annual Infrastructure Symposium, which brought together infrastructure leaders and experts from New Zealand and Australia to share insights on project delivery, how to pay for infrastructure, leadership in infrastructure, the potential offered by modern methods of construction and other critical issues for the sector.
- We published research into Māori engagement in infrastructure. This included a review of existing literature, and a report that looked at how infrastructure providers and Māori groups engage on infrastructure projects. We also published a report that provided context to this engagement, by sharing some of the impacts that infrastructure development has had on Māori in the past. It looks at transport, energy, wastewater, education and health infrastructure.



### We began work to identify solutions for the next 30 years.

- We began work on a National Infrastructure Plan for New Zealand to provide an assessment of current and future infrastructure needs and to identify the priorities for infrastructure for the next 30 years – from taking care of and making better use of the infrastructure we already have, to ensuring new investments provide value for money.





## We helped improve the way New Zealand delivers its infrastructure projects.

- We have continued to provide support and advice on large high-risk projects, advised on PPPs, and reviewed high profile projects such as Transmission Gully and City Rail Link to identify learnings for future projects.
- We have continued to provide high-quality advice on ensuring New Zealand's consenting system works for infrastructure.
- We developed infrastructure leadership within the public sector, creating a network of infrastructure leaders and holding regular face-to-face and technical masterclass events for them to connect, share and learn from each other.
- To help councils and others in thinking about where resources will come from to support future growth, we worked with GNS Science to identify extraction opportunities for sand, gravel and rock aggregates – critical materials for infrastructure – close to high-growth areas.

## We monitored progress so we know where New Zealand's infrastructure system has improved and where there is still a need to do better.



- In May 2024 we released our first Infrastructure Strategy Monitoring Report, which tracks progress against the recommendations in the Infrastructure Strategy from release in May 2022 to March 2024. The report charts some positive progress against the Strategy recommendations with 17 assessed as advancing, 20 partially advancing, 21 not advancing and 10 not yet due to start.

## We improved the information available about the projects that are planned or underway, helping industry and others to plan.

Over the course of the year, the National Infrastructure Pipeline grew from:



4,382 projects to more than

**6200** projects.



\$92.2 billion to

**\$147.6** billion worth of value.



70 to 85 contributors – a

**21.5%** increase.





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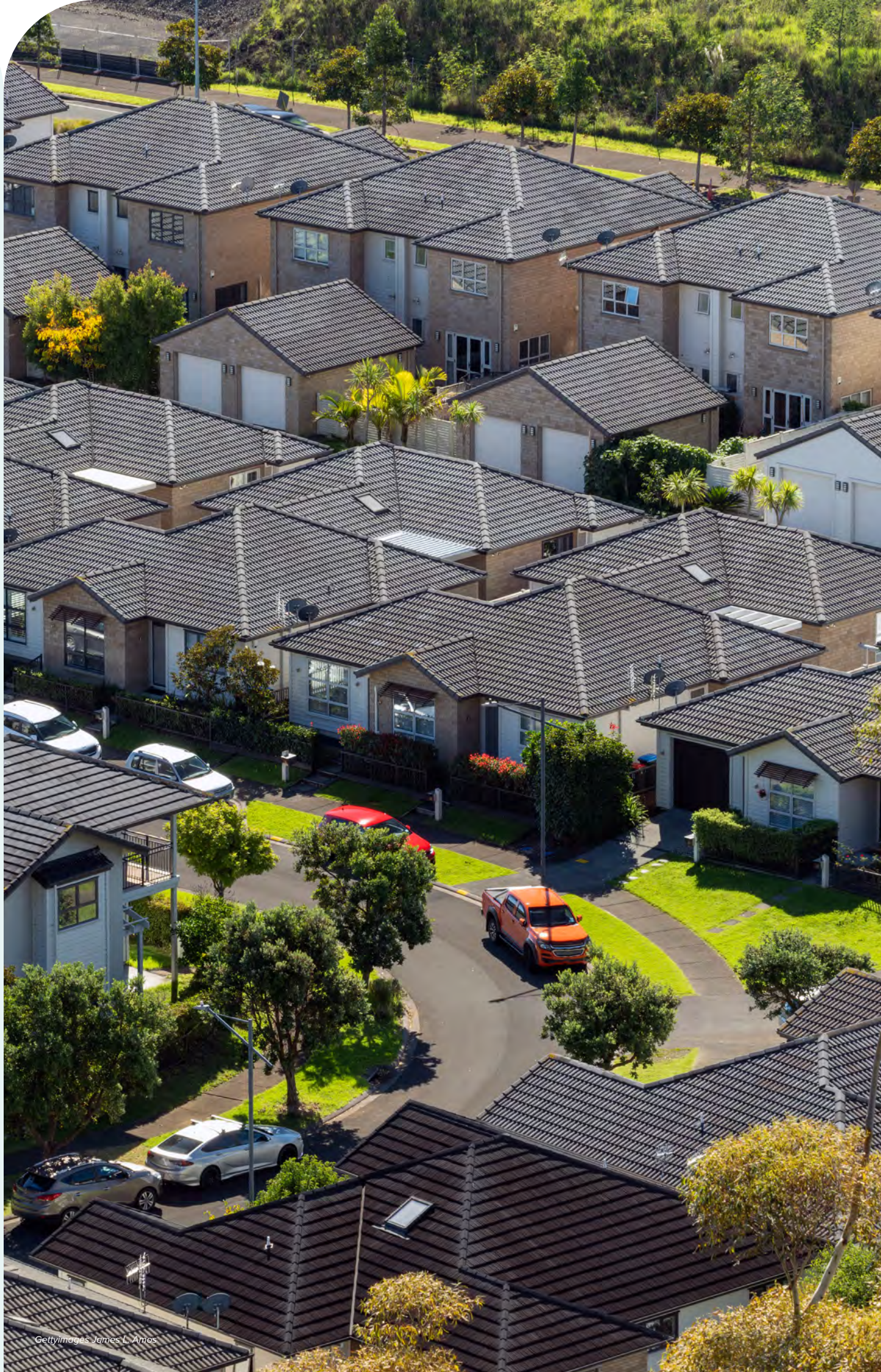
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# Message from the Chair and Chief Executive

## He pānui nā te Heamana me te Toihau

Since it was established, the New Zealand Infrastructure Commission, Te Waihanga, has brought New Zealand's infrastructure challenges into sharp focus, bringing a sense of scale of the problems we face and identifying the steps we can take to overcome them.

This year we continued to build this understanding and worked on making change for the better, while also charting progress where it is already underway.

### Shaping the conversation

We've investigated some of the critical issues facing our infrastructure system. This research has been widely discussed and cited, influencing public debate about how we improve.

Our research has revealed, for the first time, what the perimeter of our infrastructure is – estimated at \$287 billion. We know that our stock of infrastructure, against prevailing wisdom, has actually been increasing in per capita terms for some 30 years, and that we spend around 5-6% of GDP on infrastructure each year, a number that has also been stable for around three decades.

We have looked at the scale of our maintenance backlog and looming wall of renewal needs as infrastructure we built in the post-war years reaches its end of life, and we have worked to highlight the scale of future investment needs.

We have examined the tools local government uses to finance infrastructure investment and how these are being used. This showed that in the past, local government frequently used debt to pay for new infrastructure, which tended to create new sources of revenue. While today councils need to invest much more in renewing and replacing the infrastructure they've already got. Although essential, this work doesn't tend to generate new economic activity or new revenue for councils.

We have researched the way infrastructure providers and Māori groups engage on infrastructure projects. This research uses evidence and case studies to highlight the way this engagement occurs and areas where this works well, as well as where there are challenges.



**Dr Alan Bollard**  
Board Chair



**Geoff Cooper**  
Chief Executive



## How we're tracking

Over this year, we have reported on where progress is being made on these and other problems, and where there is a need to do more.

We published our first monitoring report, which analysed progress against the New Zealand Infrastructure Strategy since its release. Some of the areas where we're seeing improvement include the move toward volumetric water charging in New Plymouth and Christchurch. This is an important tool for making the most of existing infrastructure. It can encourage more careful use of water, help identify leaks, and defer costly upgrades.

We saw an increase in consenting for renewable energy, and progress on the development of a regulatory framework for offshore wind. The National Policy Statement on Urban Development found an innovative way of linking transport technology to housing by requiring councils to upzone areas within walking distance of rapid transit. Another case of making sure we get greater value from our infrastructure.

Project delivery remains challenging, but there are bright spots. The Central Interceptor was an example of project management keeping on time during a period that had a significant black swan event. The reinstatement of State Highway 25A was further proof we can get delivery right - the project was completed on time and to budget.

We're also pleased to see a greater emphasis on asset management across infrastructure sectors. Looking after what we've got will be an essential part of improving our infrastructure system. In addition, we have seen congestion charging enter the mainstream as a method for managing demand. Like asset management, this is an issue we've been outspoken on, and again for good reason. When Stockholm introduced time-of-use charging, severe congestion was reduced by 30-50%. In contrast, Auckland is projected to spend billions on its transport infrastructure only to see congestion increase. We cannot build our way out of every problem.

## Finding solutions to critical issues

This year has been an important one in our work to build solutions to many of our most critical issues.

One of our major challenges will be paying for the infrastructure we need, and for critical maintenance. Pricing and how we pay for infrastructure has been an important focus, and we have worked to offer decision-makers evidence and to build understanding.

We completed research on how we already pay for infrastructure, how different methods of charging affect households and what New Zealanders think is fair. This highlighted that New Zealanders hold a range of views about what are fair ways to pay for infrastructure services and these views often differ across sectors.

We also commissioned a study that looked at pricing in our four main network infrastructure sectors: land transport, water, energy and telecommunications. This aimed to identify what good network pricing looks like, how different sectors perform against best-practice principles, and - because equity and affordability concerns are so important for New Zealanders - how households are affected when we change prices.

This study identified key opportunities for each sector. Whether it's finding ways to improve price signals in land transport, investing in water metering, managing technology risks in telecommunications, or incentivising efficiency in energy, there are lessons that can help strengthen our infrastructure networks. The study makes clear that for many of the problems we face, it is not how much we are paying for infrastructure, but how we are paying for it.

Another big focus in our work to improve New Zealand's infrastructure system, has been the importance of looking after the infrastructure we already have. We have released research that shows that of every dollar we spend on infrastructure, 60 cents should be going on our existing asset base - a benchmark that we have been falling short of in recent times.

In some areas, like electricity distribution, the data suggests that assets are being renewed at about the right rate. But in other areas, like state highways, local roads, and



water infrastructure, renewal investment seems to be too low to ensure our assets are maintained for the long term. If this trend continues, the condition of our infrastructure will decline.

This research is an important step in helping us better understand trends in investment and depreciation across all of New Zealand's infrastructure sectors. We expect it to help infrastructure providers plan and invest for today and tomorrow.

In addition, we have highlighted opportunities for greater transparency for projects, spotlighting an opportunity to grow New Zealanders' confidence and trust. We have begun work to foster our infrastructure leaders, growing a network and holding events for sharing insights. This recognises the critical role they need to play in getting the best results for New Zealanders.

We have continued to offer support to projects. We reviewed major projects, like Transmission Gully and City Rail Link, and shared learnings with the sector that can help with future projects.

We have grown the New Zealand Infrastructure Pipeline, providing our decision makers and infrastructure industry with information and insights for planning. We shared construction workforce projections to support regions affected by the North Island Weather Events.

## National Infrastructure Plan

Over this year, we also began a major step forward, with work starting on the development of a National Infrastructure Plan.

This builds on the course set by the New Zealand Infrastructure Strategy, with the aim of providing an assessment of current and future infrastructure needs and identify the priorities for infrastructure for the next 30 years.



**Dr Alan Bollard CNZM**  
Board Chair  
31 October 2024



**Geoff Cooper**  
Chief Executive  
31 October 2024

The Plan will start to answer some key questions: What infrastructure will be needed and what should we be spending over the next 30 years? What infrastructure investment is currently planned over the next 10 years? What is the gap between the long-term infrastructure need and planned investment? And, how do we bridge that gap?

The Plan will help guide decision-making by both central and local government and give the infrastructure industry more confidence to invest in the people, technology and equipment they need to build more efficiently.

It can also give all New Zealanders greater confidence that the infrastructure they rely on is well planned, provides value for money and meets the needs of today and tomorrow.

## Growing a dynamic organisation

As we finish the year, and look to the work programme ahead, I'd also like to acknowledge the contribution of Ross Copland, who stepped down as CE of Te Waihangā over this time. Ross joined Te Waihangā in September 2020, and led the organisation through the development of New Zealand's first Infrastructure Strategy, the growth of the New Zealand Infrastructure Pipeline, as well as providing guidance and insight to industry, government and others.

Te Waihangā has another big year ahead, one in which the work it has done to date will be critical, providing a strong platform as it continues to build consensus on the solutions to our most pressing infrastructure problems.





Gettyimages Yosuke Tanaka



## Section one:

# Our Year in Review

## He arotakenga o tō mātou tau

### The New Zealand Infrastructure Strategy, Rautaki Hanganga o Aotearoa

#### Monitoring and reporting progress

In 2022, Te Waihanganga released New Zealand's first Infrastructure Strategy, setting a direction for 30 years with 68 recommendations for how we improve our infrastructure system. Over the 2023/24 year we have tracked New Zealand's progress against these recommendations, building an understanding of what is going well and where more could be done. In May 2024, we released an Infrastructure Strategy Monitoring Report, which found there had been positive progress against the Strategy recommendations with 17 assessed as advancing, 20 partially advancing, 21 not advancing and 10 not yet due to start.

Some of the areas where we see progress include work on enhancing the resilience of critical infrastructure, revisions to the standard construction contract (NZS 3910) to improve risk allocation and modernise key provisions, Treasury's measures to strengthen Quarterly Investment Reporting for central government agencies, and the uptake of water metering in some urban areas, which can help manage demand. There has also been an increase in the amount of renewable energy infrastructure being consented.

The report highlights that we need to improve the efficiency of our capital investment and increase our focus on maintaining and getting value from our existing assets. This includes finding ways to manage peak demand, such as congestion charging on our roads. Removing the legislative barriers to congestion charging remains a priority, so that Auckland and other cities have access to this powerful demand management tool.

In 2023, the Government released its Infrastructure Action Plan setting out the actions it would take in response to the Infrastructure Strategy. We also surveyed agencies' progress against these in both September 2023 and March/April 2024 and found the majority of these actions were active and ongoing. However, there was a decrease in the latter result reflecting the change in Government priorities post-election.

#### National Infrastructure Plan

Following the change of Government in 2023, we have been requested to develop a 30-year National Infrastructure Plan. This will be delivered in 2025 as a strategy report under our legislation. The National Infrastructure Plan will seek to develop an enduring consensus on the infrastructure priorities that will meet current and future needs.

The Plan will start to answer some key questions:

- What infrastructure will be needed and what should we be spending over the next 30 years?

- What infrastructure investment is currently planned over the next 10 years?
- What is the gap between the long-term infrastructure need and planned investment? And, how do we bridge that gap?

As part of this work, we have developed the programme for the National Infrastructure Plan, put resources in place, advanced the analysis of long-term needs, continued to develop our existing national pipeline of infrastructure projects, and begun investigating policy and systems reforms.

The National Infrastructure Plan includes an infrastructure priorities programme, in line with Infrastructure Strategy Recommendation 40. To support this workstream, we completed an internal business case for the design and implementation of this workstream. We found that an independent and transparent programme of project/programmes and initiatives would bring significant benefits to the infrastructure system, and it has since been signed off by our Board and supported by the Minister for Infrastructure. As a result we are now progressing this in 2024/25.

## Infrastructure performance, research and policy advice

### National Infrastructure Pipeline

The National Infrastructure Pipeline provides a forward view of planned infrastructure projects in New Zealand. In the June 2024 update, contributors to the Pipeline provided project information on more than 6,200 planned and active projects for more than 120 infrastructure providers. The total value of projects in the Pipeline in the June 2024 update was \$147.6 billion.

The Pipeline continues to expand towards our goal of providing a trusted and complete view of planned infrastructure activity in New Zealand. In the 12 months from July 2023 to June 2024, 15 new organisations were onboarded to the Pipeline – a 21.5% increase in contributors. This continued growth and development of the tool will facilitate improved planning, coordination, and delivery

within New Zealand's broader infrastructure system, across our regions, between our sectors, in our construction markets, and in workforce development.

We experience challenges in receiving timely and accurate updates of project information from contributors, including public agencies. Te Waihanga continues to work with these agencies to make improvements and invest in automated systems to receive and process information and improve data quality. Generally, our engagement rates are high, in June 2024, 88% of contributors took part in the Pipeline update process with 68% of those contributors submitting their information via our new online Information Supply Platform that was launched earlier in the year. A stakeholder survey has found that 90% of respondents rated the Pipeline very useful, useful or moderately useful.

## Supporting dialogue and decision-making through data

We have a focus on improving data standards, the availability of information about infrastructure, and lifting stakeholders' data and reporting capabilities. This enables more efficient and effective data analysis, and helps us to communicate about market project intentions, capacity and demand. By improving standards, we also reduce the need for duplication as information can be used in a range of ways and can more easily develop tools to support better decision making and lift industry performance.

Between July 2023 and June 2024, we developed and launched a range of online data systems including our Infrastructure Hub, which enables us to foster a community of users and manage access to specific content; our Information Supply Platform that supports us be more efficient in collecting and processing information; and our Insights Platform that enables us to share interactive tools and insights (such as our workforce demand projections) to inform decision-making within the infrastructure sector. These platforms provide foundations from which we will grow the organisation's data and analytics capability and can support delivery performance across the infrastructure system.



## Research Insights series

Te Waihanga publishes a quarterly Research Insights series that is aimed at lifting the standard of evidence and analysis on infrastructure issues aligned with the Infrastructure Strategy. Between July 2023 and June 2024, we published four Research Insights papers. This included a report providing baseline statistics on the size and composition of the infrastructure workforce; a report analysing drivers of price changes for infrastructure construction inputs, like labour and key construction materials; a report providing baseline historical statistics on the value of New Zealand's infrastructure assets, capital investment in infrastructure, and depreciation on infrastructure; and a report that reviewed existing local government financing tools to understand whether and where financing constraints may arise.

## Network infrastructure pricing study

In June 2024 we published a report investigating how well network infrastructure pricing works in New Zealand. We use a number of funding mechanisms to raise most of the money we need to pay for our network infrastructure services. Good infrastructure pricing is needed for efficient and sustainable infrastructure investment.

We commissioned PwC to conduct this research. It looks at how pricing works in New Zealand's four main network infrastructure sectors: land transport, water, telecommunications, and energy.

This work aims to provide a baseline view on pricing in each of these sectors and to assess how current approaches align with best practice principles for pricing of network infrastructure.

The research outlines three best practice goals for how infrastructure networks should be priced and includes a desktop-based assessment of New Zealand's four main network infrastructure sectors against best practice goals.

## “What’s fair when it comes to paying for infrastructure?” research programme

The New Zealand Infrastructure Strategy included a recommendation to ‘improve public understanding of how infrastructure is funded’, including how ‘infrastructure is priced in different infrastructure sectors, and what implications this has for equity and the quality of infrastructure provision’. This recommendation reflected an understanding that funding and pricing are powerful tools for achieving our infrastructure goals, but there are implications for how New Zealanders pay for infrastructure.

In June 2024, we published our final findings from this research programme, looking at how much New Zealanders spend on infrastructure services like public and private transport, electricity and home heating, water and telecommunications; what New Zealanders think are fair ways to pay for infrastructure; and how changing the way infrastructure is paid for changes how the costs of infrastructure are distributed across households.

## Supporting policy advice

Te Waihanga supports and informs policy development by lead agencies, for policy with direct implications for infrastructure provision. Our role is to advise, through the lens of the infrastructure system, to influence the shape of early policy thinking and clarify the implications for effective infrastructure provision. Our policy input is shaped by economic analysis, research and our engagement across, and understanding of, the infrastructure sector.

Over the last year we have actively supported and contributed to policy advice on: local government funding and financing and roles and responsibilities; climate change adaptation, resilience and emissions reduction; electricity generation, transmission and transition; increasing housing provision; reform of the resource management system; transport project planning and decision-making processes, and revenue; and reform of local government water services delivery. Some of the more significant policy areas are outlined below.

### *Reform of the resource management system*

The Ministry for the Environment (MfE) leads this significant policy programme, which has changed direction since the new Government was formed in October 2023, with an increased focus on enabling the provision of infrastructure. Through the lens of the infrastructure system, we are informing policy for the amendment and replacement of the Resource Management Act (RMA) and supporting consistent National Direction under the Act to better enable the provision of infrastructure.

Our work has helped inform the objectives and content of fast-track approvals legislation, bills to amend the RMA, an integrated programme of change to National Direction for energy and infrastructure, and a review of the Public Works Act. The intent of these policy changes is to make infrastructure provision more efficient by improving consenting certainty, reducing duplication in consenting processes and decreasing the time taken to consent infrastructure provision.

We also released GNS Science mapping of aggregate availability across high growth regions to inform local government land use planning processes. This work has been well-received by local government and the infrastructure sector, as aggregate availability and cost is an important cost input. The exercise of aggregate mapping demonstrates the usefulness of shared data for national and regional land use planning.

### *Climate change and resilience policy*

We have continued to work across government agencies to support recovery from the extreme weather events of 2023. Alongside our data work through the National Infrastructure Pipeline (to inform investment decisions and workforce requirements), we are supporting policy work on a National Adaptation Framework, which will shape the Government's approach to adaptation responses to natural hazards and climate change risks.

We have worked closely with the Department of Prime Minister and Cabinet on their work programme to establish a regulatory framework to increase the resilience of critical infrastructure. This work includes

actions from the National Adaptation Plan on resilience standards and sector guidance on risk assessment.

With the development of the second Emissions Reduction Plan now underway our advice is largely focussed on the impact of large infrastructure projects in the context of emissions reduction objectives and the Infrastructure Strategy recommendations on achieving net zero at lowest cost. Large infrastructure projects can have reduced emissions profiles but currently tend not to stack up against objectives for emissions reduction at lowest cost - relative to other lower cost interventions, including non-built ones.

## Infrastructure projects

### Supporting the Investment Management System

We continue to support government infrastructure delivery through our involvement in the investment management system administered by the Treasury. This included taking an active role in the Budget process by sitting on the investment panel and providing detailed feedback on investment proposals seeking Budget funding.

To improve the information coming into the investment management system we have taken a more active role commenting on Risk Profile and Strategic Assessments for new investment initiatives and participated in a significant number of Gateway reviews for high risk/high value projects. This ensures project owners are receiving our advice and input formally at key project milestones. Finally, we have provided more insight and analysis into the Treasury's quarterly investment reports, ensuring both system and project risks are reported to Ministers on a regular basis.

### Continuing to provide targeted advice to projects in planning and procurement



Over the course of the year our project advisors have played an active role in a number of complex infrastructure projects. We have supported the NZ Defence Force and the Ministry of Justice with business case development and market engagement for significant programmes of redevelopment. We have worked closely with Te Whatu Ora on the development of its 10-year Infrastructure and Investment Plan alongside its National Asset Management Plan. We have worked with Te Whatu Ora project teams supporting the planning and procurement of major redevelopments at Nelson and Whangarei hospitals. We have joined a multi-agency reference group supporting the NZ Transport Agency in its development of new Waitemata Harbour Crossings options.

We have been involved at a governance level on the New Dunedin Hospital, New Zealand Upgrade Programme and Our Place in Antarctica – the redevelopment of Scott Base.

As the policy owner for the Public Private Partnerships (PPP) model during the period of this report, we attended steering group meetings and provided advice on active projects including the Education PPP programme, Transmission Gully, Puhoi to Warkworth and Waikeria Prison projects.

We also continued our work responding to requests from other lead agencies to provide advice and support to their infrastructure related work programmes. We have worked with MBIE to provide advice on the establishment of the Regional Infrastructure Fund and the completion of multiple Construction Sector Accord workstreams. We have worked alongside the Treasury to advise on the establishment of the National Infrastructure Agency and updates to the Investment Management System.

## Supporting Public Private Partnerships

The coalition government has actively signalled its intention to deliver infrastructure through PPP procurement. Te Waihangā has supported this by providing active advice and support to agencies considering new PPP investments, alongside its ongoing role supporting the administration and management of existing contracts. The government has also commenced a refresh of the New Zealand PPP model, which Te

Waihangā is leading in conjunction with the Treasury and in collaboration with agencies who have or are likely to utilise the model.

## Project reviews

We completed our work on the Transmission Gully PPP review publishing the executive summary of the post construction review (with the remaining body of the review to be published once fully redacted). The review looked at the construction phase of the project and focused on how well the project had delivered on its investment objectives. Critically the review found that while there was room to improve the execution of the PPP, the use of the PPP model was not the root cause of the time and cost overruns. It also found that the builder did not anticipate the complexity of the New Zealand resource consenting system, relationship issues hampered progress, project governance issues were also a factor at certain stages of the project, and the Affordability Threshold was set too low.

We published a review of Crown-owned health infrastructure completed for us by the New Zealand Institute of Economic Research. The report focused on the \$115 billion of potential investment needed in public hospitals and consequentially the critical need for non-built solutions, the re-purposing of existing assets and model of care changes to be explored alongside greater efficiency in infrastructure delivery.

We also facilitated a review of the New Dunedin Hospital Inpatients Building project with our team working alongside Te Whatu Ora to support implementation of the review's recommendations in conjunction with development of the project's implementation business case.

## Reviewing New Zealand construction contracts

During the first half of the year Te Waihangā (as a joint commissioner of the review with MBIE) continued working with Standards New Zealand and the review committee resulting in *NZS 3910:2023 – Conditions of contract for building and civil engineering construction* being published in November. Work has recently commenced on updates to the *NZS3916:2013 – Design and Construct* and *NZS 3917:2013 Fixed term editions*.

The NZS 391X suite of contracts are used as the foundation for the majority of New Zealand contracts in the building, engineering, construction and infrastructure industry sectors and it is therefore vital these are all kept up to date with changing expectations and use within the sector.

## Major projects leadership capability

Te Waihangā recognises that effective project leadership is essential for delivering projects on time and within budget. As project leadership becomes increasingly complex, we are committed to enhancing client-side leadership capabilities to meet these challenges head-on.

## Infrastructure Leaders Network

Over the past year, we have established the Infrastructure Leaders Network (ILN). This network serves as a platform for senior public sector project leaders to connect, share, and learn from each other. Key elements of this network include:

- LinkedIn Group - a dedicated space for leaders to network, engage, and exchange ideas.
- ILN Meet-Ups - two half-day face-to-face sessions were held in FY24 in Wellington and Auckland, with a total of 79 leaders attending. The speakers included the Minister for Infrastructure and the Under Secretary for Infrastructure.
- ILN Masterclasses - online seminars featuring international speakers who share knowledge and experiences on key issues faced by project leaders.

## Leadership Capability Framework

To address the complexities of project leadership, we developed a high-level Leadership Capability Framework. This framework outlines the expectations of public sector infrastructure project leadership and the essential skills and mindsets required for success. We encourage public sector agencies to use this framework in their recruitment and development processes for Project Directors, ensuring the right leaders are in place to guide projects to successful completion. Further appointment support will be provided in FY25.

## Major Project Leadership Programme

To support Recommendation 68 of the New Zealand Infrastructure Strategy, we explored the requirements for a major leadership academy/programme. A comprehensive discovery process included engagement with key stakeholders and leaders across the sector, investment logic mapping, a market procurement for information from leadership development suppliers, and a review of relevant international and local data and frameworks. Developing an academy/programme on a scale of international models will require funding, and other options are being explored in FY25.

## Senior Responsible Owners

An analysis of the key roles and learning requirements for Senior Responsible Owners (SROs) in public sector infrastructure projects was completed. Twenty-eight SROs from across the public sector participated in workshops and interviews. The work highlighted the learning needs and system issues that need to be addressed to ensure the effectiveness of the SRO role in leading public sector infrastructure projects.



## Engagement

### Māori engagement in infrastructure

We published research into Māori engagement in infrastructure. This included a review of existing literature, and a report that looked at how infrastructure providers and Māori groups engage on infrastructure projects. This used evidence and case studies to highlight the way this engagement occurs and areas where this works well, as well as where there are challenges. We also published a report that provided context to this engagement, by sharing some of the impacts that infrastructure development has had on Māori in the past. It looks at transport, energy, wastewater, education and health infrastructure.

### Construction Sector Accord

Throughout the first half of the year we worked closely with the Construction Sector Accord. We participated in the Infrastructure Sector Reference Group and provided ad hoc support for the four Transformation Leads. Several Te Waihangā initiatives and Strategy recommendations were supported through collaboration with the Accord, including the National Infrastructure Pipeline.

Te Waihangā are continuing to develop a national approach to improving digital and data adoption in the infrastructure sector following work initiated by the Construction Sector Accord.

## Annual symposium

In May 2024, we held our annual symposium in Queenstown, bringing together infrastructure leaders, experts and decision makers to share insights on critical issues for the sector. This event had a theme of Building Smarter, and for the first time, participants were charged to help recover costs of hosting the event. We had 150 participants register to attend in-person and a further 83 registered to watch online. Speakers included Te Waihangā staff, the Minister for Infrastructure; and experts from Australia, and both the New Zealand private and public sector.

## Communications programme

Te Waihangā actively engages with stakeholders on our priority issues. We regularly publish on our website, social media (LinkedIn and Twitter) and distribute a monthly newsletter. We are also regularly contacted by media for comment on infrastructure issues.

We have a programme of webinars and podcasts. These are released monthly and feature Te Waihangā staff in conversation with experts from New Zealand and overseas.

During the year, we launched a new website to better communicate the work we do and make it easier for our stakeholders to find the information or advice they are seeking. Since launch we have seen a large increase in traffic to our website.







Section two:

Who we are

Ko wai mātou

On 26 September 2019, the New Zealand Infrastructure Commission, Te Waihanga was established by the New Zealand Infrastructure Commission/Te Waihanga Act 2019 as an autonomous Crown entity under the Crown Entities Act 2004.

Te Waihanga seeks to deliver a positive change in New Zealand’s planning and delivery of infrastructure, its systems and settings.

The New Zealand Infrastructure Commission/Te Waihanga Act 2019 outlines the functions of Te Waihanga that guide our work:

1. To coordinate, develop and promote an approach to infrastructure that improves the wellbeing of New Zealanders.

2. To improve the certainty of future New Zealand infrastructure projects.

3. To lift New Zealand’s infrastructure procurement capability.

4. To provide high-quality advice in relation to infrastructure.

Meaning of Te Waihanga

In te reo Māori, waihanga means a cornerstone, or to make, create, develop, build, construct, or generate. The name Te Waihanga describes our commitment to shaping New Zealand’s future through infrastructure planning and investment.

The way Te Waihanga will make a difference is outlined in our outcomes framework:

Our vision	Our purpose	Outcome for New Zealand:	Our values
Infrastructure for a thriving New Zealand.	Transforming infrastructure for all New Zealanders.	Infrastructure lays a foundation for the people, places and businesses of Aotearoa New Zealand to thrive for generations.	<b>Free thinking/</b> Whakaaro nui. <b>Courageous/</b> Māia. <b>Trustworthy/</b> Pono. <b>Empathetic/</b> Ngākau aroha.

Our operating principles

- Consult, collaborate and be open.
  - Take a systems view to improve outcomes.
  - Take a spatial view, integrate land use and infrastructure planning.
  - Be independent and evidence based, with clear assessment criteria.
- Consider a range of measures to solve problems, not just building.
  - Encourage innovative funding and financing models.







# Governance

## Te Whakahaere

### Responsible Minister

We are responsible to the Minister for Infrastructure and are monitored by the Treasury.

The Minister for Infrastructure's (previous Government) annual letter of expectations 2023/24 set out the following as specific outputs on which Te Waihangā should make progress, or deliver, in 2023/24:

#### *Advisor on Infrastructure*

Te Waihangā to be the Minister's primary advisor on general infrastructure policy issues. Te Waihangā should work collaboratively to provide support to government agencies who are developing policy advice that relates to infrastructure, and to those delivering infrastructure projects.

#### *The New Zealand Infrastructure Strategy, Rautaki Hanganga o Aotearoa*

The Government Response to the Strategy (the Response) indicates the Government's vision for infrastructure and responded to all 68 of the recommendations in the Strategy. Part two of the Response is an Action Plan and reporting programme. Te Waihangā should work with government agencies and entities to support the implementation of the Response and assist in the delivery of priorities outlined in the Response.

Te Waihangā to take the lead in the Strategy Reporting Programme will include:

- progress towards the strategic objectives and cross-cutting themes in the Strategy, including the recommendations
- progress implementing the Action Plan
- commentary on actions that are working well, areas of potential risk, actions that are not progressing as planned, and opportunities for improvement.

#### *Additional strategy and delivery support functions*

As outlined in the New Zealand Infrastructure Commission/Te Waihangā Act 2019, we are required to provide strategy, planning and support functions on major projects.

Te Waihangā will:

- assist agencies to ensure significant infrastructure investments made over the past year are delivered on time and within budget
- provide advice and support on progressing non-spending new initiatives, such as regulatory reforms, where they align to our priorities
- provide advice to Ministers and/or agencies on innovative and non-traditional approaches to procurement, including alternative financing arrangements
- continue to advance work to improve the infrastructure pipeline.

#### *Special topic reports*

Our Board is expected to make independent decisions on the topics of the special reports.

#### *Budget process*

To provide infrastructure and delivery perspectives to ensure Ministers are supported with the right information to make decisions. Specifically, Te Waihangā to:

- continue to contribute to the design of the framework used to assess initiatives
- work with other system leads and the Treasury to provide holistic advice that considers the attractiveness and achievability of proposals
- supplement any detailed initiative level advice provided by the Treasury's vote team.

## Te Waihangā Board

The Te Waihangā Board is appointed by the Minister for Infrastructure and is responsible for our strategy, operations and organisational performance.

Our Board combines significant economic expertise with legal, financial, regulatory and on-the-ground experience.

Both the Board and the Risk and Assurance Committee operate under the Board Charter, which sets out the corporate governance for Te Waihangā: [www.tewaihangā.govt.nz/about-us/board](http://www.tewaihangā.govt.nz/about-us/board)



**Te Waihangā Board:** Left to right Sarah Sinclair, Maurice Davis, Sue Tindal (Deputy Chair), Dr Alan Bollard (Chair), Sina Cotter Tait, Raveen Jaduram and Geoff Hunt.

**Chair:** Dr Alan Bollard.

**Deputy Chair:** Sue Tindal.

**Appointed members:** Maurice Davis, Raveen Jaduram, Sarah Sinclair (stepped down in September 2024), Sina Cotter Tait and Geoff Hunt.

### Risk and Assurance Committee

The Risk and Assurance Committee is a

sub-committee and comprises three current Te Waihangā Board members and one independent member who is appointed by the Board.

**Chair:** Sue Tindal

**Members:** Raveen Jaduram, Sina Cotter Tait and Murray Harrington (independent member).

### Board Meeting Attendance

Board Member	Board	Risk and Assurance Committee
Dr Alan Bollard	7/7	1/1
Sue Tindal	7/7	8/8
Raveen Jaduram	7/7	7/8
Sarah Sinclair	6/7	-
Sina Cotter Tait	7/7	8/8
Maurice Davis	7/7	-
Geoff Hunt	6/7	-
Murray Harrington (Independent member – Risk & Assurance Committee)	-	8/8



## Board remuneration

	2024	2023
Alan Bollard (Chair)	74	62
Sue Tindal (Deputy Chair)	43	39
Geoff Hunt	34	15
Maurice Davis	15	18
Raveen Jaduram	25	32
Sarah Sinclair	10	12
Sina Cotter Tait	17	18
<b>Board remuneration</b>	<b>218</b>	<b>196</b>

During the financial year, payments made or payable to Murray Harrington, an independent member of the Audit and Risk Committee but not a Board member, were \$4,250 (2023: \$4,000).

Te Waihangā has provided a Deed of Indemnity to all Board members for certain acts and omissions (being acts and omissions in good faith and in the performance or intended performance of Te Waihangā functions) to the maximum extent permitted by the Crown Entities Act 2004. Te Waihangā has also obtained Professional Indemnity and Directors' and Officers' Liability insurance for Board members.

No Board members have received compensation or other benefits in relation to cessation.

## Te Waihangā Leadership Team

Te Waihangā is made up of five teams responsible for achieving our strategic outcomes: the Chief Executive's Office, Policy, Strategy, Infrastructure Delivery, and Operations.



**Te Waihangā Leadership Team:** Left to right Anna Moodie, **General Manager Operations**; Andy Hagan, **General Manager Infrastructure Delivery**; Geoff Cooper, **Chief Executive**; Barbara Tebbs, **General Manager Policy**; and Peter Nunns, **Acting General Manager Strategy**.

Ross Copland, Chief Executive (stepped down in July 2024)

Geoff Cooper, Chief Executive (appointed September 2024). Previously served as General Manager of Strategy. He also held the role of Acting Chief Executive following Ross Copland's departure.

Anna Moodie, General Manager Operations (appointed September 2023)

Andy Hagan, General Manager Infrastructure Delivery (appointed April 2024). Blake Lepper left Te Waihangā in February 2024.

Barbara Tebbs, General Manager Policy

**Staff remuneration**

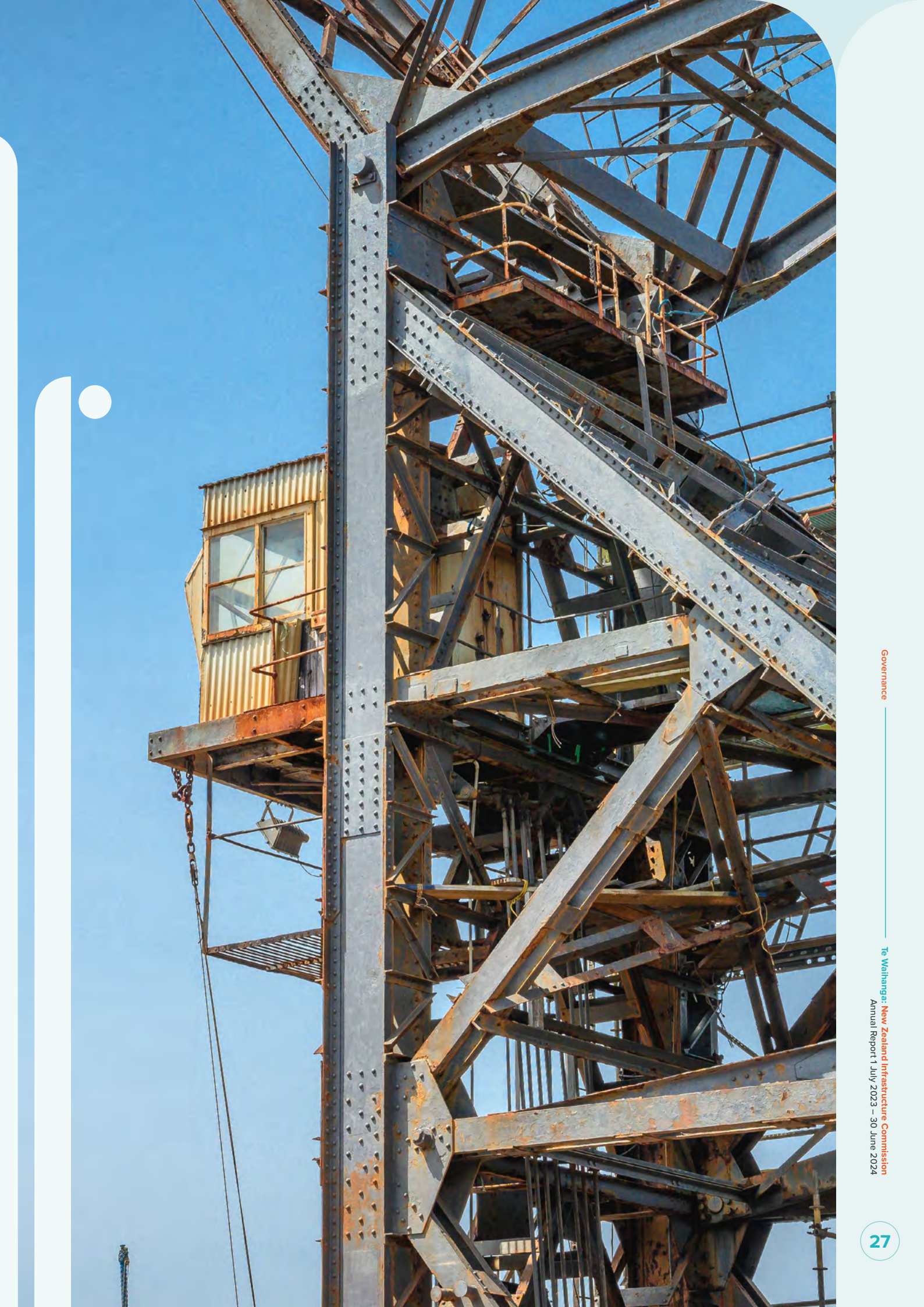
	2024	2023
Total remuneration paid or payable that is or exceeds \$100,000:		
\$100,000 - \$109,999	-	2
\$110,000 - \$119,999	4	4
\$120,000 - \$129,999	5	2
\$130,000 - \$139,999	4	3
\$140,000 - \$149,999	2	1
\$150,000 - \$159,999	3	1
\$160,000 - \$169,999	1	3
\$170,000 - \$179,999	3	2
\$180,000 - \$189,999	2	-
\$190,000 - \$199,999	1	1
\$200,000 - \$209,999	2	2
\$210,000 - \$219,999	-	2
\$220,000 - \$229,999	5	1
\$230,000 - \$239,999	3	1
\$240,000 - \$249,999	2	1
\$250,000 - \$259,999	2	1
\$280,000 - \$289,999	1	-
\$300,000 - \$309,999	1	1
\$310,000 - \$319,999	-	1
\$340,000 - \$349,999	-	1
\$400,000 - \$409,999	1	1
\$490,000 - \$499,999	1	1
<b>Total employees</b>	<b>43</b>	<b>32</b>

The above disclosure shows the total remuneration paid or payable from 1 July 2023 to 30 June 2024 (2022/23: disclosure shows the total remuneration paid or payable from 1 July 2022 to 30 June 2023).

Over the past year Te Waihangā has built up capacity in FTEs and capability in new staff and directors. This was a strategic decision to bring more work in-house with less reliance placed on consultants. As a result, the consultancy spend has reduced from \$4.702m in the 2023 financial year to \$2.178m in the 2024 financial year. Additionally, contractor actual spend has reduced by \$226k in the 2024 financial year.

During the year ended 30 June 2024, one (2023: nil) employee received compensation and other benefits in relation to cessation totalling \$34,269 (2023: nil).







# Our organisation

## Tō tatou whakahaere

We are passionate about what we do and are committed to improving the lives of New Zealanders through better infrastructure. We know that our success depends on our ability to recruit, support, foster and grow our people and ensure that Te Waihangā is a thriving workplace.

## Our people

We are proud to have world-leading people in our organisation who are based in Wellington, Auckland and Christchurch, allowing us to collaborate across Aotearoa. Te Waihangā has 46.3 full-time-equivalent permanent and fixed-term people.<sup>1</sup>



**People profile**



**Executive level**



Our people profile also tells us that around 4% of our people identify as Māori, 4% as Pasifika and 8% as having Asian ethnicity.

Te Waihangā values working with its people to create a good environment. The implementation and revision of our People Strategy was completed in June 2022, with a strong focus on staff engagement and development and supporting diversity, inclusion and cultural competency.

<sup>1</sup> Total includes full-time equivalent permanent and fixed-term employees as at 30 June 2024.



## Our workplace

### Kia Toipoto Pay Gaps Action Plan

As part of our commitment to the Public Service Kia Toipoto Pay Gaps Action Plan, we have updated our published plan for addressing pay gaps on 30 April 2024 on our website as we continue to build a great place for our people to work.

### Flexible working by default

Te Waihangā offers a flexible workplace and we are open to all staff proposing different work arrangements. We recognise that having a flexible-by-default approach allows Te Waihangā to attract the best talent, maximise productivity and build more diverse and inclusive workplaces. Following the implementation of our flexible-work-by-default policy in June 2021, which allows for consistent and fair flexible-by-default practice across Te Waihangā, most of our people had established flexible working arrangements.

### Health, safety and wellbeing

We are committed to achieving the highest levels of employee safety and to supporting the physical, emotional and psychological wellbeing of everyone at work. We support people managers to create safe work environments, whether staff are working in the office or remotely.

Specific initiatives in this area include: our Board and Leadership Team regularly reviewing reported incidents, near misses and hazards; educating staff when onboarding them; a wellbeing allowance; access to the Employee Assistance Programme; subsidised group medical insurance; annual

flu vaccinations for staff; adjustable stand-up desks; and ergonomic assessments of all workstations. As at 30 June 2024 around 75% of our people had used their wellbeing allowance.

We maintain regular training to nominated staff including first aid, mental wellbeing and fire warden preparedness. Our Business Continuity Plan (BCP) is regularly reviewed and updated based on changes in personnel.

### Culture

To continue our development of a workplace culture that attracts and retains the right people, we continue to seek regular feedback via our Te Waihangā pulse survey from staff. In March 2024, we reported a 56% engagement score overall (59% excluding contractors). This reflects a downwards trend in engagement compared with May 2023, when we reported a 68% engagement score. While this may reflect contextual factors, an action plan has been developed in consultation with the leadership team and staff including career and development support and continued commitment to our Te Waihangā planning days.

### Supporting diversity, inclusion and cultural competency

We are committed to building a diverse and inclusive workplace that brings together different perspectives and experiences. We value our people's unique backgrounds, qualities and contributions. We have begun implementing the diversity, inclusion and equity actions and measures outlined in our People Strategy.

Our website continues to meet government standards for accessibility.





## Section three:

# Our performance

## Tā mātou anga mah

### Our outcomes framework

## Tā mātou anga tutukinga

The way Te Waihanga will make a difference is outlined in our performance framework.

Te Waihanga seeks to deliver a positive change in New Zealand's planning and delivery of infrastructure, its systems and settings. To achieve this, we are focused on developing and leading a transparent and evidenced-based approach that supports central and local government and the private sector to collectively plan and deliver infrastructure that improves the wellbeing of all New Zealanders. To do this effectively, Te Waihanga needs influence. As a young

organisation we are therefore focusing on ensuring we are: rigorous in our analysis; trusted and respected by central and local government, and the private sector; and a skilled communicator.

The complexity of infrastructure in New Zealand means that there is considerable work that needs to be done by many parties to achieve the desired outcome. We will continue to invest in our relationships across central and local government, and with the infrastructure industry, to enable this to occur.

**Figure 1: below illustrates how we expect to make a difference to the infrastructure system in New Zealand.**



Figure 1: Te Waihangā Performance Framework

Te Waihangā	Functions	Infrastructure strategy: Developing the New Zealand 30 Year Infrastructure Strategy.	Research, policy advice and infrastructure system performance.	Infrastructure project coordination and support.	Engagement.
	Outcomes	A clear strategic direction to guide infrastructure investment and reforms.	Decision-makers have a growing evidence base to inform their decisions on infrastructure.	Tools and resources made available to support improved delivery of infrastructure.	The main infrastructure issues facing New Zealand, as well as potential solutions/ tradeoffs, are understood by our stakeholders and general public.
	Impacts	<p>The Infrastructure Strategy, as submitted to Minister for Infrastructure as required by the Act, results in an effective Government action plan to improve infrastructure provision.</p> <p>The published annual report monitoring progress against the Infrastructure Strategy and government response, drives improvements in delivery of the Strategy's objectives.</p> <p>Te Waihangā-led actions that arise from the Infrastructure Strategy deliver improvements in infrastructure provision.</p> <p>The Commission's work is referenced by and positively shapes the infrastructure policy and work of Government, other government agencies, local government, overseas authorities, academics and media.</p> <p>Development of the Infrastructure Priorities Programme to support long-lived infrastructure prioritisation, including for the National Resilience Plan and other infrastructure funds.</p>	<p>Te Waihangā regularly publishes accurate and accessible information, analysis, and research on the performance of New Zealand infrastructure systems.</p> <p>Our evidence base spans the services infrastructure provides and the planning, delivery, and maintenance of infrastructure.</p> <p>Te Waihangā uses insights from its evidence base to provide robust advice to shape infrastructure policy, planning, and delivery issues.</p> <p>Te Waihangā engages early in policy development processes across lead government agencies to influence and advise on the practical implications for the infrastructure sector, of proposed Government policy.</p> <p>Te Waihangā provides robust advice to the Minister for Infrastructure, and jointly with lead agencies to other Ministers, on emerging policy matters and policy developments that impact across the infrastructure system - including policy on funding, planning, operating, regulating and delivery of infrastructure services.</p>	<p>Te Waihangā supports key system assurance tools such as Treasury's Risk Profile Assessment and Gateway Reviews with independent expert advice on project delivery risks.</p> <p>Te Waihangā supports the capability development of delivery agencies and project teams across the public sector.</p> <p>The National Infrastructure Pipeline is updated four or more times a year providing stakeholders a centralised source of project information.</p> <p>The Pipeline continues to expand towards a complete set of planned infrastructure projects in New Zealand.</p> <p>The Pipeline supports engagement and coordination of infrastructure projects, which in turn supports improved infrastructure sector capacity and capability.</p>	External views of Te Waihangā work – it is independent, expert, and evidenced based.
	Outputs	<ul style="list-style-type: none"> <li>• The New Zealand Infrastructure Strategy and associated documents.</li> <li>• Annual monitoring and reporting on progress against the Infrastructure Strategy.</li> <li>• Infrastructure Priorities Programme.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring infrastructure performance and project delivery.</li> <li>• Deep dive research.</li> <li>• Research Insights / Special topic reports.</li> <li>• Advice to support infrastructure policy development.</li> </ul>	<ul style="list-style-type: none"> <li>• National Infrastructure Pipeline.</li> <li>• Project support.</li> <li>• Major projects leadership.</li> <li>• Infrastructure prioritisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual symposium.</li> <li>• Events and gatherings.</li> <li>• Communications programme.</li> <li>• Website and social media presence.</li> </ul>



# How we will measure progress against the framework

## Ka pēhea tā mātou ine kauneke mā te anga

In 2019/20 Te Waihanga began the work of establishing the systems and processes to capture the baseline data against which its performance would be assessed. These measures are included in the 2020/19, 2020/21 and 2021/22 Annual Reports.

As Te Waihanga transitioned from establishment in September 2019, it has been apparent that there is no linear 'cause and effect' relationship to the work of Te Waihanga. This is most evident in the strategy and policy areas as our approach is to take a systems-view which makes attribution in the short-term difficult. Given this insight, from 2022/23 Te Waihanga took a strong evaluative-based approach to measuring performance rather than fixed quantitative targets.

Te Waihanga is an autonomous Crown entity, has no direct powers, and does not directly deliver infrastructure projects. The Government is under no obligation to implement recommendations made by Te Waihanga, but they are required to formally table and respond to the Infrastructure Strategy. Given this, we rely solely on the power of our evidence and data, and the communication of our ideas and reports to influence and shape policy.

It is not enough for Te Waihanga to simply produce high quality reports. The analysis and commentary in our work needs to be disseminated, understood and influence policy and other behaviours so that, in the long-term New Zealand gets the infrastructure it needs to be productive, and the wellbeing of all New Zealanders is improved. We will continue to work collaboratively to provide support to government agencies who are developing policy advice that relates to infrastructure, and to those delivering infrastructure projects, and we will strike a balance between expressing our independent views and maintaining influence with decision makers.

It is a challenge to attribute changes to the infrastructure system directly to our performance - we are one of many players who contribute to the changes. There is a huge amount of work that needs to be done by many parties to achieved the desired changes. However, Te Waihanga is clear that as the government's lead infrastructure advisor we need to show leadership and be the change agents to lift the delivery and performance of infrastructure in New Zealand.

The table below sets out the key elements of this approach:

Independent expert/peer review	by someone with significant policy and/or infrastructure research experience, who is familiar with our roles and functions.
Survey of external participants	using a broad range of questions covering multiple aspects of our work, such as the quality of analysis and the clarity of our communication.
Stakeholder focus group(s)	of about 6-10 attendees from different backgrounds, independently facilitated.
Monitoring external feedback and internal workflow process	to capture, share and evaluate feedback received and external responses to our work in the media, Parliament and other relevant fields of activity.

## Reporting on our outcome

### Te pūrongo i tā mātou putanga

Through our work we are seeking to deliver a positive change in New Zealand's planning and delivery of infrastructure, its systems and settings. While we are the lead infrastructure advisor to the Government, we are one of many contributors to this outcome. Therefore, we can only contribute to the outcome, we are not able to directly attribute our actions to its realisation.

Our approach to measurement at the outcome level is provided in the table below.

Outcome	Assessment method	2023/24	2022/23
<p>A clear strategic direction to guide infrastructure investment and reforms.</p> <p><b>Measure</b></p> <p>Improvement/increases in where NZ sits in international rankings of infrastructure performance.</p>	<p><b>Review</b></p> <p>World Bank, OECD, World Economic Forum, GIHub, Infrastructure Reports and Rankings</p>	<p>The OECD<sup>2</sup> Governance of Infrastructure Survey has given New Zealand the following ratings (100% is OECD best practice):</p> <p>Strategic vision: 42%</p> <p>Value for money: 53%</p> <p>Procurement strategies: 38%</p> <p>Stakeholder participation: 54%</p> <p>Regulatory framework: 55%</p> <p>Management of integrity risks: 84%</p> <p>Evidence informed decision making: 48%</p> <p>Environmentally sustainable, resilient infrastructure: 27%</p> <p>As this is a new data collection initiative by the OECD, this reflects a baseline level against which performance changes can be monitored.</p>	<p>The Global Infrastructure Hub (a G20 initiative) publishes InfraCompass, a tool that objectively quantifies the strength of the infrastructure enabling environment by aggregating data for 81 countries.</p> <p>New Zealand's rankings are as follows:</p> <p>Governance: 6th</p> <p>Regulatory frameworks: 16th</p> <p>Permits: 2nd</p> <p>Planning: 9th</p> <p>Procurement: 11th</p> <p>Activity: 46th</p> <p>Funding capacity: 13th</p> <p>Financial markets: 18th</p>
Outcome	Assessment method	2023/24	2022/23
<p>Decision makers have a growing evidence base to inform their decision on infrastructure.</p> <p><b>Measure</b></p> <p>Investment decisions for infrastructure projects are made on good and robust information</p>	<p><b>Assess</b> the number of projects reviewed by the Treasury's Capital Panel for all Budgets that have a completed business case (currently under 50% as at Jan 2022)</p>	<p>We evaluated 12 new initiatives in total, of which 6 had a completed business case at the time of evaluation.<sup>3</sup></p>	<p>Eight bids with significant infrastructure elements were received. All related to investments estimated at over \$50m, although some were not seeking that full amount in B23.</p> <p>Of those investments seeking delivery phase funding, 50% had a complete or near complete business case.</p>

<sup>2</sup> In 2023/24 the Commission has referenced the OECD Governance of Infrastructure Survey due to some of the underlying inputs in the InfraCompass measure being discontinued. These changes mean that the InfraCompass measure does not provide a basis for ongoing performance measurement. The OECD Governance of Infrastructure Survey is a newer measure that is based on periodic and ongoing OECD member surveys.

<sup>3</sup> We defined 'complete business case' as including each of the five Better Business Cases. Better Business Cases (BBC) is a methodology that provides objective analysis in a consistent format to decision-makers. It allows for better comparability and transparency that lets government make smart investment decisions that maximise public value. For more details, refer to: <https://www.treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases>



Outcome	Assessment method	2023/24	2022/23
Tools and resources made available to support improved delivery of infrastructure.	<b>Assess</b> the number of large infrastructure projects (over \$50m) that have a cost benefit analysis ahead of an investment decision	We evaluated 12 new initiatives, of which 3 had a cost benefit analysis at the time of evaluation.	Only one bid had a full cost benefit analysis.  While it is positive to see improvement in the detail of information being provided to those bids being reviewed by the Treasury's Capital Panel we note that there is an increasing amount of infrastructure funding either being made through other ad-hoc or bespoke processes. Significant investments, such as the \$1.074b increase in project budget for City Rail Link and the \$6B of contingency allocated to the National Resilience Plan easily eclipse the funding that is allocated through the budget process.
<b>Measure</b>			
NZ has the systems and processes it needs to efficiently deliver the infrastructure it requires to be productive	<b>Monitor and report</b> on the performance of major infrastructure projects	Over 23/24, we have reported on a number of infrastructure projects as well as issues that span sectors. This reporting has identified lessons for future projects and decision making, and includes the following: - Transmission Gully Post Construction Review report - Building a Healthy Future – Health Infrastructure report - Central Interceptor case study - New Dunedin Hospital Independent Review	In 2022/23 Te Waihangā shared our new infrastructure performance monitoring dashboards. They provide information on key infrastructure sectors including energy, water, transport, telecommunications and a sector snapshot that summarises how these sectors are performing. Te Waihangā contributes to regular infrastructure projects reporting through the Quarterly Investment Reports led by Treasury. Te Waihangā continues to support the development and work of the portfolio disputes team within the Treasury, dealing with those projects facing some of the largest time and cost issues across the Government's infrastructure portfolio. Te Waihangā has reviewed 43 Risk Profile Assessments and contributed to all twelve Gateway reviews of high risk infrastructure projects. The Te Waihangā review of the Mental Health Infrastructure Programme was released in June 2023. Te Waihangā is currently undertaking project reviews for City Rail Link and Transmission Gully.
Outcome	Assessment method	2023/24	2022/23
The main infrastructure issues facing New Zealand as well as potential solutions/ trade-offs are understood by our stakeholders and general public	<b>Monitoring</b> of reference to the Commission's work (including its original purpose) - by other government agencies, local government, overseas authorities, academics and media.	Over this period, there were 537 references to Te Waihangā and our work in news, newsletters, blogs, Hansard and other sources.  A survey of attendees at the 2024 Te Waihangā symposium received 22 responses. Overall, responses were positive <sup>4</sup> .  When asked whether they would attend in future, respondents said they were extremely likely (59%), very likely (23%) and likely (18%).	Between 1 July 2022 and 30 June 2023, there were 442 references to Te Waihangā and our work in news, newsletters, blogs, Hansard and other sources.  A survey of attendees at the 2023 Te Waihangā symposium received 51 responses.  Overall, the event was considered a very good experience, with all respondents saying the symposium was very good (67%), good (26%) and fair (7%).
<b>Measure</b>			
Te Waihangā is credibly and competently setting the agenda in the Infrastructure Sector	<b>Annual survey</b> of attendees at the Te Waihangā Symposium	Respondents were also asked about their willingness to recommend the event to others and responded that they were extremely likely (50%), Very likely (32%) and likely (18%).	

<sup>4</sup> 2023/24 was the first time the Commission implemented a partial cost recovery approach to the Symposium. The 2023/24 survey questions were designed to understand peoples' interest in the symposium ongoing, and to help with decision-making for future events.



## Reporting on our impact indicators

### Te pūrongo ā mātou tohu pāpātanga

Te Waihanga is an advisory body and does not run or implement policies or infrastructure projects. We rely on our expertise and clear communication of our advice and analysis to achieve results. Through our work we will look for evidence of impact in a range of indicators such as the level of discussion and debate around our work, how key influencers are responding to our work and engaging with us in discussion, and whether our work is widely used by people who are providing commentary or input to policy and is cited in their discussions.



Impact	Assessment method	2023/24	2022/23
Response to Te Waihanga's advice	<b>Monitoring</b> of the number of recommendations adopted or advanced in the Infrastructure Strategy and ongoing monitoring of their implementation across the relevant central and local government agencies and private sector in the timeframe set out in the Infrastructure Strategy	In May 2024 we released our first Infrastructure Strategy Monitoring Report, which tracks progress against the recommendations in the Infrastructure Strategy from release in May 2022 to March 2024. The report notes there has been positive progress against the Strategy recommendations with 17 assessed as advancing, 20 partially advancing, 21 not advancing and 10 not yet due to start <sup>5</sup> .	<p>In September 2022 the Government provided its response to Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy. The response outlined the Government's direct responses to the 68 recommendations in the Strategy and discusses how they will be addressed.</p> <p>Te Waihanga is the lead agency on 18 of these recommendations and provides regular reporting to the Minister and Board on their progress.</p> <p>In May 2023, the Government subsequently released the Infrastructure Action Plan. The Action Plan identified over 331 actions that will contribute to delivering on the recommendations in Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy.</p> <p>Te Waihanga is establishing processes for monitoring and reporting on the implementation of the Infrastructure Strategy recommendations and the Infrastructure Action plan that are led by both Te Waihanga and external agencies.</p>
<b>Measure</b> Recommendations made by Te Waihanga are acknowledged, agreed and implemented.			

Impact	Assessment method	2023/24	2022/23
Policies and behaviours change as a result of the Commission's work	<b>Monitoring</b> of the number of recommendations adopted or advanced in the Infrastructure Strategy and ongoing monitoring of their implementation across the relevant central and local government agencies and private sector in the timeframe set out in the Infrastructure Strategy	<p>In May 2024 we released our first Infrastructure Strategy Monitoring Report, which tracks progress against the recommendations in the Infrastructure Strategy from release in May 2022 to March 2024.</p> <p>The report notes there has been positive progress against the Strategy recommendations with 17 assessed as advancing, 20 partially advancing, 21 not advancing and 10 not yet due to start.</p>	<p>The Government response to the 68 recommendations in Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy stated that:</p> <ul style="list-style-type: none"> <li>• 22 were 'fully supported'</li> <li>• 21 were 'supported'</li> <li>• 15 were 'supported in principle'</li> <li>• 10 were 'noted'</li> </ul>
<b>Measure</b> Understanding of infrastructure issues and the potential solutions to address them increases			

<sup>5</sup> The status of recommendations was agreed by a moderation group of senior Te Waihanga officials, this was based on evidence gathered by a range of sources including desk research, literature reviews, analysing policy intentions/commitments and meetings with external stakeholders. The rating of Advancing, Partially Advancing, Not Advancing and Not Yet Due to Start should be interpreted as they are presented.

Impact	Assessment method	2023/24	2022/23
<p>Policy advice provided by Te Waihanga meets the expectations of the Minister for Infrastructure, for timeliness, methodology, evidence base, conclusions and recommendations.</p> <p>Policy advice provided by lead agencies is informed, regarding the implications for the infrastructure system, by Te Waihanga input.</p>	<p><b>Survey</b></p> <p>Annual feedback sought from the Minister for Infrastructure.</p> <p>Scale of 1-4, regarding meeting expectations.</p> <p><b>Survey</b></p> <p>Annual feedback sought from lead policy agencies regarding the Te Waihanga input into their policy work. Scale 1-4 on the quality of advice and on ease of working together.</p>	<p>The Minister for Infrastructure rated the advice given by Te Waihanga as “4 – exceeds expectations”. He noted that it provides “excellent, research-driven advice, focussed on areas it can add expertise”</p> <p>We surveyed stakeholders, asking how they would ‘rate the quality of the advice that the Infrastructure Commission, Te Waihanga provides to your policy work?’</p> <ul style="list-style-type: none"> <li>• 12.5% rated it ‘very clear and easy to understand’.</li> <li>• 50% rated it ‘clear and mostly understandable’</li> <li>• 25% rated it ‘moderately clear’</li> <li>• 12.5% rated it ‘unclear in parts’.</li> </ul> <p>The ‘ease of working with the Infrastructure Commission?’</p> <ul style="list-style-type: none"> <li>• 19% rated it ‘excellent overall experience’.</li> <li>• 59% rated it ‘good overall experience’</li> <li>• 17% rated it ‘average overall experience’</li> <li>• 5% rated it ‘below average experience’</li> </ul>	<p>New measure in 2023/24.</p> <p>New measure in 2023/24.</p>
<b>Measure</b>			
<p>The Minister for Infrastructure receives robust advice on whole of system infrastructure policy matters.</p> <p>Government agencies, leading policy development, can rely on Te Waihanga to provide robust advice on the implications of policy proposals for the infrastructure system.</p> <p>Infrastructure Ministers receive ‘joined up’ advice on matters that relate to parts of the infrastructure system and the system as a whole.</p>			



Impact	Assessment method	2023/24	2022/23
The National Infrastructure Pipeline is updated four or more times a year providing stakeholders a centralised source of project information.	<b>Monitoring and reporting</b> of the Pipeline is conducted and published on the Te Waihangā website every quarter, including an assessment of coverage <sup>6</sup> .	Between 1 July 2023 and 30 June 2024, 15 new organisations were onboarded to the Pipeline – growing the total of Pipeline contributors to 85. This is a 21.5% increase in contributors in the 12-month period.  In September 2023 we released our interactive workforce projection tool that projects the demand for occupations and workers that may be needed over time to deliver projects submitted to the Pipeline. This tool supports the infrastructure sector and construction industry plan for workforce development and understand upcoming market pressures.  We continue to enhance the main Pipeline public dashboard, which now maps projects with location data, and release a publicly available dataset of the Pipeline each quarter.	Between 1 July 2022 and 30 June 2023, 22 new organisations were onboarded to the Pipeline – growing the total of Pipeline contributors to 70. This is a 45% increase in contributors in the 12-month period.  In December 2022 we published an upgraded version of the Pipeline dashboard to support easier engagement with the Pipeline. We also release a publicly available dataset of the Pipeline every quarter.
<b>Measure</b>			
The Pipeline continues to expand towards a complete set of planned infrastructure projects in New Zealand.  The Pipeline supports engagement and coordination of infrastructure projects.	<b>Survey</b>  User satisfaction survey of key stakeholders to understand the usefulness of the Pipeline as a centralised source of project information.	We surveyed stakeholders, asking 'how useful is the National Infrastructure Pipeline in providing a comprehensive view of planned or anticipated infrastructure projects and market demand across New Zealand?'  <ul style="list-style-type: none"> <li>• 45% rated it 'very useful'</li> <li>• 19% rated it 'useful'</li> <li>• 26% rated it 'moderately useful'</li> <li>• 10% rated it 'not useful'.</li> </ul>	New measure in 2023/24.
Impact	Assessment method	2023/24	2022/23
A major projects leadership programme is established	Number of leaders that have received training in major project leadership starting in 2024/25	The capability building focus in 23/24 was on connecting Infrastructure leaders and on further understanding the capability required of major project leaders.  <ul style="list-style-type: none"> <li>• 108 leaders are members of the new LinkedIn Infrastructure Leaders Network (ILN)</li> <li>• 28 SROs were involved in workshops and interviews.</li> <li>• 79 leaders attended Wellington and Auckland ILN face-to-face Meetups.</li> <li>• 40 leaders registered on the first ILN technical masterclass.</li> <li>• 38 leaders attended leadership forums.</li> </ul>	New measure in 2023/24
<b>Measure</b>			
A major project leadership programme provides capability building opportunities for those leading New Zealand's major infrastructure projects.	Survey of participants on the value of training courses starting in 2024/25	Survey of participants will be conducted in 2024/25.	New measure in 2023/24
Impact	Assessment method	2023/24	2022/23
An Infrastructure Priorities Programme is established	Reporting of the Infrastructure Priorities Programme is conducted and published on the Te Waihangā website annually.	In 2023/24, the Commission was developing an Infrastructure Priorities Programme to support the creation of the National Infrastructure Plan. Applications opened for submission in August 2024, and the first round of submissions will be published on the Commission's website in 2025.	New measure in 2023/24.
<b>Measure</b>			
The Infrastructure Priorities Programme establishes a stable and transparent evaluation framework to assist with infrastructure prioritisation.			

<sup>6</sup> The assessment of coverage is related to the number of contributors to the infrastructure pipeline.

Impact	Assessment method	2023/24	2022/23
External views of the Commission's work - it is independent, expert, and evidence based	<b>Monitoring</b> of reference to the Commission's work beyond its original purpose - by other government agencies, local government, overseas authorities, academics and media.	Te Waihangā engaged Firecone (independent reviewer) <sup>7</sup> to provide an assessment of its advice. They reviewed a sample of 12 papers and provided an overall rating of 3.5 out of 5.	For a second year Te Waihangā engaged HKA (independent reviewer) to provide an assessment of the quality of its written advice produced during the financial year.
<b>Measure</b> Expert reviewer and focus group commentary on the quality of analysis and advice provided by Te Waihangā across Strategy, Infrastructure Delivery and Policy and how they have used this advice to make change in the infrastructure system. Citing of Commission's work in Parliament, Select Committees, academic or other literature and media		Over this period, there were 537 references to Te Waihangā and our work in news, newsletters, blogs, Hansard and other sources.	HKA reviewed 15 papers selected by Te Waihangā as a representative sample across the functions of the organisation. Overall, they found the sample of papers to be of a high written standard aligning with prior expectations for advice from the Government's primary advisor on infrastructure. Overall average score for the sample is 3.4 out of 5. There were 442 references to Te Waihangā and our work in news, newsletters, blogs, Hansard and other sources.
Impact	Assessment method	2023/24	2022/23
Iwi/Māori and stakeholders are confident their perspectives have been considered	<b>Survey</b> two-yearly starting 2022/23.	We surveyed stakeholders <sup>8</sup> , asking 'how confident are you that the Infrastructure Commission, Te Waihangā has considered your perspectives?' • 15% were 'very confident' • 39% were 'confident' • 46% were 'not very confident'.	We surveyed stakeholders identified in our engagement and communication plans over the year, asking 'How confident are you that Te Waihangā has considered your perspectives?' • 32% were 'very confident' • 48% were 'confident' • 20% were 'not very confident'.
<b>Measure</b> % of stakeholders in our communications plans that align with our work programme across Te Waihangā who are confident their perspectives have been considered.			

<sup>7</sup> Firecone was appointed to carry out the independent assessment in 2023/24 to prevent any conflict of interest, following a member of the HKA team joining Te Waihangā during the financial year.

<sup>8</sup> Te Waihangā surveyed 372 individual stakeholders via the Survey Monkey tool of which we received 39 responses.



# Reporting on our output measures

## Te pūrongo i ā mātou inenga hua

Below are the specific measures that we will look at to assess our performance at the work programme level. This table shows how results will be reported and sets out the measures that will be applied to the relevant work areas.

Output	Assessment method	2023/24	2022/23
Timely delivery of reports and advice	<b>Monitor</b> and record agreed dates and actual delivery dates.  <b>Tracking</b> of Official Information Act requests, Parliamentary Questions, Written Parliamentary Questions and ministerial requests. Quarterly <b>reports</b> to the Minister for Infrastructure, Treasury and Board.	For the period 1 July 2023 to 30 June 2024, Te Waihanga received: <ul style="list-style-type: none"> <li>• 26 Official Information Act requests and all were completed within statutory deadlines.</li> <li>• 168 Written Parliamentary Questions and 168 were completed within the time set by the Minister's Office. Two oral Parliamentary Questions were received.</li> </ul> Te Waihanga has been on time with all Ministerial briefing requests.	For the period 1 July 2022 to 30 June 2023, Te Waihanga received: <ul style="list-style-type: none"> <li>• 18 Official Information Act requests and 17 were completed within statutory deadlines.</li> <li>• 124 Written Parliamentary Questions and 124 were completed within the time set by the Minister's Office. No oral Parliamentary Questions received.</li> </ul> Te Waihanga has been on time with all Ministerial briefing requests.
<b>Measure</b>  % of requested reports and advice that are delivered by the agreed date			

Output	Assessment method	2023/24	2022/23
High quality of work	<b>Independent review</b> by a person/entity with significant policy and/or infrastructure research experience, who is familiar with our roles and functions.	Te Waihanga engaged Firecone (an independent reviewer) to provide an assessment of its advice. They reviewed a sample of 12 papers and provided an overall rating of 3.5 out of 5.	For the second year Te Waihanga engaged HKA (independent reviewer) to provide an assessment of the quality of its written advice produced during the financial year. HKA is familiar with the role and function of Te Waihanga as the Government's primary advisor on Infrastructure.
<b>Measure</b>	<b>Internal pulse survey</b> of staff to measure engagement and culture	<p>Te Waihanga conducted a pulse survey across the organisation in March 2024. The results showed staff engagement of 56%. While this may reflect contextual factors, an action plan has been developed in consultation with the leadership team and staff.</p> <p>74% of staff were 'proud to work for Te Waihanga' and 67% said they would 'recommend Te Waihanga as a great place to work'.</p>	<p>HKA reviewed 15 papers with an overall average score for the sample of 3.4 out of 5.</p> <p>HKA considers 3.4 out of 5 to be a good score, although there are some opportunities for improvement including:</p> <ul style="list-style-type: none"> <li>- consideration of Policy implications</li> <li>- providing greater context</li> <li>- tangible actions required to secure outcomes.</li> </ul> <p>Te Waihanga conducted a pulse survey across the organisation in May 2023. The results showed staff engagement of 68%.</p> <p>93% of staff were 'proud to work for Te Waihanga' and 82% said they would 'recommend Te Waihanga as a great place to work'.</p>
Output	Assessment method	2023/24	2022/23
A trusted and complete view of planned infrastructure activity in New Zealand.	<b>Report</b> on the total value of projects in the Pipeline.	In the June 2024 update, the total value of projects in the Pipeline was \$147.6 billion.	In the June 2023 update, the total value of projects in the Pipeline was \$92.15 billion
<b>Measure</b>			
Continue to build up the data in the National Infrastructure Pipeline.			



Output	Assessment method	2023/24	2022/23
Clear delivery of message.	<b>Monitoring</b> of the number of recommendations adopted or advanced in the Infrastructure Strategy and ongoing monitoring of their implementation across the relevant central and local government agencies and private sector.	In May 2024 we released our first Infrastructure Strategy Monitoring Report, which tracks progress against the recommendations in the Infrastructure Strategy from release in May 2022 to March 2024. The report notes there has been positive progress against the Strategy recommendations with 17 assessed as advancing, 20 partially advancing, 21 not advancing and 10 not yet due to start.	The Government Infrastructure Action Plan (May 2023) identified over 331 actions that will contribute to delivering on the recommendations in Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy.  Te Waihanga leads or supports 18 recommendations.
<b>Measure</b>			
Understanding of infrastructure issues and the potential solutions to address them increases.			

Output	Assessment method	2023/24	2022/23
Partnership with Iwi/Māori	<b>Survey</b> two-yearly starting 2022/23	We continued our research into Māori engagement in infrastructure, and published a report on how infrastructure providers and Māori groups engage on infrastructure projects as well as the impacts of past transport, energy, wastewater, education, and health infrastructure development on Māori.  In developing this we have continued to engage with our Te Ao Māori Perspectives Advisory Group, as well as New Zealand Māori Council, Ngai Tahu, Te Tumu Paeroa, and other Māori groups.  However, while growing, these relationships remain at an early stage and a survey <sup>9</sup> of iwi/Māori groups we had engaged with received only two responses.	As part of ongoing research on Māori engagement in infrastructure, Te Waihanga is working to form relationships with Māori groups and to seek their views on infrastructure issues. This included the formation of a Te Ao Māori Perspectives Advisory Group to guide this work. We have had discussions with the New Zealand Māori Council, Ngai Tahu and Te Tumu Paeroa, and reached out to other Māori groups.  These relationships are at too early a stage to survey these groups. However, representatives from some of these groups were included in the survey noted above.
<b>Measure</b>			
Relationships with specific groups of Iwi/Māori show developing partnership and understanding			

Output	Assessment method	2023/24	2022/23
Effective engagement and consultation with stakeholders	<b>Monitoring</b> of reference to the Commission's work beyond its original purpose - by other government agencies, local government, overseas authorities, academics and media.	Over this period, there were 537 references to Te Waihanga and our work in news, newsletters, blogs, Hansard and other sources.	There were 442 references to Te Waihanga and our work in news, newsletters, blogs, Hansard and other sources.
<b>Measure</b>			
Effectiveness of overall engagement and consultation, based on ratings from those involved in the process.			

<sup>9</sup> Te Waihanga surveyed 8 iwi/Māori groups via the Survey Monkey tool of which we received 2 responses.







# Financial performance by output

## Patanga o te tahua mā te whakaputanga

Te Waihanga financial performance by output is set out below:

	Actual 2024 \$000	Budget 2024 \$000
<b>Output 1: The Infrastructure Strategy for New Zealand, and special topic reports</b>		
Revenue	6,679	6,544
Expenditure	(6,710)	(7,099)
<i>Net surplus/(deficit)</i>	(31)	(555)
<b>Output 2: Infrastructure Pipeline</b>		
Revenue	138	135
Expenditure	(295)	(312)
<i>Net surplus/(deficit)</i>	(157)	(177)
<b>Output 3: Procurement capability and project delivery support through project support agreements</b>		
Revenue	5,492	4,964
Expenditure	(5,599)	(5,529)
<i>Net surplus/(deficit)</i>	(107)	(565)
<b>Output 4: Infrastructure policy advice</b>		
Revenue	2,523	2,472
Expenditure	(2,499)	(2,646)
<i>Net surplus/(deficit)</i>	24	(174)
<b>Totals</b>		
<b>Revenue</b>	<b>14,832</b>	<b>14,115</b>
<b>Expenditure</b>	<b>(15,103)</b>	<b>(15,586)</b>
<b><i>Net surplus/(deficit)</i></b>	<b>(271)</b>	<b>(1,471)</b>

\* The \$271k actual deficit will be funded from reserves, leaving a closing equity balance of \$5,184k.

# Notes to service performance reporting

For the year ended 30 June 2024

## Reporting service performance information

The New Zealand Accounting Standards Board (XRB) has issued a Standard for Service Performance Reporting: Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48) issued November 2017, amendments 31 August 2020.

The PBE FRS 48 Standard requires public benefit entities to apply the requirements to annual financial reports beginning on or after 1 January 2022.

Te Waihangā adopted PBE FRS 48 in the 2022/23 financial year. As discussed on page 33 Te Waihangā takes a strong evaluative-based approach to measuring performance rather than fixed quantitative targets.

Where possible Te Waihangā has provided comparable information as required under PBE FRS 48, however in the case of several new measures in 2023/24 comparable information from prior years was not available. Te Waihangā understands the need for consistency of service performance information as such these new measures will be the basis for future reporting.

As acknowledged in the PBE FRS 48 Standard, the following attributes apply to the current service performance reporting environment:

- a) Service performance reporting is an area of reporting that continues to evolve.
- b) Entities may be subject to a range of service performance reporting requirements, including legislative requirements and may use a variety of performance frameworks.
- c) It provides flexibility for entities to determine how best to 'tell their story' in an appropriate and meaningful way.

## Te Waihangā requirements for service performance reporting

Te Waihangā has set the following requirements for its service performance reporting.

Provide users with:

- a) sufficient contextual information to understand what Te Waihangā intends to achieve in broad terms over the medium to long term and how it goes about this
- b) information about what Te Waihangā has done during the reporting period in working towards its broader aims and objectives [FRS 48 para 15].

Present its service performance information and its financial statements together in the annual report [FRS 48 para 6].

Present service performance information for the same entity and same reporting period as the financial statements [FRS 48 para 11].

Apply the following qualitative characteristics in the context as described in the Public Benefit Entities' (PBE) Conceptual Framework: Relevance, Faithful Representation, Understandability, Timeliness, Comparability and Verifiability [FRS 48 para 7].

Disclose judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information [FRS 48 para 44].

Provide comparative information [FRS 48 para 37] and in the case where service performance information has changed explain the nature of those changes and their effect on the current period's service information [FRS 48 para 40]



## Disclosure of judgements

PBE FRS 48 states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the founding documents, governance documents and accountability documents. As such, Te Waihangā has drawn this information from the New Zealand Infrastructure Commission/Te Waihangā Act 2019, the Te Waihangā Statement of Intent 2023/27 and Statement of Service Performance 2023/24. These documents articulate the Te Waihangā vision, mission, values and strategic imperatives.

Further context to the selection, measurement, aggregation and presentation of service performance information has been provided as part of Section 3: Our performance.

PBE FRS 48 states judgement is required in deciding how much information to provide about the current reporting period and how much information to provide about progress towards the long-term objectives. Te Waihangā has balanced the information available with the need to report in an understandable and concise manner for users.

## Statement of Compliance

The financial statements and service performance information have been prepared in accordance with PBE standards.





## Section Four:

# Statements of financial performance

## Ngā tauākītanga o te patanga o te tahua

### Statement of Responsibility

#### Tauākī Takohanga

We are responsible for the preparation of the New Zealand Infrastructure Commission's financial statements and statement of financial performance, and for the judgements made in them.

We are responsible for any end-of-year performance information provided by the New Zealand Infrastructure Commission, Te Waihanga under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of financial performance fairly reflect the financial position and operations of the New Zealand Infrastructure Commission, Te Waihanga for the period 1 July 2023 to 30 June 2024.

Signed on behalf of the Board:



**Dr Alan Bollard**  
CNZM

Board Chair

Date: 31 October 2024



**Sue Tindal**  
FCPA, CMIInstD

Deputy Chair

Date: 31 October 2024

# Independent Auditor's Report

## Te Pūrongo a te Kaitātare Kaute tū Motuhake

To the readers of the financial statements and  
performance information of the New Zealand  
Infrastructure Commission/Te Waihanga for the year  
ended 30 June 2024

The Auditor-General is the auditor of the New Zealand Infrastructure Commission/Te Waihanga (Te Waihanga). The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of Te Waihanga on his behalf.

### Opinion

We have audited:

- the financial statements of Te Waihanga on pages 55 to 73, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against the statement of performance expectations and appropriation of Te Waihanga for the year ended 30 June 2024 on pages 31 to 47 and 54.



In our opinion:

- the financial statements of Te Waihangā:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information of Te Waihangā for the year ended 30 June 2024:
  - presents fairly, in all material respects, for each class of reportable outputs:
    - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
  - presents fairly, in all material respects, for the appropriation:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of Te Waihangā for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of Te Waihangā for assessing the ability of Te Waihangā to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of Te Waihangā, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

## Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the statement of performance expectations of Te Waihangā and relevant Estimates and Supplementary Estimates of Appropriations 2023/24.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Te Waihangā.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the performance information which reports against the statement of performance expectations and appropriation of Te Waihangā.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Te Waihangā to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Te Waihangā to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



## Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 29 and 49 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of Te Waihangā in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in Te Waihangā.



**S B Lucy**

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

# Appropriation performance measures

## Te inenga o te patanga o te whai taonga

### Scope of the appropriation

Te Waihanga's appropriation is limited to Te Waihanga providing services to improve New Zealand's infrastructure outcomes.

### Appropriation

	2023/24		2022/23
	Actual \$000	Budgeted \$000	Actual \$000
Total appropriation	13,875	13,875	13,875

### What is intended to be achieved with this appropriation

This appropriation is intended to improve the infrastructure outcomes of New Zealand. This will be achieved through functions such as developing long-term infrastructure strategies and enabling the coordination of infrastructure planning in New Zealand.

### Financial information

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Revenue from the Crown	13,875	13,875	13,875
Other funding	587	—	514
Interest revenue	370	240	292
<b>Total revenue</b>	<b>14,832</b>	<b>14,115</b>	<b>14,681</b>
<b>Total expenditure</b>	<b>15,103</b>	<b>15,586</b>	<b>16,250</b>
<b>Surplus/(Deficit)</b>	<b>(271)</b>	<b>(1,471)</b>	<b>(1,569)</b>

### Statement of Performance – what was achieved in this appropriation

Assessment of performance	Standard for 2023/24	Performance for 2023/24
The New Zealand Infrastructure Commission, Te Waihanga, will carry out its functions in accordance with its purpose as set out in its enabling legislation and its Statement of Intent	Achieved	Achieved



# Statement of comprehensive revenue and expense

for the year ended 30 June 2024 in New Zealand Dollars

	Note	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Funding from the Crown	2	13,875	13,875	13,875
Other funding	2	587	-	514
Interest revenue	2	370	240	292
<b>Total revenue</b>		<b>14,832</b>	<b>14,115</b>	<b>14,681</b>
<b>Expenses</b>				
Personnel costs	3	10,371	9,581	8,964
Depreciation, amortisation and impairment	8, 9	392	511	399
Consultancy		2,412	2,904	4,702
Other expenses	4	1,928	2,590	2,185
<b>Total expenses</b>		<b>15,103</b>	<b>15,586</b>	<b>16,250</b>
<b>Deficit for the year</b>		<b>(271)</b>	<b>(1,471)</b>	<b>(1,569)</b>
<b>Total comprehensive expense for the year</b>		<b>(271)</b>	<b>(1,471)</b>	<b>(1,569)</b>

The budget for the 2023/2024 year was approved in June 2023 as noted in the Statement of Performance Expectations and was based on a forecast year-end position for 30 June 2023. Explanations of major variances against budget are provided in note 20.

# Statement of financial position

for the year ended 30 June 2024 in New Zealand Dollars

	Note	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
<b>Current assets</b>				
Cash and cash equivalents	5	5,621	3,097	5,682
Receivables	6	500	119	251
<b>Total current assets</b>		<b>6,121</b>	<b>3,216</b>	<b>5,933</b>
<b>Non-current assets</b>				
Property, plant and equipment	8	408	344	533
Intangible assets	9	356	383	203
Work in progress		-	-	144
<b>Total non-current assets</b>		<b>764</b>	<b>727</b>	<b>880</b>
<b>Total assets</b>		<b>6,885</b>	<b>3,943</b>	<b>6,813</b>
<b>Current liabilities</b>				
Lease incentive	10	20	20	20
Payables	11	718	309	769
Employee entitlements	12	641	561	520
Funds held on behalf of MBIE	7	293	-	-
<b>Total current liabilities</b>		<b>1,672</b>	<b>890</b>	<b>1,309</b>
<b>Non-current liabilities</b>				
Lease incentive	10	8	8	28
Provisions	13	21	21	21
<b>Total non-current liabilities</b>		<b>29</b>	<b>29</b>	<b>49</b>
<b>Total liabilities</b>		<b>1,701</b>	<b>919</b>	<b>1,358</b>
<b>Equity</b>				
Total equity	17	5,184	3,024	5,455
<b>Total equity</b>		<b>5,184</b>	<b>3,024</b>	<b>5,455</b>
<b>Total liabilities and equity</b>		<b>6,885</b>	<b>3,942</b>	<b>6,813</b>

The budget for the 2023/2024 year was approved in June 2023 as noted in the Statement of Performance Expectations and was based on a forecast year-end position for 30 June 2023. Explanations of major variances against budget are provided in note 20.



# Statement of changes in equity

for the year ended 30 June 2024 in New Zealand Dollars

	Note	Actual 2024 Equity \$000	Budget 2024 Equity \$000	Actual 2023 Equity \$000
Balance as at 1 July		5,455	4,495	7,024
Total comprehensive expense for the year				
Deficit for the year		(271)	(1,471)	(1,569)
Total comprehensive expense for the year		(271)	(1,471)	(1,569)
Balance as at 30 June	17	5,184	3,024	5,455

The budget for the 2023/2024 year was approved in June 2023 as noted in the Statement of Performance Expectations and was based on a forecast year-end position for 30 June 2023. Explanations of major variances against budget are provided in note 20.

# Statement of cash flows

for the year ended 30 June 2024 in New Zealand Dollars

	Note	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
<b>Cash flows from operating activities</b>				
Cash receipts from the Crown		13,875	13,875	13,875
Cash receipts from other funding		486	-	514
Cash receipts for NZ 3190 funds held		293	-	-
Cash paid to suppliers		(4,656)	(5,846)	(7,963)
Cash paid to employees and personnel related payments		(10,240)	(9,483)	(7,740)
Interest received		370	240	291
Net GST receipt/(payment)		75	130	(515)
<b>Net cash from/(to) operating activities</b>		<b>203</b>	<b>(1,084)</b>	<b>(1,538)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment		(73)	(350)	(242)
Acquisition of intangible assets		(191)	-	(108)
<b>Net cash to investing activities</b>		<b>(264)</b>	<b>(350)</b>	<b>(350)</b>
Net movements in cash and cash equivalents		(61)	(1,434)	(1,888)
Cash and cash equivalents at 1 July		5,682	4,531	7,570
<b>Cash and cash equivalents at 30 June</b>	<b>5</b>	<b>5,621</b>	<b>3,097</b>	<b>5,682</b>

The budget for the 2023/2024 year was approved in June 2023 as noted in the Statement of Performance Expectations and was based on a forecast year-end position for 30 June 2023. Explanations of major variances against budget are provided in note 20.

# Notes to the financial statements

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# Notes to the financial statements

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mō ngā tauākī ahumoni

## 1. General overview

### Reporting Entity

New Zealand Infrastructure Commission, Te Waihangā (the "Entity") is an autonomous Crown entity as defined by the Crown Entities Act 2004. It was established under the New Zealand Infrastructure Commission\ Te Waihangā Act 2019 and its parent is the Crown.

The financial statements and the accompanying notes summarise the financial results of activities carried out by New Zealand Infrastructure Commission, Te Waihangā. Te Waihangā's primary objective is to provide services to the public, rather than make a financial return. Its purpose is to transform infrastructure for all New Zealanders.

The financial statements for New Zealand Infrastructure Commission, Te Waihangā are for the year ended 30 June 2024. They were authorised for issue by the Entity's Board of Directors on the date shown on page 49.

### Basis of preparation

The financial statements cover the period from 1 July 2023 to 30 June 2024. The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period.

Where applicable, certain comparatives have been reclassified to comply with the accounting presentation adopted in the current year to ensure consistency with the current year classification.

### Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which include a requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Te Waihangā has applied the suite of Tier 2 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS 1 RDR 28-3) in preparing the 30 June 2024 financial statements. As Te Waihangā has expenses of less than \$33 million, it is eligible to report in accordance with the PBE Standards Reduced Disclosure Regime. These financial statements comply with the PBE Standards Reduced Disclosure Regime.

The financial statements have been prepared on a historical cost basis unless stated otherwise.

### Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

### Presentation currency and rounding

These financial statements are presented in New Zealand Dollars, which is the Entity's functional currency. All amounts have been rounded to the nearest thousand dollars (\$000), unless otherwise indicated.

### Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to specific notes are outlined below.

## Significant accounting policy not separately disclosed in a note

### Goods and Services Tax

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income Tax

Te Waihangā is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

### Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit.

### Cost allocations

Direct costs are costs directly attributed to an output. Personnel costs are allocated to outputs based on time spent. The indirect costs of support groups and overhead costs are charged to outputs based on the proportion of direct costs in each output.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

## Critical accounting estimates and assumptions

In preparing these financial statements Te Waihangā has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a risk of causing adjustments to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant and equipment – refer Note 8.
- Useful lives of software assets – refer Note 9.

Management has exercised the following critical judgement in applying accounting policies:

- Leases classification – refer Note 15.

## New or amended standards adopted

2022 Omnibus Amendments to PBE Standards, issued June 2022.

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023. Te Waihangā has adopted the revised PBE standards, and the adoption did not result in any significant impact on Te Waihangā's financial statements.

## Other changes in accounting policies

There have been no other changes in Te Waihangā's accounting policies since the date of the last audited financial statements.

The amendment for PBE IPSAS 1 Presentation of Financial Reports is effective for annual periods beginning after 1 January 2024 with earlier application permitted. The amendment, and interpretations issued, but not yet effective, have not been early adopted by Te Waihangā.

## 2. Revenue

### Revenue policy

Revenue is measured at the fair value of consideration received or that is receivable. Revenue is earned through the provision of outputs for the Crown, services to third parties and investment income.

### Funding from the Crown

Te Waihangā is primarily funded through revenue from the Crown. Revenue receipts from the Crown transactions are considered to be non-exchange transactions. The funding is restricted in its use for the purpose of Te Waihangā meeting its objectives as specified in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, Te Waihangā considers there are no conditions attached to the funding. Revenue from the funding is recognised in the financial period to which the appropriation relates. The fair value of the revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

### Other funding

Te Waihangā received funding from DIA in the 2023/24 year to model the demand for resources necessary to deliver Local Government's infrastructure investment intentions over the period 2024/34 (including an expected increased investment in the water sector) and assess its deliverability within the market capacity of the broader construction market. Revenue is recognised on a work completion basis, and therefore income in advance has been recognised to the extent that work has not yet been completed.

MBIE provided further funding as part of the Cyclone Recovery Construction Workforce Projections Project. Te Waihangā considers there are no future conditions attached to the funding, and therefore this is recognised as revenue at the point of entitlement, which is considered to be aligned to the expenditure in which the funding relates.

The balance of other funding relates to cost recoveries from external parties, including Health New Zealand in relation to the Dunedin Hospital Review, the Department of the Prime Minister and Cabinet in relation to the Critical Infrastructure Resilience Programme, and attendance fees from the annual symposium.

### Interest income

Interest revenue is recognised by accruing on a time-proportion basis the interest due for the investment. All interest revenue is received from Te Waihangā's transactional bank account.

## 3. Personnel costs

	2024 \$000	2023 \$000
Salaries and wages	9,164	7,399
Defined-contribution plan employer contributions	244	196
Contractors	408	634
Board fees	217	196
Other personnel-related costs	212	403
Increase/(decrease) in employee entitlements	121	136
Expenses related to long-service leave	5	-
	<b>10,371</b>	<b>8,964</b>



## Personnel costs policy

### Salary and wages

Personnel costs are recognised as an expense as employees provide services.

### Superannuation schemes

#### Defined contribution schemes

Employer contributions to KiwiSaver and other superannuation schemes are accounted for as a defined contribution superannuation scheme and are expensed in the surplus or deficit as incurred.

#### Defined benefit schemes

Te Waihanga does not make employer contributions to any defined benefit superannuation scheme.

## 4. Other expenses

	2024 \$000	2023 \$000
Audit fees	50	47
Operating lease expense	318	302
Travel and accommodation	300	400
Technology expenses	539	576
Financial services	182	157
Communications and marketing	14	32
Training and conferences	211	282
Other expenses	314	389
	<b>1,928</b>	<b>2,185</b>

### Grant funding

Where grants are discretionary until payment, the expense is recognised when the payment is advised. Otherwise, the expense (and corresponding liability) is recognised when Te Waihanga does not have discretion over the payment. For grants without conditions attached, the expense and corresponding liability is recognised when Te Waihanga has an unconditional obligation to make payment.

## 5. Cash and cash equivalents

	2024 \$000	2023 \$000
<b>Current assets</b>		
Cash at bank and on hand	5,621	5,682
<b>Total cash and cash equivalents</b>	<b>5,621</b>	<b>5,682</b>

As part of the approved 2024/25 Budget cash reserves have been committed to deliver on the planned work programme including delivering a 30-year National Infrastructure Plan.

**Cash and cash equivalents policy**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term, highly liquid investments with maturities of three months or less.

**6. Receivables**

	2024 \$000	2023 \$000
<b>Exchange receivables</b>		
Trade receivables	301	-
	<b>301</b>	<b>-</b>
<b>Non-exchange receivables</b>		
Prepayments	134	110
GST receivable	65	141
	<b>199</b>	<b>251</b>

**Receivables**

Short-term receivables are recorded at the amounts due, less an allowance for credit losses. Te Waihanga applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. Short-term receivables are written off when there is no reasonable expectation of recovery.

**7. Funds held on behalf of MBIE**

	2024	2023
<b>Current liabilities</b>		
Funds held on behalf of MBIE	293	-
<b>Total funds held</b>	<b>293</b>	<b>-</b>

**Total funds held on behalf of the CSA**

In March 2024 the CSA was disestablished and it was agreed that funds would be transferred to Te Waihanga and administered for future standards review projects (NZS3916 & 3917). On the completion of the projects Te Waihanga will return any remaining monies to the contributing parties or arrange an agreement to fund the NZS3915 review project.

## 8. Property plant and equipment

	2024			
	Information technology equipment \$000	Furniture and fittings \$000	Leasehold improvements \$000	Total \$000
<b>Cost</b>				
Balance at 1 July 2023	439	224	618	1,281
Additions	104	-	17	121
Disposals	(82)	-	-	(82)
<b>Balance at 30 June 2024</b>	<b>461</b>	<b>224</b>	<b>635</b>	<b>1,320</b>
<b>Depreciation and impairment losses</b>				
Balance at 1 July 2023	(334)	(105)	(309)	(748)
Depreciation for the year	(71)	(45)	(130)	(246)
Reversal of depreciation on disposals	82	-	-	82
<b>Balance at 30 June 2024</b>	<b>(323)</b>	<b>(150)</b>	<b>(439)</b>	<b>(912)</b>
<b>Carrying amount</b>				
At 30 June 2024	138	74	196	408
At 30 June 2023	105	119	309	533

### Property, plant and equipment policy

Property, plant and equipment consists of the following asset classes: information technology equipment, leasehold improvements, and furniture and fittings. All items are measured at cost less accumulated depreciation and impairment losses.

### Additions

An item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to Te Waihangā beyond one year or more, and the cost of the item can be measured reliably. Property, plant and equipment are initially recorded at their costs. Subsequent expenditure that extends the useful life or enhances the service potential of an existing item of property, plant and equipment is capitalised. All other costs incurred in maintaining the useful life or service potential of an existing item of property, plant and equipment are expensed in the surplus or deficit as they are incurred. Work in progress is recognised at cost and is not depreciated.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets. Gains or losses arising from the sale or disposal of an item of property, plant and equipment are recognised in the surplus or deficit in the period in which the item of property, plant and equipment is sold or disposed of.

### Capital Commitments

As at 30 June 2024, Te Waihangā has no capital commitments.



## Depreciation

Depreciation is provided on a straight-line basis on all asset components at rates that will write off the costs of the assets to their estimated residual values over their useful lives. Leasehold improvements are depreciated over the unexpired period of the lease. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts might not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of the asset's fair value, less costs to sell and value in use. Any impairment losses are recognised in the surplus or deficit. At each balance date, the useful lives and residual values of the assets are reviewed.

The estimated useful lives of major assets classes are:

Asset	Estimated useful life (years)
Information Technology Equipment	3 to 5 years
Furniture and fittings	5 years
Leasehold Improvements	6 years or across the expected remaining lease term, if shorter

## Impairment

Te Waihanga does not hold any cash-generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of the assets fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on a depreciated replacement cost approach, a restoring cost approach or a service units approach. The most appropriate approach for measuring value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense, and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment is recognised in the surplus or deficit.

## 9. Intangible assets

	2024 Computer software \$000	2024 Total \$000
<b>Cost</b>		
Balance at 1 July 2023	482	482
Additions	299	299
<b>Balance at 30 June 2024</b>	<b>781</b>	<b>781</b>
<b>Amortisation and impairment losses</b>		
Balance at 1 July 2023	(279)	(279)
Amortisation for the year	(146)	(146)
<b>Balance at 30 June 2024</b>	<b>(425)</b>	<b>(425)</b>
<b>Carrying amount</b>		
At 30 June 2024	356	356
At 30 June 2023	203	203

### Intangible assets policy

#### Software acquisition

Computer software is capitalised based on the costs incurred to acquire and bring to use the specific software. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Initial costs associated with the development of Te Waihangā's website were capitalised. Subsequent expenditure on the website is capitalised only if it is probable that it will increase the future economic benefits or service potential associated with the specific asset. Other expenditure is recognised in profit or loss as incurred.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Asset	Estimated useful life (years)
Computer software	3 years

#### Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in Note 8. The same approach applies to the impairment of intangible assets.

## 10. Lease incentive

	2024 \$000	2023 \$000
<b>Current liabilities</b>		
Current portion of lease incentive	20	20
	<b>20</b>	<b>20</b>
<b>Non-current liabilities</b>		
Non-current portion of lease incentive	8	28
	<b>8</b>	<b>28</b>
<b>Total lease incentives</b>	<b>28</b>	<b>48</b>

### Lease incentive policy

Any unamortised lease incentive received is recognised as a liability in the Statement of Financial Position.

A lease incentive liability is created to spread the incentive received at the inception of the lease, throughout the term of the lease. Te Waihangā received an initial rent-free period when it commenced the lease of its office premises

## 11. Payables

	2024 \$000	2023 \$000
<b>Exchange payables</b>		
Creditors	412	507
Accrued Expenses	106	262
Income in Advance	200	-
	<b>718</b>	<b>769</b>

### Payables policy

Short-term payables are recorded at the amounts payable.

## 12. Employee entitlements

	2024 \$000	2023 \$000
Accrued annual leave	381	275
Accrued salaries and wages	260	245
	<b>641</b>	<b>520</b>



## Employee entitlements policy

### Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which employees provides the related services are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

### Long-term employee entitlements

Te Waihangā does not have long-term employee entitlements.

## 13. Provisions

	2024 Actual \$000	2023 Actual \$000
<b>Non-current portion</b>		
Lease make-good	21	21
<b>Total provisions</b>	<b>21</b>	<b>21</b>

### Provisions policy

A provision is recognised for future expenditure of an uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Te Waihangā is required at the expiry of the lease term to make good its leased office premises. Te Waihangā has the option of renewing this lease, which affects the timing of expected cash outflows to make good the premises. The cash flows associated with the provision are expected to occur in December 2025. Information about leasing arrangements is disclosed in Note 15.

## 14. Financial instruments

The carrying amounts of financial assets and liabilities in each of the financial instruments categories are as follows:

<b>Financial assets not measured at fair value (financial assets held at amortised cost)</b>	<b>2024 \$000</b>	<b>2023 \$000</b>
Cash and cash equivalents	5,621	5,682
Receivables	301	-
	<b>5,922</b>	<b>5,682</b>
<b>Financial liabilities not measured at fair value (financial liabilities held at amortised cost)</b>	<b>2024 \$000</b>	<b>2023 \$000</b>
Payables	718	782
Lease incentives	28	48
	<b>746</b>	<b>830</b>

## Financial instruments policies

### Financial Instruments

Financial assets and financial liabilities are recognised when Te Waihanga becomes a party to the contractual provisions of the financial instrument.

### Financial assets

Te Waihanga's financial assets are classified in accordance with PBE IPSAS 41 as assets measured at amortised cost.

Financial assets with fixed determinable payments that are not quoted in an active market are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Credit losses are measured at the present value of all cash shortfalls.

Interest is recognised as finance income in the statement of comprehensive revenue and expense as earned.

Financial assets subsequently measured at amortised cost includes: cash and cash equivalents and receivables.

### Financial liabilities

Te Waihanga's financial liabilities are classified as amortised cost financial liabilities.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive revenue and expense.

Financial liabilities held at amortised cost includes: payables, other payables and lease incentive.

### Impairment of financial assets

Te Waihanga assesses at reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('loss event'). When a loss event has occurred, management recognises loss allowances (provisions) for expected credit losses on financial assets measured at amortised cost. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to Te Waihanga in accordance with the contract and the cash flows that Te Waihanga expects to receive).

## 15. Operating leases

At 30 June 2024, the future minimum lease payments under non-cancellable leases were payable as follows:

	2024 \$000	2023 \$000
Less than one year	297	317
Between one and five years	134	423
More than five years	-	-
	<b>431</b>	<b>740</b>

### Operating leases policy

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction in rental expenses over the lease term.

The Level 7, 95 Customhouse Quay, Wellington lease expires in December 2025. Te Waihanga as lessee can exercise its right to renew in December 2025, with a final expiry date in December 2031. The rental expense is agreed to be \$23,690 per month. Te Waihanga as lessee can exercise its right to renew in December 2025, with a final expiry date in December 2026.

A photocopier lease is also included in the operating leases above. This lease has a final expiry date of 19 December 2024.

As the lessor retains substantially all the risks and rewards of ownership of the leased property, the operating lease payments are recognised in the surplus or deficit only in the periods they are incurred.

Any lease incentive received is recognised in the surplus or deficit over the term of the lease.

Future amounts disclosed above are based on the current rental rates.

There are no restrictions placed on Te Waihanga by any of the operating lease arrangements.

## 16. Related parties

### Related party information

Te Waihanga is a wholly owned entity of the Crown. Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships on terms and conditions no more or less favourable than those that are reasonable to expect Te Waihanga to have adopted in dealing with the parties at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

### Key management personnel

No related-party transactions with key personnel were entered into during the year.

Board members are appointed by the Minister for Infrastructure and are the Board for the purposes of the Crown Entities Act 2004. In addition to their roles with Te Waihanga, Board members have other interests and may serve in positions with other organisations, including organisations to which Te Waihanga is related. Actual or potential conflicts of interest are declared in the interests and gifts registers.

### Permission to act despite being interested in a matter

Section 68(6) of the Crown Entities Act 2004 requires the Board to disclose any interest to which a permission to act has been granted, despite a member being interested in a matter. During the 2024 financial year there were no permissions granted by the Chair in the public interest.



**Key management compensation**

	2024 \$000	2023 \$000
<b>Board members</b>		
Remuneration	218	196
Full-time equivalent	0.95	0.82
<b>Leadership team</b>		
Remuneration	1,719	1,691
Full-time equivalent	5	5
<b>Total key management personnel compensation</b>	<b>1,937</b>	<b>1,887</b>
<b>Total full-time equivalents</b>	<b>5.95</b>	<b>5.82</b>

The full-time-equivalent values have been calculated based on actual work performed during the reporting period. At 30 June 2024 there were 5 employees in the leadership team (2023: 5 employees).

The full-time equivalent values for Board members have been determined based on the frequency and length of Board meetings and the time for Board members to prepare for meetings, calculated based on the hours invoiced to Te Waihangā.

Key personnel are Board members, the Chief Executive and General Managers.

The 2023 Board members full-time equivalent value has been restated in the 2024 financial statements.

## 17. Equity

**Equity policy**

Equity is measured as the difference between total assets and total liabilities. Equity is made up of accumulated surplus/(deficit).

Te Waihangā is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, the acquisition of securities, issuing guarantees and indemnities, and the use of derivatives. Te Waihangā manages its equity as a by-product of prudently managing revenue, expenses, assets, liabilities, investments and general financial dealings to ensure Te Waihangā achieves its objectives and purpose effectively, while remaining a going concern.

	2024 \$000	2023 \$000
Opening balance	5,455	7,024
Deficit for the year	(271)	(1,569)
	<b>5,184</b>	<b>5,455</b>

## 18. Commitments and contingencies

**Contingencies**

Te Waihangā has no contingent liabilities and no contingent assets (2023: Nil).

**Capital commitments**

As at 30 June 2024, Te Waihangā has no capital commitments (2023: Nil).

## 19. Subsequent events

There have been no events subsequent to balance date that would materially affect the financial statements (2023: Nil).

## 20. Explanation of major variances against budget

Explanations for major variances from Te Waihanga's budgeted figures in the statement of performance expectations are as follows:

### Statement of Comprehensive Revenue and Expenses

#### *Other funding*

No budget was included for other funding in the 2023/24 Statement of Performance Expectations. However, Te Waihanga identified several funding and cost recovery opportunities during the year with external agencies, which resulted in \$587k of other funding being received.

#### *Personnel*

The increase in personnel reflects the increase in in-house capability required to support programme activities including the national infrastructure pipeline, project delivery and policy advice. This is offset in part by a decrease in consultancy costs as a result of the in-house capability built during the year.

#### *Consultancy*

The underspend in consultancy against budget was primarily driven by the completion of a reprioritisation and cost saving exercise as part of Te Waihanga's commitment to deliver on the Government's fiscal sustainability programme. This is partially offset by higher personnel costs due to additional in-house capability built over the year.

#### *Other expenses*

The decrease in other expenses against budget reflects lower travel, training and conference spend, partially driven by actions to reduce annual symposium costs as part of the cost saving exercise Te Waihanga undertook during the year.

### Statement of Financial Position

#### *Cash and cash equivalents*

Te Waihanga received additional funding from various sources during the year, as outlined in Note 1. Unspent funds are held in the bank at balance date. Fluctuations in cash balances are correlated to fluctuations in other balance sheet items including receivables and funds held on behalf of MBIE.

#### *Receivables*

The increase in receivables for the year correlates to the increased other funding received.

#### *Payables*

The increased payables balance reflects invoices related to the 2023/24 year that were received in the first week of the following financial year in line with creditors standard invoicing timeframes. As the work programmes increased in the second half of the year a higher payables balance was reflected in June 2024.

#### *Equity*

The increased equity balance reflects lower than expected deficit for the 2023/24 year as a result of Te Waihanga's efforts to deliver on the Government's fiscal sustainability programme.



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