

2 October 2024

s9(2)(a)

Via email: s9(2)(a)

Dear s9(2)(a)

Thank you for your Official Information Act request, received on 20 September 2024. You requested:

*"I would like to request under both the privacy act and OIA all information relating to my above OIA, received on 26 July 2024. This includes but is not limited to all consultation with other agencies or Ministers, considerations/discussions about what to redact etc etc.*

*Specifically, this request also includes all information, comments or communication relating to any further discussions or media that came out of this OIA (such as the Herald's piece - <https://www.nzherald.co.nz/nz/politics/one-road-to-dominate-10-of-infrastructure-spending-for-next-25-years-with-warning-costs-could-double/CRY7AYNIUFF4ROYNFPSRSL6KM/>)*

*Please do also transfer this to the Minister of Infrastructure if you believe it is possible the Minister's office may possess information relevant to this request."*

On 23 September 2024, we acknowledged your request and advised you that it was multi-faceted and it would take significant time and work for us to respond fully. In addition, much of the information within scope will be quite administrative, so likely to be of low value to you. We suggested some options to reduce the administrative burden while providing you with the information you are most interested in. We offered to discuss our options to refine the scope of your request, and any ideas that you might have. We also advised you that we do not hold information that has been shared within or between the Minister's office, so you would need to contact them directly for that information.

On 25 September 2024, you agreed to discuss your request. Following our phone conversation, we followed up by email to provide you with the links to publicly available information relevant to your prior OIA request and an indicative timeframe for when the information that was withheld in full might be able to be released.

We also asked you to confirm that your refined request is for:

*"...the information relating to the BusinessDesk media query that led to the scrutiny of the 10% figure. This includes our explanation of how this figure was estimated."*

On 25 September, you replied to confirm that you were happy with this.

## Information being released

Please find enclosed the following document:

Item	Date	Document Description	Decision
1.	10 September 2024	Email providing Northland roading corridor advice	Release in part

I have decided to release the documents listed above, subject to some information being withheld under section 9(2)(a) of the Official Information Act to protect individuals' privacy. No other information has been withheld.

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

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

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

Yours sincerely



Barbara Tebbs  
**General Manager – Policy**

**From:** Media <[Media@tewaihanga.govt.nz](mailto:Media@tewaihanga.govt.nz)>  
**Sent:** Tuesday, September 10, 2024 12:16 PM  
**To:** s9(2)(a)  
**Cc:** Media <[Media@tewaihanga.govt.nz](mailto:Media@tewaihanga.govt.nz)>  
**Subject:** RE: s9(2)(a) Northland roading corridor advice

Hi s9(2)(a)

Major apologies for the delay! Here you go.

**1. What other considerations are being deprioritised compared to speed in regards to this project?**

The Commission regularly advocates for robust project planning principles prior to committing to infrastructure projects. We expressed that key focus areas such as value for money and deliverability of the project could be at risk if commitment to the project and its financing method were made prior to a detailed investment case of each segment.

**2. Does the Commission think the process followed to prioritise this project has been a bad one, given commitments appear to have been made before a detailed investment case?**

The New Zealand Infrastructure Strategy highlights the importance of good decision making and planning before committing to projects. One of its recommendations is that “a business case is used to rigorously examine a potential project’s benefits relative to its costs, value the future appropriately, show the project to be resilient to change under a range of future scenarios, and show who benefits and how much. A preferred option or cost profile is not announced until this detailed analysis has been completed.”

**3. Can the Commission provide its working underpinning the claim that this one project could cost up to 10% of all Crown non-maintenance/renewal investment over the next 10 years i.e. what cost estimates is it drawing on?**

The claim relies on some preliminary modelling of potential infrastructure spending envelopes for central government. Based upon information from our Build or Maintain Research Insights report, from 2003 to 2021, central government investment as a share of GDP was about 2.5%. Depreciation/renewal investment as a share of GDP was 1.5% over the same period. Using data from Treasury’s 2021 Long Term Fiscal Model forecast of nominal GDP, we estimate that total spending would be \$429 billion over the 2025-2054 period

across all Crown infrastructure (transport, hospitals, schools, etc). After removing depreciation from this, we estimate that this could be around \$173 billion in non-discounted terms.

We assume a project cost of \$10B, in discounted terms (consistent with NZTA's RFP). According to UK DfT guidelines for cost and schedule overruns, the P80 cost overrun for a major road project at the Outline Business Case stage (equivalent to our Indicative Business Case) is around 64%; and the P90 cost overrun is around 90%.

Depending upon the discount rate applied and how one accounts for potential cost overruns then, the project could reasonably be a tenth of this non-depreciation envelope.

**4. Does the Commission not think tolling and other alternative funding tools could fund the financing required for the road? Does it think a large portion of funding will be required from the NLTF?**

Our recent report, *Buying Time*, illustrates a basic model of cost recovery potential for hypothetical toll roads in New Zealand. The ability to fund a new road with tolls will depend upon its time saving relative to the free alternative, the cost to build the road, and the level of traffic. If this project uses alternative funding tools, NZTA will provide the formal modelling of their feasibility.

**5. Does the Commission think the project represents good value for money?**

The Commission expects that value for money is assessed through a rigorous detailed business case. We are unable to comment on the project's value for money as we have not been provided a detailed business case for the project. However, we understand that one is currently in preparation.

**6. Does the Commission have any other comments re the project?**

The Commission acknowledges the need to balance Government transport objectives and speed of delivery with the need for robust project planning, and supports Waka Kotahi's work in this regard.

Cheers,

Simon