

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

Organisation: Globaltraid Limited

Reference: NIPC24-0002513 | Submitted: 05/11/2024 04:22 pm | Submitted by:

### Summary of information submitted

**Page 1 - Introduction** 

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### We're seeking feedback

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

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

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

#### Submission overview

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

A few things to note:

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

#### **Further assistance**

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

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

#### Submission method

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

#### Select a submission method

To continue, select the method you will be using.

Online form

#### Page 2 - Context for the Plan

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

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

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

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

Funding - deciding between central public, local public and private funding without placing an unnecessary burden on the taxpayer, especially those with fixed incomes such as pensioners who have been unfairly burdened with massive rates increases. In the context of local government, there needs to be more direction about investing in infrastructure vs vanity projects.

Value for Money - ensuring that projects are affordable and prioritised in terms of need and impact. If private funding is used, ensuring costs and infrastructure are sustainable and affordable over the useful life.

Transparency - creating a pipeline that can be trusted by the market and used as a basis for planning

Intelligent Client - ensuring public servants are capable of planning, procuring, commissioning, operating, maintaining and managing large infrastructure programmes in line with INTERNATIONAL good practice, rather than "winging it" or assuming NZ practices are better.

Capability - certifying public servants using internationally accepted qualifications - which could be delivered through a NZ institute or academy

ESG - ensuring that projects are planned with sustainable outcomes in mind, including apprenticeships etc.

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

Ensuring true and inclusive local consultation is used, rather than recent "fast track" policy indications that projects will be forced through regardless of consultation.

#### Section two: Our long-term needs

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

3. What are the main sources of uncertainty in infrastructure planning, and how could they be addressed when considering new capital investments? Pipelines are subject to cancel culture following NZs very short election cycle. A truly non-partisan approach is needed from Parliament to offset this.

### Section three: What investment is already planned

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

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

Publish the plan (and manage its delivery) - allowing for a geospatial method of allowing local communities to see which investments will benefit them and when

Use better cost estimates and value engineering to keep costs affordable and up to date. Create a central construction cost database to collect unit costs for benchmarking to inform cost estimates to make them more precise.

Provide a private sector supplier view of expected delivery

Use Gateway Reviews properly - they should be compulsory over a certain threshold. Ready for investment gate is particularly important.

### Section four: Changing the approach

We have used our research and publicly available information on infrastructure investment challenges to identify key areas for change. The next question and the following three pages seek further detail on the three themes in section four of our paper. Within each of the three themes, we explore some topics in more detail, outlining

the evidence, discussing the current 'state of play', and asking questions about where more work is needed.

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

New Zealand needs to consider its value chain for construction works. Cross mobilisation through phasing of contracts should be considered to lower construction down time, and increase utilisation of large capital equipment (tunnelling machines, etc) so that high performing firm's costs could be reduced.

Ensure that vulnerable assets which are key "choke" points if they disappeared in an earthquake or flood etc, e.g. road tunnels in Wellington, have some diversity.

Reduce variability between district councils planning procedures to reduce costs and uncertainty for developers. It is incredible that a country the size of New Zealand cannot standardise these.

#### Page 3 - Capability to plan and build

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### Changing the approach — Capability to plan and build

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

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

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

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

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

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

Good INDEPENDENT oversight and governance for high value decisions.

Public consultation.

Accountability. Too often the government is not open on its large decisions.

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

Prioritise based on outcomes and need, using a portfolio approach

Train public servants in writing business cases rather than using expensive consultants

### Workforce and project leadership: Building capability is essential

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

8. How can we improve leadership in public infrastructure projects to make sure they're well planned and delivered? What's stopping us from doing this? Stop using an amateur approach. Get public servants trained and certified in construction management, quantity surveying, valuation, procurement, contract management, PPP development, etc.

Decide which vocational and professional qualifications are required. Create industry partnership capability such as the Supply Chain Sustainability School for construction projects in UK and Republic of Ireland. Also, look at how the Multilateral Development Banks or other OECD countries are creating capability.

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

Make better use of the Construction Industry compact rather than paying lip service to it.

#### Project costs: Escalation means less infrastructure services

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

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

Benchmarking, Quantity Surveying and Value engineering - lack of training, skills and information in these approaches.

#### Page 4 - Taking care of what we've got

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

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

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

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

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

# 11. What strategies would encourage a better long-term view of asset management and how could asset management planning be improved? What's stopping us from doing this?

Agree a useful life up front. Consider an approach such as the UK Treasury Green Book for financing.

Consider whether rolling 3 year budget allocations rather than a single year budget would lead to more predicatability and better outcomes for ministries and agencies. Negotiating the CAPEX vs OPEX budgeting game is a major finance time waster in many Ministries.

Provide better tools for Whole of Life cost modelling.

Train councils and other infrastructure managers such as Corrections, Health, Transport and NZDF in Strategic Asset Management techniques.

#### Resilience: Preparing for greater disruption

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

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

Learn from other countries via research - which is much cheaper than revinventing the wheel. NZ is not the only country in the world which has these challenges.

### Decarbonisation: A different kind of challenge

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

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

Create a carbon baseline for each project. Measure emissions. Require suppliers to report on carbon emissions.

Invest in low carbon technologies and circular economy strategies. Have a strategy for "brownfield" development which includes recycling and reuse.

### **Page 5 - Getting the settings right**

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# Changing the approach — Getting the settings right

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

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

#### Institutions: Setting the rules of the game

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

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

Consider a modern version of a Ministry for Public Works to develop major projects and develop industry standards in consultation with industry.

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

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

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

n/a

## Regulation: Charting a more enabling path

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

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

n/a

#### Page 6 - What happens next?

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#### Additional information to support our development of the Plan

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

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

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

Item 1

Consult with OECD countries on how they manage these challenges.

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

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

Document 1

No attachment

### Thank you for your response

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

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

If you require any assistance please reach out to our team at <a href="mailto:inform@tewaihanga.govt.nz">inform@tewaihanga.govt.nz</a>.