Infrastructure New Zealand

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Infrastructure New Zealand Submission on the New Zealand Infrastructure Commission – Te Waihanga's National Infrastructure Plan discussion document: Developing an enduring National Infrastructure Plan

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1. Introduction

1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to submit on the New Zealand Infrastructure Commission – Te Waihanga's National Infrastructure Plan discussion document: Developing an enduring National Infrastructure Plan.

1.2 INZ is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors and operators.

1.3 This submission represents the views of Infrastructure New Zealand as a collective whole and may not necessarily represent the views of individual member organisations. We have also encouraged our members to make their own submissions raising those issues specific to their areas of interest or expertise.

2. General Remarks

2.1 Infrastructure New Zealand strongly supports the development of the National Infrastructure Plan and its component parts.

2.2 If properly supported to become an enduring, long-term plan, with a robust needs assessment and the infrastructure priorities programme, it will contribute to greater pipeline certainty for the infrastructure sector and enable the industry to gear up to deliver on the upcoming bow wave of required investment.

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2.3 The development of a NIP represents global best practice – similar work has been undertaken in Hong Kong, Singapore, Australia, and the United Kingdom, where countries have conducted national needs assessments, developed long-term strategies, and set up a pipeline of infrastructure projects. Common features of setting up a stable, sustainable, and investable infrastructure project pipeline include identifying national objectives, assessing infrastructure service needs, and developing an infrastructure strategy. We are encouraged to see many of these attributes reflected in the Commission's thinking.

2.4 Alongside work to improve the system level settings in infrastructure – including the setup of the crown Infrastructure Funding and Financing Company (NIFFCO)y, improving the investment management system and refining the mandate of the Commission, Treasury and Crown Infrastructure Delivery, this progress towards a National Infrastructure Plan is encouraging.

2.5 What's next? Government needs a clear vision as to the economic, environmental and social outcomes it wants for New Zealand. A long-term needs assessment should be informed by a shared view of what New Zealand can be and the areas where we'll need to invest to enable that vision to become reality. Infrastructure is a means to an end, not an end in itself. A needs assessment will be best informed by a clear direction of where we're going as a country.

2.6 This is not New Zealand's first National Infrastructure Plan, and the real test for the NIP will be its ability to act as a helpful tool to provide an enduring verified menu of projects, and deeper understanding of investment need to politicians in successive governments to come.

2.7 As such, it will need to enjoy bipartisan support to ensure that the Plan is an enduring tool for governments to come, and for the public to hold future decision makers to account with. We are encouraged by the Minister's proactive willingness to brief Opposition parties on progress on the National Infrastructure Plan and look forward to continuing to give a platform to this work.

2.8 Our approach to this submission has been to pull out a selection of relevant questions and topics from the consultation document that we can best contribute to. INZ would welcome further engagement from the Commission as it develops the draft National Infrastructure Plan, and thanks the Commission for partnering with INZ to deliver the NIP engagement workshops in November.

Section One – Infrastructure Challenges and Opportunities

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3. Productivity and the efficiency of our infrastructure spend

3.1.1 As the discussion document notes, we know that New Zealand has a productivity challenge, which relates directly to the problems we face with infrastructure. New Zealand is in the bottom 10% of OECD nations for both the value we get from our infrastructure spend and the quality of our asset management. We are last in terms of asset management accountability and transparency.

3.1.2 Much of our lack of value from our infrastructure investment is due to the stop-start nature of projects getting to market and the cost of downscaling and upscaling required to meet this lumpy demand. This materially increases the costs of infrastructure as teams are having to mobilise up then down again with no continuity of work. Lost productivity as a result means the sector does not fully invest in tools (for example New Zealand is the last country in the developed world to fully adopt BIM) or major modern plant. Contractors are also reluctant to heavily resource up a project as there is no follow-on work hence the cost of demobilisation is too great so they slow projects down.

3.1.3 An INZ commissioned report has found that greater pipeline certainty could unlock productivity benefits and improvements to enable between $2.3 to $4.7 billion more capital investment each year.

3.1.4 The National Infrastructure Plan will play an important role in providing, among other things, a menu of verified project options for future governments to consider and a deeper understanding of where and when we will need to invest in our infrastructure.

4. What approaches could be used to get better value from our infrastructure dollar? (Question 10)

4.1.1 We strongly support the identification of scope change, high input costs in some areas, the opportunities to designate projects, acquire land earlier and more strategically, design standardisation, project repeatability and good project planning, streamline consenting processes and design as key issues contributing to, and opportunities to improve, the inefficiency in the delivery of New Zealand's infrastructure.

4.1.2 In addition, we identify the following factors driving inefficiency:

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4.1.2.1 A lack of pipeline certainty constrains the efficiency of the industry and New Zealand's ability to phase projects effectively.

4.1.2.2 Departing City Rail Link (CRL) Chief Executive Sean Sweeney this year highlighted in an interview the costs of not having another major project lined up. Following CRL, over 100 tunnel boring machine operators left New Zealand. To repatriate them and their families again for the next project – a tunnelled Waitematā Harbour Crossing for example, would come at great cost comparative to having planned in advance for them to stay in the country as a result of improved project phasing.

4.1.2.3 Our resource management system is also a well-known cause of inefficiency and delay. Firms on infrastructure projects spend an average of 5.5% of their total project budget on resource consent. The time for consent applications has increased by up to 150% since 2014/2015. High-complexity projects face an average of $7,000 in direct consenting costs daily.

4.1.2.4 INZ has been encouraged by the development of new legislation to firstly amend and ultimately replace the Resource Management Act. The phase 2 amendments along with the development of National Direction, particularly the National Policy Statement on Infrastructure, should assist in streamiling the approvals process and ensuring that infrastructure development is better enabled. INZ also supports the phase 3 RMA replacement Bills as signalled with one enabling urban development and infrastrcuture and the other focussed on environmental protection and management of envrionmental effects.

4.1.2.5 We are also encouraged by the development of the Fast-track Approvals approach. The relevant Bill has been reported back from the Select Committee with positive changes made and we are looking forward to the enactment of this legislation and the commencement of the processing of the 149 project applications as the first step in development

4.1.2.6 INZ has also been closely involved with Ministry for the Environment officials as they develop policy proposals for both Phase 2 and Phase 3 of RMA reforms and welcomes ongoing dialogue as this work onnthe National direction instruments progress the Bills replacing the RMA to be introduced mid-2025.

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4.1.2.7 We hope to see these reforms being finalised and used as the basis for the development of an enduring National Infrastructure Plan focussed on improving the efficiency of infrastructure delivery.

4.1.3 And opportunities to improve:

4.1.3.1 Financing models, such as community and economic partnerships (more below) provide an opportunity to bundle projects and encourage greater use of standardised design.

4.1.3.2 We also note that tangata whenua involvement in infrastructure planning and delivery can bring an important intergenerational perspective and a critical focus on ecological and cultural values, as well as economic development opportunities for local communities and businesses.

5. Changes required to enable better investment decisions by local and central government (Question 6)

5.1 Treasury's Investment Management System can be improved.

5.1.1 We support the Auditor General's recent recommendation that Treasury ensure that there is regular public reporting on the progress of all significant investments that have had or that require Cabinet-level consideration. Part of this is about ensuring Parliament and the public can form a view on whether investments are delivering value, so that the government can be held accountable for the decisions it makes.

5.1.2 There needs to be a way for Parliament and the public to understand whether investments are delivering value for moneymajor investments. We agree that one way to do this is to ensure regular and standardised reporting mechanisms so that Ministers, Parliament and the public can understand how projects are tracking.

5.1.3 Further, we must continue to ensure that proportionate pre-work is completed for project investment. Thresholds for requiring more extensive business case development should be periodically reviewed, and publicly reported on by Treasury.

5.1.4 As part of the initial risk assessment profile, the approach to pre-work should be agreed with The Treasury, the relevant agency, and the Minister. Business Casing processes need to be timebound, salient and delivery focused. Over-optioneering, and the inclusion and assessment of

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improbable solutions, need to cease. Business cases should not be seen as an end in themselves. We would suggest that ongoing monitoring of the percentages of business cases which result in development or a clear decision to select the status quo should become the standard practice.

5.1.5 When establishing and investigating new projects, care should be taken by Ministers and officials to house the investigation and development work in the most appropriate parts of government – for example, it is often not suitable to ask policy officials to prepare businesses cases. Delivery agencies should be invovled in business case develpment from the start.

5.1.6 There is an opportunity build in adaptive project management principles from the start, including in the Investment Management System. This will empower project managers/leaders to design their project management to be nimble to more changes in requirements for their projects and may see fewer projects stop.

5.1.7 We note that data quality, collection practices and public sector capability will need to improve significantly to support greater reporting and transparency. The sector would benefit from greater system-leadership on data collection and capability build. If New Zealand is to improve its productivity, then the collection of Building Information Management (BIM) data or simliar utilies systems data like the Wellington utilities underground asset registry need to be mandated. There will be a short term cost but these systems can be self-funding and ultimately will apy for themselves in time and cost savings. Our policy position on this issue goes into greater detail.

5.2 The local – central government relationship has at times been strained, and works inefficiently to support best practice infrastructure investment.

5.2.1 On one hand, the organisation of councils is inefficient, in so far as shared services arrangements or other iniatives, including amalgamation and greater coordination, have not been taken up to fully leverage the economies of scale and scope that these provide.

5.2.2 Councils have also failed to, in many cases, fully leverage their balance sheets before going to Central Government for extra funding.

5.2.3 On the other, our local government arrangements separate and isolate two of the most powerful governing responsibilities. Planning is almost completely delegated to local government, while fourteen out of fifteen

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tax dollars are collected by central government. This creates incentives that are fundamentally misaligned fiscally, financially, and structurally.

5.2.4 Central and local government both face different (and often competing) motivations. Local government's primary source of revenue – rates – is detached from council performance and is instead linked to voters' priorities, which often focus on vertical infrastructure with tangible outcomes and near-term impact. These priorities can crowd out much needed investment in horizontal infrastructure that can at times be less visible but is no less important. This misalignment of incentives often leads to situations in which local government is not adequately equipped to plan for or fund infrastructure needed to address local challenges such as growth and rising sea levels. This puts local government at odds with central government who gets direct benefits from improved economic performance and is incentivised to proactively pursue economic growth, and makes our investment system settings inefficient.

5.2.5 INZ has long advocated for system change to align incentives. In 2019, our report entitled Building Regions: A vision for local government, planning law and funding reform outlined a vision for a governance and funding system that leverages regional coordination and reallocates roles and responsibilities.

5.2.6 Our recent delegation to the United Kingdom highlighted what was possible when we get the settings for central-local government partnership, and by extension, investment, right. Key areas of interest included the Highlighted the value of thinking about the system of governance as a whole to support investment decision making, and the benefits of scale as well as greater devolved power in attracting leaders with more experience and capability. Our report back on these findings is available here.

5.2.7 In addition to the discussion document's focus on the investment system process, we recommend that the impact of inefficencies in the wider governance system be included in the Commission's thinking.

5.2.8 As such, INZ supports the discussion document's identification that the misalignment of 3 year central government planning horizons with 10-year council plans and 5-year regulated entity time horizons makes it difficult to understand and coordinate across investment intentions. New Zealand would benefit from greater alignment across these plans to enable greater coordination and sequencing of projects and their

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workforce needs.

6. What strategies would encourage a better long term view of asset management and how could asset management be improved? (Question 11)

6.1 In terms of the sub-sectors which require the most attention, we recognise that there are substantial deficits across many of the focus areas a NIP might consider. However, one ongoing and cross-cutting weakness of our infrastructure investment environment to date has been a lack of focus on asset maintenance and renewals. 60% of future investment will need to be spent on maintaining and renewing our existing infrastructure assets. We would encourage the Commission to begin with the maintenance and renewal of existing assets in its assessment of the investment need over the next 30 years when undertaking its prioritisation process.

6.2 We are encouraged by the strong focus on asset management in the discussion document, and support the Commission's recent recommendations for improvement of our asset management system including:

6.2.1.1 Strengthening requirements, including greater oversight and enforcement.

6.2.1.2 Requiring periodic, independently verified assessments of all major public infrastructure and publicly report the results.

6.2.1.3 Requiring all providers of critical infrastructure to explicitly assess and appropriately prioritise infrastructure resilience.

6.2.1.4 Investing in training programmes and develop a clear professional pathway for asset managers.

6.3 In addition we recommend a focus on the below improvements.

6.3.1 Well executed PPPs drive better whole-of-life outcomes by integrating design, delivery, and asset management by linking payment to successful operating performance and ensuring the necessary quality and cost tradeoffs occur upfront in the project delivery process Funding of ongoing maintenance and renewals is accounted for from day one.

6.3.2 Effectively pricing our assets will also aid in the efficiency of our asset management practices. Water metering, for example, incentivises leak

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identification across the network and can aslo be an effective tool in demand management of the resource. Metering can provide a revenue stream used to address these issues in a more timely fashion. That revenue stream is more consistent and reliable than government or council funding over time, meaning that workforce, plant and other planning for the asset maintenance work programme is better enabled.

6.3.3 Investment in BIM tools, and improved data quality, governance and data standards have a role in supporting an improved understanding of the state of our assets. At present, many councils and agencies are blind to the condition of the assets they are then responsible for managing.

6.3.4 Mandating the return of relevant data to the client in publicly funded infrastructure projects would be a helpful start. As would the expectation that client agencies hold and maintain the relevant maintenance data management systems for their assets. We also expect to see transparent, adequate, annual funding allocations for asset maintenance and renewals separate from operational budgets.

7. Network pricing (Question 15)

7.1. INZ is strongly in favour of networking pricing and use of tolling for new roads, and is encouraged by the inclusion of this topic in the discussion document.

7.2. It is becoming apparent that New Zealand cannot use status quo funding mechanisms for reliance to properly maintain, renew and replace transport assets. Land transport is under significant funding pressure with over 20% of our infrastructure spending being in this area. Investment now exceeds consistently revenues - keeping doing what we do is not sustainable. New ways to fund projects such as Public Private Partnerships must again be utilised, however new ways to capture revenue to service such models are just as important. The latter is the only way to enable the former.

7.3. All new roads must be tolled, even if the construction has been Crown grant funded. There is a need to gain public acceptance that paying directly for increased levels of service is necessary if we are to enable the development of the world class quality of infrastructure we desire.

7.4. While these revenues won't cover the full cost of an asset, we must establish the discipline of charging the users for as much of the cost as

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possible. This is a well-established and accepted practice overseas and it is one we must adopt here to provide adequate transparency on usage, maintenance spend and long-term stewardship of our important transport assets. Good Infrastructure requires good pricing.

7.5. We note that public surveying points to high support for pricing, including 72% in favour of volumetric charging as the preferred way to pay for the provision of water.

7.6. Best practice pricing demonstrates the extra value a community will receive – either in new infrastructure, the improved quality or efficiency of use of the asset to the community that is to be affected by the pricing. We look forward to pricing being included as an important non-built solution in a National Infrastructure Plan.

8. People and project leadership (Questions 8 and 9)

8.1 As a result of the stop-start nature of the pipeline, workforce planning is inconsistent, and could constrain the sector's ability to respond to future investment to address our infrastructure deficit.

8.2 At present, forecast workforce requirements as work comes to market are significant, but the sector is currently shedding people. There is a bow wave of projects coming especially, in the short to medium term, around the Roads of National Significance and water sector work programme which is going to require significant human resource.

8.3 As noted in the consultation document, we are not adequately leveraging the full potential of a more diverse infrastructure workforce to address these gaps.

8.4 Existing initiatives like Fulton Hogan's infrastructure skills centre and work by the Diversity Agenda across the engineering and advisory industry recognises that each industry within the wider sector requires a tailored approach to supporting greater diversity in their respective workforces. INZ has work underway to identify the opposrtunities, and barriers, to scaling these and other initiatives to improve the diversity of our sector. We would be happy to share this once it is finalised, and encourage the Commission to support a bottom up approach to building a more diverse workforce, alongside changes at a policy level to improve social procurement practices.

8.5 We also note that greater standardisation of project documentation would be helpful in improving tender accessibility and to supporting smaller and more diverse businesses across New Zealand to build their capability to partner with Government,

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Councils and other providers to deliver infrastructure.

8.6 The discussion document rightly identifies that project leadership is also a key issue. Alongside the need to get core project management systems and processes right, the 'art' of project leadership is something that New Zealand has not proved to be particularly good at in recent decades.

8.7 The World Economic Forum reports wastage of up to 15% on major infrastructure projects. This is not from 'over-paying' the market but from 'under-collaborating' with it. There is much room to improve.

8.8 INZ's 2018 Report on major project procurement lays out many of the challenges that still resonate today: outcome identification; confusion between 'cheapest' and 'best value'; sub-optimal public sector participation; and a lack of joined up thinking among others are included.

8.9 There is also a need to ensure that importance of having design included early in the procurement process, especially for PPPs. A focus on uplifting the quality of major project leadership should focus on getting everyone to the table early on in the process to define outcomes effectively from the start.

8.10 The involvement of overseas firms via foreign direct investment and delivery involvement in New Zealand also brings an opportunity to innovate and improve our delivery capabilities.

8.11 We also note that politically influenced appointments of project leadership signfiicantly constrains the success of a project. Greater transparency is needed on major projects, including at this level.

8.12 As such, INZ supports the Commission's focus on major project leadership academies to support sector wide capability uplift in Rautaki Hanganga o Aotearoa – New Zealand's Infrastructure Strategy.

8.13 Migration will also continue to play a key role in growing our capacity to deliver on upcoming investment. But, increased migration also increases the demand for infrastructure in our cities and regions. Coming climate migration presents a potential driver of population growth for New Zealand. This may also be an opportunity to attract the skills New Zealand needs to meet its infrastructure delivery needs.

8.14 A long term population strategy would be a beneficial tool in giving us more clarity on how many people a 30-year NIP might serve.

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8.15 Regional spatial planning, may be a positive outcomes under the RMA replacement legislation, and is an opportunity to facilitate and target growth in a more planned manner. Coordinating any work programme in this area with the Commission's long term plan would be a helpful exercise.

Climate Resilience and Decarbonisation

9. How can we improve the way we understand and manage risks to infrastructure? (Question 12)

9.1. At present, our recovery and resilience system is ad-hoc and inconsistent. An improved understanding of future risk and resilience needs, their effects on local communities including their social and economic costs, is required.

9.2. Our current recovery and resilience system lacks national guidance for risk assessment; has inadequate data stewardship; and lacks guidance on trade-offs that will need to be made between risk mitigation and adaptation and other council priorities.

9.3. A central body to act as a system lead – based on the Queensland Reconstruction Authority model would be a useful addition to New Zealand's resilience and adaptation landscape. We detail these points more substantively in this policy position.

10. How can we lower carbon emissions from providing and using infrastructure? (Question 13)

10.1 Voluntary independent infrastructure sustainability ratings schemes provide compelling evidence that low-carbon projects can also achieve broader sustainability outcomes. Improving uptake and building industry capability to employ these schemes, like the Infrastructure Sustainability Council's system, will standardise the sector's evaluation of economic, social and environmental performance of infrastructure across the planning, design, construction and operational phases of infrastructure assets. We note too that there is an increasing expectation from the finance sector that capital investment funds expect more independent auditing and varifcaiton of investment outocomes to support their Environmental, Social, and Governance (ESG) requirements).

10.2 Emerging technologies like low-carbon cement and concrete offers a significant opportunity for New Zealand's infrastructure sector to significantly reduce its embodied carbon during construction. There are encouraging signs of some innovation and

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adoption in New Zealand, however the scale of change required is not occurring fast enough in the face of climate change. Despite an urgency to achieve significant decarbonisation of the built environment, the infrastructure sector faces uncertain government settings and challenges to large-scale adoption.

10.3 Nature based solutions are also another tool in the decarbonisation toolkit. Our education system, including engineering training, and professional development opportunities, should recognise the need to upskill the sector to effectively design and implement these alternative engineering solutions.

10.4 Structures for government-industry collaboration in this area have proved helpful overseas, including in Australia. The Infrastructure Net-Zero coalition united seven private sector peak bodies and three federal agencies as a joint initiative to co-ordinate, collaborate and report on Australian infrastructure's pathway to net zero.

10.5 But it is bipartisan commitment to the ongoing funding of climate initiatives that may be the one of the most impactful things we could achieve. The flip-flop over decarbonisation funding, both between the last and this government, but also as a result of the change in leadership in the last Labour Government has hampered efforts and the broader sector's commitment to decarbonisation which will not support New Zealand's net-zero ambitions effectively.

Section Two – The proposed structure of the NIP

11. Current investment intentions

11.1 INZ welcomes the Commission's focus on supplementing its pipeline data with Councils' long term plans to inform its current investment intentions analysis, but would encourage targeted engagement with private sector infrastructure owners and operators alongside this. $82 billion of our existing assets are owned by the private/commercial sector, many of these may not contribute directly into the Commission's pipeline.

12. Needs assessment

12.1 INZ appreciates that Commission's approach to the needs assessment process has taken in acknowledging the need to include insights on diverse future scenarios. In particular, we would like to see the future workforce and investment need explored given different (likely) occurrences of natural disasters.

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12.2 While we won't have certainty on where a disaster may occur, an understanding of the effects of shocks like those that will result from the increasingly common effects of climate change would be helpful. This detail on how a needs assessment will flex when the investment environment changes so as to make the NIP a document that is enduring and useful despite changing contexts would be a useful addition to the NIP process.

13. Drivers of infrastructure spending

13.1 In addition to the eight drivers the discussion document identifies, we note that changing geopolitical dynamics, though difficult to predict, may reposition New Zealand's need for infrastructure investment. We may benefit from our position, removed from many major global centres, and find ourselves able to leverage our renewable energy base to export to the world, as well as on the receiving end of migrants or refugees.

14. National Infrastructure Plan

14.1 INZ is encouraged by the Commission's intention to have the plan be iterative in nature. Strategic infrastructure planning is not a one-off activity. Planning infrastructure should form part of a regular process of reflection and review. More information on the regularity of these reviews would be helpful as the plan develops.

14.2 Globally, the strongest review systems also incorporate a periodic appraisal of the methods and data used, highlighting where this can be refined over the lifetime of a project or programme.

15. Closing the gap between investment intentions and future needs

15.1 In looking for ways to 'close the gap' between current investment intentions and future needs, there are multiple funding and financing approaches that we are not yet leveraging to their full extent which could support the delivery of more and better infrastructure. Here we focus on those that don't have active policy work underway or haven't been as well canvassed as some of the tools that the Commission has reflected elsewhere in its work to date.

15.2 We nonetheless strongly support the use of PPPs and other financing models that facilitate private investment in the build and operation of infrastructure assets, the use of user charges including tolling and time of use charging to manage demand, and an expanded funding and financing toolkit for local government, among other approaches.

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15.3 Asset recycling

15.3.1 Asset recycling – realising capital from existing assets through sales, leases or partnerships with the private sector – can be a key strategy for funding new projects while limiting increases to government debt. It allows us to maximise the value of what we already own and build the new infrastructure we require, while being fiscally responsible.

15.3.2 Overseas, strictly ring-fenced capital gained from recycled assets has been able to effectively fund new public infrastructure. Central government agencies, and local councils could both benefit from taking up this approach.

15.3.3 Please see our recent report for more detailed analysis of the role asset recycling could play.

15.4 Community and economic partnerships

15.4.1 Alongside work underway to refine the PPP model for large projects, involving private capital and delivery capability in large infrastructure projects, there is an opportunity to improve the efficiency of the delivery of smaller scale projects (in the $25 million to $200 million range) in a manner which supports and develops our local contractor market.

15.4.2 Allocating more public sector money, while following the established direct procurement mechanisms, is not necessarily the optimal path to addressing the country's smaller infrastructure deficits due to a range of factors including limitations on the bandwidth of Government procuring agencies. At the same time, there is broad industry consensus that the large-scale PPP Model (and/ or scaled down versions of other traditional 'top down' procurement methods such as BOT or BOOT) are either too complex or insufficiently community-focused and flexible for smaller assets. In view of this, there is an opportunity to explore how private sector expertise and financing can support a more efficient roll out of community-scale infrastructure assets through 'Community Partnership' models.

15.4.3 Third party investment in smaller scale and social infrastructure projects should be part of the Commission's thinking about opportunities to widen the funding and financing toolkit as it thinks about how the close the gap between current investment and future need. We provide more detail on how this approach might be used in this report.

15.4.4 Existing Government funds for infrastructure would also benefit from being more efficiently organised. Currently, the multiple infrastructure funds available have their own: administration bodies who are responsible for the funds; application process

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(including forms, information requirements, assessment processes); repayment terms (such as grants versus loans); and reporting requirements. Agencies, sometimes with limited initial capability, have had to establish and disestablish teams/units and systems to administer these funds. Cross-Government sharing of expertise and resource has also not been effectively harnessed. As a result, we have seen infrastructure expertise spread thinly across agencies where these funds are located.

15.4.5 Addressing the "how" of paying for the gap between current investment and future need will require us to also be smarter about the way we deploy existing funding. We recommend that these funds are consolidated into one infrastructure fund. Our Policy Position on this topic provides more detail on this recommendation.

16. Conclusion

16.1 Infrastructure New Zealand thanks the Commission for this opportunity to submit on what is an important building block towards greater pipeline certainty and bipartisanship.

16.2 INZ has long advocated for a clear menu of projects that could support improved and more consistent decision making at a political level.

16.3 For this Plan to be enduring, it will require bi-partisan support, and engagement from the public who will be well placed to use it as a tool to hold future governments to account.

16.4 We commend the Commission for its work on this discussion document and look forward to continuing to engage as it drafts the National Infrastructure Plan.

Yours sincerely,

[redacted]

[redacted]

Advocacy and Strategy Lead

Infrastructure New Zealand