

# Draft National Infrastructure Plan June 2025

## Feedback Comments and Recommendations

August 2025



### Preface

The following is my individual response to the Commission's question, "Have we got it right?"

After more than 40 years in the infrastructure sector, I feel a sense of déjà vu about the Commission's actions, and I want to share my thoughts so that my mokopuna can access the lifeline infrastructure they deserve at a cost they can afford.

Please forgive my heartfelt honesty in this response. It's been some years since I've had to tread carefully over the broken glass of political correctness and cultural sensitivity. Time does not permit me to present this to a higher standard, but I am confident you will understand my main points.

If we aim to make our "leaky bucket" infrastructural services reliable, resilient, sustainable, and affordable, the Commission must be empowered or should facilitate more vigorous enforcement and influence. To get the best value for money, we need to think more laterally and innovatively to find the best solutions. This challenge is not only financial but also societal.

The Commission has been active since 2019. Aside from well-presented reports, it has few notable achievements, apart from the recently announced \$6.4 billion Infrastructure Package, which will become an outcome when the work is completed. Meanwhile, the behaviours that led us to our current position remain unchecked due to our open and free economy and its hands-off approach to government involvement. Below, I suggest some easy and obvious immediate actions the Commission should take to facilitate progress.

The following comments offer recommendations for the Commission's review. They also provide background information to assist the Commission and other readers in understanding how our current position developed and the big issues remaining to address. These reflect my various senior roles within the water and council infrastructure sectors, including my recent 11 years as Corridor Asset Manager for Auckland Motorways, along with some experience in the electricity sector.

I would be very happy to elaborate.

## Definitions of terms used

### The Social Contract—Infrastructure's Invisible Backbone

The social contract in infrastructure governance refers to an unspoken agreement between the state and its citizens. It ensures that public resources are allocated fairly, transparently, and with an eye to long-term benefits. This contract involves more than just roads and pipes; it embodies trust, legitimacy, and shared purpose

### Intergenerational Promise

The concept of an intergenerational promise is a powerful ethical and civic principle, especially in areas like infrastructure, climate action, and fiscal policy. It reflects the commitment that today's decisions should not harm the future well-being of subsequent generations.

### Civic Legitimacy

Civic legitimacy relates to how fair, transparent, and responsive infrastructure governance appears to the public. It goes beyond technical implementation and focuses on whether individuals feel that decisions genuinely reflect their values, needs, and rights.

### Lifeline Services

Lifeline services are essential infrastructure systems that support daily life and enable emergency responses. In New Zealand, these services are defined by the Civil Defence Emergency Management Act 2002, which requires lifeline utilities to prepare for disruptions and maintain continuity during crises.

The Commission must prioritise lifeline services. For example, in healthcare, this involves not only having reliable, resilient, sustainable, and affordable infrastructure but also ensuring that trained nurses and doctors are available.

### NZ Inc

"NZ Inc." is a strategic concept rather than a single organisation, emphasising social well-being as its primary criterion. Its success relies on effective coordination and a shared value system that unites government, business, and civil society. Although these values may not always be formally documented, they shape New Zealand's global image and influence how its institutions collaborate.

The NZ Treasury's Living Standards Framework exemplifies the values of NZ Inc.

### Thought Leadership

Thought leadership entails skilfully and ethically shaping ideas that influence others. This can include:

1. Recasting infrastructure as a social contract, not just capital spend
2. Linking delivery to civic legitimacy, intergenerational equity, and trust
3. Developing indices, charts, and dashboards that others use
4. Hosting forums that unite iwi, councils, industry, and citizens

## Key Message on a Page

The Draft Plan should be much more driven by Outputs and Outcomes, noting in the Commission's words, ***“Infrastructure is about Services”; “Infrastructure being a means to an end.”, “Infrastructure lays a foundation for the people, places and businesses of Aotearoa New Zealand to thrive for generations.”“Infrastructure is a foundation for wellbeing”.***

The Plan focuses on problems rather than solutions. It largely overlooks the key steps needed to achieve the outcomes listed or implied on the Commission's website. These include reform mechanisms necessary to provide reliable, resilient, sustainable, and affordable lifeline infrastructure services to all New Zealanders and businesses. Such a plan should outline a clear sequence of steps to reach these goals, aligning with NZ Inc.'s values for both current and future generations.

The current delivery system is fragmented, input-driven, and agency-focused, lacking personalised, integrated, and outcome-oriented services. The Commission and other public bodies must adopt a coordinated, results-driven model that aligns with ***“reflecting the values of the communities it serves,”*** known as NZ Inc. I have proposed an obvious model.

The Plan must quickly deliver a strong message stressing the urgent need for change. It should prepare citizens for meaningful debate on major issues. The message must emphasise that our systems are overstretched, underfunded, and vulnerable. The reality is clear: closing the infrastructure gap over 30 years will cost about \$200,000 per person, roughly \$1 trillion.

Transparency and honesty are vital when engaging with the public, but it's equally important to inspire hope and confidence by presenting a strategic and optimistic vision for the future. Currently, the Plan lacks this clear direction, which is its primary shortcoming.

If we don't understand the roots of today's problems, solving future challenges becomes difficult. Key issues involve misaligned incentives, like focusing on re-election, poor reinvestment strategies, and fragmented governance. These lead to popular choices over responsible ones.

The Plan's ultimate outcomes should align with NZ Inc. values, as outlined in reports from Audit NZ, NZ Treasury, and other sources. These values emphasise intergenerational equity, user pays principles, personal well-being, civil legitimacy, and, most importantly, rebuilding public trust. Restoring trust is essential to enable bold decisions necessary for achieving the desired results.

The Draft Plan and the Commission's website show funding through loans, passing costs to future generations. This conflicts with NZ Inc.'s principle of intergenerational equity, which prevents future generations from being burdened by past debts. If young New Zealanders see a future with limited opportunities, declining infrastructure, and unaffordable housing and infrastructure, while older generations retain wealth and influence, migration may seem rational.

**Ki te kahore he whakakitenga ka ngaro te iwi – without foresight or vision, the people will be lost**

The Commission, at six years old, needs to become more assertive and courageous by promptly delivering tangible outcomes and bold, apolitical messages to prepare New Zealand for upcoming significant decisions. This entails transforming its Strategy into an actionable mandate by incorporating solutions into the Draft Plan, recognising the apparent reality that the current system cannot be tweaked to succeed, and addressing issues related to intergenerational equity, trust and civil legitimacy. I have suggested how this could be done in the pages that follow.

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## Summary and Recommendations – Did We Get It Right?

Have we got it right? No. There's a long way to go with the Plan if we are to make a difference.

The Draft Plan emphasises problems over solutions. A Plan should be a deliberate sequence of steps to reach a goal. The draft does not address the complex issues involved in developing reliable, resilient, sustainable, and affordable lifeline infrastructure. It lacks specific institutional reforms or accountability measures. I have outlined these issues and included some recommended reforms, immediate actions, and delivery mechanisms in my response.

The Commission's ***"goal is to lift the economic performance of New Zealand and improve the wellbeing of all New Zealanders"***. ***"This isn't just about building more roads or pipes, it's about creating a system that delivers better outcomes, is more resilient, and reflects the values of the communities it serves."***

Initiatives such as the National Infrastructure Pipeline and the recently announced \$6.4 billion infrastructure package are promising initial steps; however, much work remains to be done. There is insufficient discussion about the ***future well-being of all New Zealanders*** or about ***creating a system that will realise the commission's vision and goals***. The draft places greater emphasis on what needs to be done rather than how it can be achieved, and it ignores essential lessons from previous failures in tackling the same unresolved issues between 1990 and 2002.

Critical issues, beyond the unresolved issues that were unsuccessfully addressed between 1990 and 2002, are hardly discussed in the report. These include the ongoing cost-of-living crisis, concerns about future well-being, and a lack of trust in our institutions. I see nothing in the draft report that learns from the previous unsuccessful attempts between 1990 and 2002 to prevent an infrastructure deficit. I have outlined these attempts in my response.

Funding wasn't an issue thirty years ago because the required funds were expected to come from depreciation funding, as mandated by legislation in 1996. However, these requirements were not followed, and no consequences arose.

In New Zealand, approximately 70,000 mostly young, skilled citizens had left by the year ending February 2025, highlighting a failure of the intergenerational promise that today's decisions will not compromise ***the well-being of future generations***. If younger New Zealanders face debt, poor infrastructure, and high housing costs, while older generations accumulate wealth, migration appears to be a viable option. New Zealand needs to retain these people.

The report needs to be carefully rewritten to highlight the dependable, resilient, sustainable, and affordable delivery of lifeline infrastructure services to all New Zealanders, in line with the values of NZ Inc. It should emphasise that infrastructure is a tool for achieving positive social outcomes, as outlined in Clause 1.1.1 of the report, rather than merely focusing on the infrastructure.

The Commission has been functioning for around six years, and it is fair for the public and the infrastructure sector to expect more concrete results than just producing reports. Little progress has been made in holding infrastructure providers accountable, such as enforcing existing legislation, or in enhancing their efficiency in delivering services. I have suggested several immediate actions.

The current delivery system is fragmented, input-driven, and agency-centred, failing to provide personalised, integrated, and outcome-focused services. The Commission should adopt a coordinated, results-driven model that aligns with ***"reflecting the values of the communities it serves,"*** also known as NZ Inc.

Councils should shift from prioritising popularity to responsibility. Transforming council cultures to emphasise financial literacy is crucial. Some councillors are advocates but lack confidence in financial matters, such as balance sheets or depreciation. Others act from self-interest or avoid technical details, viewing them as bureaucratic hurdles.

Reforms face challenges despite technical agreement, mainly due to low trust in authorities, which is crucial for governance. In New Zealand, the bigger issue is public trust, with surveys showing declining confidence, especially among younger and less affluent citizens who feel disconnected and burdened. The Commission should prioritise rebuilding trust while developing solutions.

Recent events reveal system vulnerabilities and underfunding, raising doubts about oversight competence. Underinvestment shows a lack of commitment to the future. To restore trust, the Commission must share transparent information on infrastructure, backed by accurate data, plans, and benchmarks to adopt best practices. Updating outdated curricula in schools and universities would greatly help prepare future professionals.

The 2002 Local Government Act required councils to develop a Long Term Community Consultation Plan (LTCCP, now called LTP). Proper implementation could have prevented the need for the Commission and our current deficit. Understanding why this didn't happen is crucial. Good governance requires effective long-term planning and credible financial strategies, showing commitment beyond immediate elections.

The Commission's challenge is mental and emotional, fostering shared financial understanding without offending less knowledgeable individuals. While mainly for decision-makers, the public must also learn about infrastructure issues, risks, and future costs to support New Zealand Inc.'s vision.

The Plan fails to dispel the misconception that intergenerational equity means funding our deficit through loans, with future New Zealanders repaying past debts over 30 years or more. True intergenerational equity involves borrowing for new infrastructure, expecting future users to share costs, rather than paying off previous debts. Our \$1 trillion deficit is \$200,000 per New Zealander.

The current Ministry of Infrastructure, working alongside the Commission, has made significant progress. However, a new government could undo these achievements. Under the previous two-term administration, three different Ministers headed the Ministry, each guiding it in different directions, not aligned with the current strategic focus. Moreover, the three abandoned water reform programs were not integrated into the Ministry's scope because they were driven by centralised co-governance.

## **Conclusion**

The Commission should shift from an input-focused approach to a results-driven outcomes approach, emphasising the delivery of dependable, resilient, sustainable, and affordable lifeline infrastructure services for all New Zealanders, aligning with New Zealand Inc.'s vision.

This is more than a technical accounting issue; it's a social challenge involving intergenerational equity, perceived credibility, and the trustworthiness of infrastructure stewardship. Over the past 35 years, we've replaced long-term stewardship with short-term pragmatism. This must stop.

The Commission needs to communicate more boldly and assertively, addressing the difficult conversations, starting with the appointment of a Parliamentary Commissioner for Infrastructure Delivery. I propose some immediate actions that the Commission can do now.

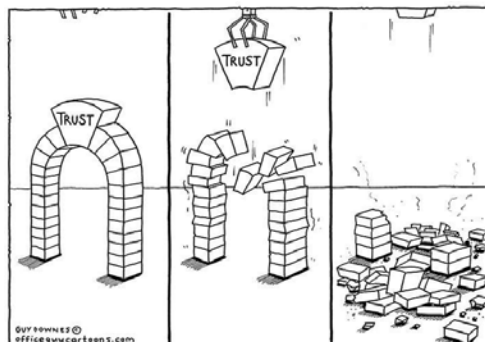
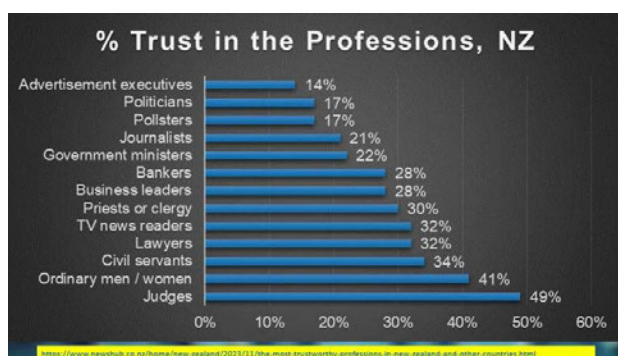
Bold decisions are needed that are not just economic, they're social and generational.

## Recommendations

(The following is a summary of the recommendations. They need a bit more refining, but are indicative of what's necessary to provide a reliable, resilient, sustainable and affordable lifeline infrastructure services aligned with the values of NZ Inc.)

### It is recommended that

1. The Commission focuses on achieving the outcomes enabled by the water in the bucket, rather than just trying to fix or replace the leaky bucket.
2. The Commission shifts its focus to securing a reliable, resilient, sustainable, and affordable supply of lifeline infrastructure services for everyone.
3. The Commission's work supports and aligns, where appropriate, with the key outcome-based values of NZ Inc.
4. The Commission clearly outline the various future funding options and specifically explains how user pays and intergenerational equity will impact vulnerable and future New Zealanders and businesses.
5. The issues in Section 6 "*What's missing from the Plan...*", be addressed in the revised Plan
6. The Commission gains a clearer understanding of the reasons behind our current infrastructure deficit to learn from past experiences. This should include insights from the disbanded Productivity Commission, the Government's Investor Confidence Rating programme, and MBIE's rule 16.
7. The Commission requests input from relevant sector organisations, such as LGNZ, SOLGM, Engineering NZ, Water NZ, and universities/polytechnics, to better understand the reasons behind the current infrastructure deficit and to learn from previous experiences
8. The Commission develops plans for customers and businesses to rebuild trust and civic legitimacy with their service providers, facilitating a collaborative agreement on the key actions required to attain sustainable infrastructure.
9. The Commission should, in collaboration with the appropriate government agency, have the authority to veto projects that do not present a robust business case meeting the Commission's minimum requirements.
10. In worst-case scenarios, the Commission should facilitate the prompt deployment of Crown Monitors and Crown Commissioners.
11. The commission should oversee all relevant training related to infrastructure to ensure that the skills taught align with its vision of delivering reliable, resilient, sustainable, and affordable infrastructure services for residents and businesses across New Zealand
12. The Commission develop strategies for rebuilding trust before making the necessary bold decisions



13. Where, in the Commission's opinion, organisations lack the intellectual capacity or desire to make effective decisions and/or to deliver them effectively, Government-appointed Monitors and Commissioners should be promptly appointed.
14. The Commission collaborates with organisations such as Consumer NZ to select less affluent and younger citizens who can effectively communicate their perspectives. Senior staff then meet with these individuals, ideally in their environment, to better understand their needs and expectations, ensuring that their plan aligns with the interests of all citizens.
15. The Commission start work on a new model of delivery for inclusion in its updated Plan.
16. The Commission start a media campaign to get its message across to the general public, and those in the infrastructure organisations, to facilitate future decisions
17. All infrastructure service providers are required to submit benchmarking data to the Commission annually by July 20th starting in 2026. Submissions should be made electronically using tools provided by the Commission, following an assessment of existing reporting systems.
18. After the first year, the performance criteria will be reviewed, and the process will be revised accordingly. The aim is for modern real-time management systems to provide the required information automatically.
19. The Commission publishes a list of the expected outcomes to be reported in annual reports and offers comments on draft reports for inclusion in the final report.
20. The Commission offers guidance to voters for upcoming and future elections, stressing the importance of tackling our \$1 trillion deficit. It also underscores the necessity for elected officials to have strong social and fiscal literacy to govern effectively.
21. The commission runs a campaign to motivate suitable candidates to step forward for the election.
22. The Commission leverages its influence to modernise higher education, focusing on university curricula, civic literacy, and intergenerational equity.
23. The Commission is initiating work on an NZ Infrastructure Accountability Act, which is intended to eventually require all publicly controlled or influenced organisations to report annually on their contributions to the values of NZ Inc.
24. The Commission include in their updated draft a mechanism and template for local government to demonstrate that they are delivering reliable, resilient, sustainable and affordable infrastructure services for their customers.
25. Look at a similar scheme for other lifeline infrastructure services providers
26. The Commission quickly develops a reformed, non-partisan delivery system based on the following proposal, or a better proposal, including the appointment of a Parliamentary Commissioner for Infrastructure Delivery.



## 1. Draft Plan Overview

The Plan emphasises inputs over outputs, echoing Geoff Cooper's criticism in the February 2024 Jack Tame interview: "***We need to focus more on outputs as we are currently in the bottom 10% of advanced countries.***" It appears to be written by technocrats who are unaware of the social issues affecting New Zealanders, including struggles with infrastructure bills, health, housing, and a cost-of-living crisis.

My understanding from the Commission's website is that their role is to provide stewardship to ensure infrastructure delivers tangible improvements in social wellbeing, intergenerational equity, and civic trust, rather than simply focusing on economic throughput as a measure of system-wide efficiency and productivity.

Stewardship is a fundamental public value essential to New Zealand's infrastructure management. It involves caring for physical assets and securing the long-term health, trust, and fairness of communities. Infrastructure decisions affect social, environmental, and economic outcomes for decades; therefore, stewardship demands accountable and resilient institutions capable of withstanding short-term political pressures.

While the Plan states institutional reform is needed, it offers no implementation proposals. To help the Commission, I have included a draft business case for a Parliamentary Commissioner for Infrastructural Delivery (PCID), including a job description and key service provider relationships.

Embedding stewardship into infrastructure delivery involves tools such as mandatory "Stewardship Statements" in business cases, public dashboards tracking lifecycle performance, and independent audits of delivery integrity. It also facilitates the creation of a PCID, responsible for safeguarding long-term public benefits beyond electoral cycles.

The Plan should be thoroughly revised to emphasise the reliable, resilient, sustainable, and affordable delivery of lifeline infrastructure services to all New Zealanders, aligning with the values of NZ Inc. It should frame infrastructure primarily as a means to achieve positive social outcomes, consistent with Clause 1.1.1 of the Plan, rather than just services.

The Commission has been operating for about six years, and it is reasonable for the public and the infrastructure sector to expect more tangible results beyond merely producing Plans. Little progress has been made in holding infrastructure providers accountable, such as enforcing existing legislation, preventing projects from proceeding without business cases, or improving their efficiency in delivering services.

I have suggested several immediate actions that the Commission should take or facilitate to achieve some results and prepare New Zealand for the difficult decisions yet to come.

I see nothing in the draft Plan that learns from the previous unsuccessful attempts between 1990 and 2002, to prevent an infrastructure deficit. I have outlined these learnings in my submission

## Summary

The Plan's focus needs to shift from a technical inventory to civic stewardship, embedding legitimacy, equity, intergenerational equity and long-term trust into every layer of governance. It also must align and integrate with ongoing broader reforms, such as the NZ Treasury's Living Standards Framework, to create a better New Zealand Inc. for the well-being of future generations.

## 2. Fixing the bucket is not necessarily the outcome sought

The Jack Tame interview with Geoff Cooper (Geoff) effectively delivered the right messages to the limited New Zealand audience that watched it. The leaky bucket was a good analogy, but it didn't tell the whole story.



The reason a new bucket was needed fifty years ago was to transfer water from a small pond to the vegetable garden. The main inputs were the water in the pond and the process of moving it to the garden, which involved a bucket. The output was watering the garden to support the growth of vegetables, which would feed a family – that is, the outcome.

It once took only one trip with a bucket to water the garden, but due to leakage, it now requires two trips. This inefficiency not only wastes time and money but also speeds up the pond's water loss, reducing its future supply. Furthermore, questions arise about whether the bucket remains the most effective method for watering the garden. Perhaps using a pump and hose or planting water-efficient vegetables would be more suitable alternatives.

The main point is that the Commission should prioritise the ultimate goal of feeding families with the vegetables produced, rather than solely concentrating on infrastructure or processes. Exploring alternative methods for growing vegetables that eliminate the need for bucket renewal could result in more effective and efficient outcomes.

Our traditional methods of delivering infrastructure services need reevaluation. Could we adopt a more intelligent approach, and is it possible to eliminate the 'bucket' entirely?

The traditional model is siloed, input-driven, and agency-centric, and struggles to meet today's demands for personalised, integrated, and results-oriented services. As the Auditor-General noted, doing "more of the same" isn't practical any longer. Instead, there's a call for shifts towards:

1. Targeted services prioritising resources where they can have the most significant impact, especially for vulnerable populations.
2. Tailored services built around people's needs, not bureaucratic convenience.
3. Innovative models of co-production, collaboration, and contracting to achieve outcomes, rethinking how services are delivered.

### Summary and Recommendation

Repairing or replacing the bucket might help, but there may also be more efficient water transportation methods, such as placing the garden beside the pond or using a pipe and a pump. We need lateral thinking to maximise efficiency, as past methods may not always be best for the future.

1. **The Commission focuses on achieving the outcomes enabled by the water in the bucket, rather than just trying to fix or replace the leaky bucket.**

### 3. The Commission's focus needs to change from inputs to outputs

The heading of Section 1.1, "**Infrastructure is about services**," effectively captures the core message. Similarly, Section 1.1.1, "**Infrastructure is a means to an end**," emphasises the importance of infrastructure as a fundamental input that should ideally lead to an output/outcome of reliable, resilient, sustainable, and affordable key services.

The draft needs to emphasise the desired outcomes more, particularly focusing on actions that could jeopardise lifeline services. Highlighting these points will strengthen the case for strategic infrastructure planning and resilience.

Factors beyond ageing infrastructure failures cause many service disruptions and significant costs. Examples include the Havelock North water contamination incident which resulted in over 5,000 people falling ill, a navy ship hitting a reef, a ferry running aground near Picton, water restrictions in Auckland, Wellington, and other areas due to insufficient storage infrastructure or excessive leaks (more than 40% in Wellington), and Transpower nearly running out of electricity in 2024 because of low lake levels. There are also numerous incidents involving the cutting of cables or pipes.

A Northland transmission tower failed during routine maintenance when workers removed too many nuts from the base of the tower. The incident was attributed to a failure to follow standard procedures during the maintenance work.



The 1998 Auckland power crisis holds the Guinness World Record for the longest peacetime blackout. The 66-day blackout was caused by the failure of four main power cables supplying the city centre.

A 1998 ministerial inquiry found that Mercury Energy had been aware of potential cable failures for five years but opted for cost-saving measures instead of replacement. The outage resulted in significant economic losses, with businesses estimated to have incurred losses of \$300 m

The Commission's well-presented draft Plan focuses too much on improving the infrastructure and not enough on delivering reliable, resilient, sustainable, and affordable services to all users. Consumers want their key services to be reliable, resilient, sustainable and affordable. They don't concern themselves with the reasons behind outages; they want them promptly fixed.

Using Geoff's words, "**We need to focus more on outputs as we are currently in the bottom 10% of advanced countries**". The Commission's focus needs to shift from "inputs" (infrastructure issues with things) to "outputs" (reliable, resilient, sustainable and affordable infrastructural services, for people and businesses). I note that social wellbeing is part of the Commission's vision.

#### Recommendation

2. The Commission shifts its focus to securing a reliable, resilient, sustainable, and affordable supply of lifeline infrastructure services for everyone.
3. The Commission's work supports and aligns, where appropriate, with the key outcome-based values of NZ Inc.

#### 4. Who or what is NZ Inc., and why is it significant?

"NZ Inc." is a strategic concept rather than a single organisation, emphasising social well-being as its core criterion. Its values, often referred to as the "social contract," must guide the Commission's efforts to deliver on its vision statement: **"Infrastructure is a foundation for wellbeing."**

To restore unity as a nation, public and private organisations must align with the shared values of New Zealand Inc. Today, we are divided, unlike our egalitarian society of the 1970s.

At its core, the social contract is a conceptual agreement among individuals to create a society and adhere to certain rules, institutions, and authorities in exchange for protection, order, and mutual benefits. It provides the philosophical foundation for legitimate governance, emphasising rule by consent rather than rule by force or dissent.

It highlights the collaborative efforts of New Zealand's government agencies, businesses, councils, and institutions, all working towards promoting social, economic, and environmental sustainability both domestically and internationally. Although it lacks an official mission statement, its fundamental principles are consistently reflected across various agencies and strategies.

Specific KRAs for these values used by various government and council agencies are included or referenced in Attachment 1.

NZ Inc.'s values, such as long-term stewardship, innovation, and inclusive growth, should be deeply embedded in the Infrastructure Commission's work. These include:

1. Strategic coordination across agencies and sectors
2. Environmental and cultural stewardship
3. Inclusive economic development, especially for Māori and regions
4. Innovation and entrepreneurialism
5. Reputation-building through trust and authenticity

Ideally, all public and private sector decisions should be aligned with the values of NZ Inc. if we are to revert to a cohesive society in which good long-term decisions can be made and accepted by citizens.

The Infrastructure Commission's draft Plan mentions social issues, but it doesn't go nearly far enough in embedding them as core drivers of infrastructure strategy. The Plan focuses heavily on economic efficiency and delivery reform, with social wellbeing treated more as a by-product than a primary goal.

The Commission has an opportunity to develop these values in its work by creating a governance mechanism that brings multiple public entities together under a shared values framework that aligns planning, investment, delivery, and engagement with New Zealand's strategic identity.

I have presented the obvious governance mechanism in the latter part of this response.

### Metro Water bills forecast to hit \$7000 a year in Wellington – before rates



Tom Hunt | The Post

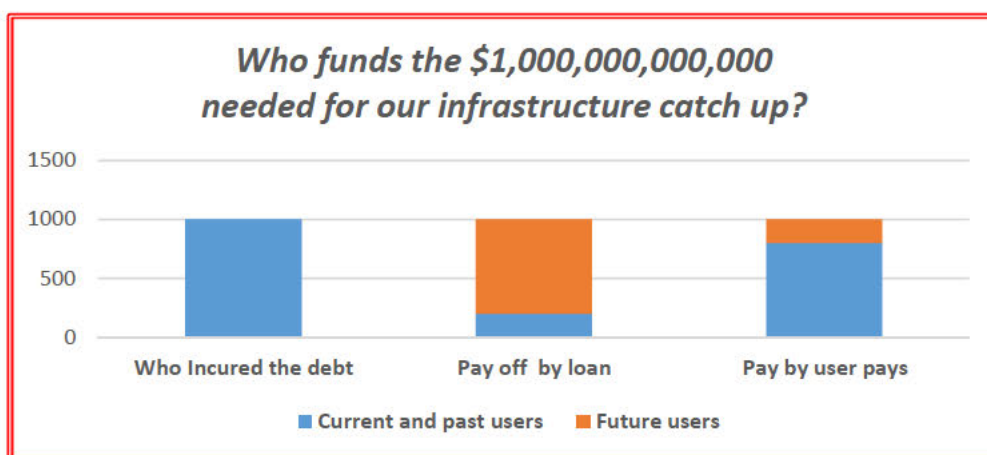
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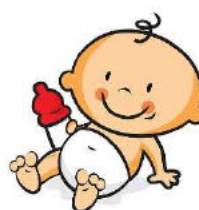


## 5. Intergenerational equity is misunderstood or abused– Who Should Pay?

The statement on the Commission's website under the section '*Equitable*' claims, "*Use debt to distribute costs over time.*" This perspective is not only unfair but also morally questionable. It is essential to consider the ethical implications of such a policy and advocate for more just approaches that do not exploit future generations or unfairly shift financial burdens.



OR



????

Most of the \$1 trillion in catch-up costs should morally be borne by past users, whose elected representatives intentionally failed to implement depreciation charges for ratepayers. This neglect prevented the accumulation of funds necessary for infrastructure renewal, which could have covered the majority of the current \$1 trillion needed over the next 30 years. Passing these costs onto current and future generations is inherently unjust, and it is crucial to recognise the moral responsibility of those who previously failed to act.

Citizens voting for candidates promising low rates also contribute, especially as today more poor and young individuals see little point in voting for a system that excludes them.

Intergenerational equity is the principle that each generation should inherit a fair share of resources, opportunities, and environmental quality, without being burdened by the costs or consequences of previous generations' decisions.

Intergenerational equity encourages borrowing for new infrastructure projects, emphasising that future users beneficiaries will help cover some initial costs. Importantly .

Intergenerational equity includes the concepts of:

- Sustainability,
- Fiscal responsibility,
- Climate action and
- Social justice.

Decision-makers often prioritise their own interests, favouring solutions that enable the current generation to maximise wealth and enjoyment in their remaining years, even if it means future generations will have to repay through loans. This selfish approach overlooks the long-term well-being of society as a whole.

This option mainly advantages decision-makers because the groups most impacted, primarily young and economically disadvantaged voters, are less likely to vote. (Various reports, including Auckland Council's 2022 Local Elections Document, February 2023, among others.) These groups often feel ignored and distrust both the media and politicians.

In the year to February 2025, around 70,000 citizens, primarily young and skilled, left New Zealand. This migration highlights a breach of the intergenerational promise. Primary reasons include the high cost of living and concerns about the effects of past, present, and future government policies.

The intergenerational promise is the moral and civic duty that today's infrastructure choices will benefit, not burden, future generations. It's the notion that we are not merely constructing for ourselves, but for our mokopuna, their communities, and the ecosystems they will inherit.

Suppose younger New Zealanders see a future burdened by debt, declining infrastructure, and unaffordable housing and infrastructure costs, while older generations keep wealth and political influence. In that case, migration appears to be a rational choice.

#### **Ki te kahore he whakakitenga ka ngaro te iwi – without foresight or vision the people will be lost**

This isn't just about economics; it's about trust in the future. When that trust diminishes, people vote with their feet. Trust in councils and government is low, and there is a widespread feeling that councils' decisions favour the wealthy at the expense of the young and the poor, who see little point in voting for a system that does not serve their interests.

People find it hard to trust their councils when the media focuses on the negatives rather than the positives. Positive news doesn't sell newspapers.

BUSINESS / ECONOMY

## **\$1 trillion to bring NZ infrastructure up to standard - ASB**

6:51 am on 5 April 2024

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Nona Pelletier, Senior Business Reporter  
@NonaPelletier nona.pelletier@rnz.co.nz

### **Recommendation**

4. The Commission should clearly outline the different future funding options and specifically explain how user pays and intergenerational equity will affect vulnerable and future New Zealanders and businesses

## 6. What is missing or needs more work in the draft Plan

### Outcome focus

The draft Plan must transition from merely outlining intentions and inputs to demonstrating tangible impacts and effective delivery mechanisms. Clearly defining success criteria, implementation strategies, and tracking methods is crucial. **After six years of the Commission's efforts, it is essential to take decisive actions and make real progress.**

### Clear Outcomes

The Commission's work must demonstrate success by focusing on delivering reliable, resilient, sustainable, and affordable lifeline infrastructure services for all New Zealanders. This must align with the core values of NZ Inc. while strongly advocating for the importance of such initiatives.

### Social equity and inclusion

These social omissions include social inclusion, equity (including intergenerational equity), well-being, and civic participation. **Social outcomes are not just secondary benefits; they are primary benefits.** The Plan should go beyond technical delivery and explicitly address the needs of vulnerable groups, many of whom are currently struggling to afford their infrastructure services. Addressing these issues is essential and should be a key focus of the Plan.

### Past Learnings and why a change is necessary

The Plan should outline how we came to be in our current position so that we can learn from that experience. Walking on the broken glass of political correctness and cultural sensitivities should not dilute the Commission's messages. The Plan should boldly state that the current system is no longer tweakable and that a paradigm shift is necessary to translate vision into sequenced actions. The Commission's website states, *"This strategy learns from the lessons of the past...."*

### A Delivery roadmap is needed.

A well-crafted and persuasive delivery roadmap is crucial to translate our vision into a structured sequence of actionable steps. This ensures that our services remain reliable, resilient, sustainable, and affordable, building confidence and support for our approach. To assist the Commission, I have included a first cut of solutions-based strategic road map towards an obvious outcome, in the latter parts of my submission.

### Success KRAs and KPIs

Implementing clear Success KRAs and KPIs is essential for effective tracking, continuous learning, and fostering accountability. These metrics, including social outcome measures like intergenerational equity and civil legitimacy, serve as powerful tools to demonstrate progress and gain stakeholder trust. By setting these standards, we can persuade stakeholders of our commitment to meaningful social impact and the rigorous approach we take to achieve our goals.

### Feedback loops

Feedback loops are essential for fostering adaptability and civic legitimacy. These systemic capabilities are crucial in enabling infrastructure governance to evolve, endure, and build public trust, ultimately determining whether such progress can be achieved naturally or if intervention by Commissioners becomes necessary.

### **Retraining of elected representatives and staff.**

Retraining is essential for adaptable, transparent, trustworthy infrastructure systems. It promotes systemic thinking by shifting focus from isolated efforts to long-term community benefits, recognising both tangible and intangible advantages like access, equity, inclusion, wellbeing, and opportunities. We should prioritise what truly improves lives over inputs like expenditure or assets.

### **Delivery capability**

The Draft Plan is right in saying New Zealand's infrastructure delivery system needs a strategic overhaul. There is minimal accountability for delivered infrastructure, and we need to change our mind-set from project delivery to public value delivery. I refrain from commenting on the long-overdue reform efforts currently taking place.

Who holds risk after a development is completed, especially in infrastructure, is central to long-term performance, public value, and accountability. Traditionally, developers exit once assets are handed over, but there's growing interest in retaining some developer risk post-completion to incentivise quality, resilience, and lifecycle stewardship.

### **Getting the message out there**

The paragraph stresses that the Commission should move from merely publishing reports to actively shaping narratives about infrastructure's benefits. To build trust and stay independent of politics, it must be seen as a long-term, bipartisan advisory body capable of effecting change.

A key message is that addressing a \$1,000,000,000,000 deficit over 30 years represents \$200,000 per man, woman, and child or \$6,666 per person a year for the next 30 years. This should indicate, particularly to younger people, how serious the challenges are.

### **Summary and Recommendation**

The draft plan struggles to move from outlining inputs to defining clear outcomes and strategies, especially in civic legitimacy, social equity, and intergenerational equity. Despite detailed data and forecasts, it lacks success criteria and strategic pathways.

There has long been a tension between democratic legitimacy and technocratic expertise. Infrastructure decisions influence intergenerational outcomes, public trust, and economic resilience. While elected officials should have a role, relying solely on political cycles has historically risked short-termism, cost overruns, and fragmented delivery, all of which must be addressed.

I have outlined a clear long-term solution for our future infrastructure services delivery: appointing a Parliamentary Commissioner for Infrastructure Delivery (PCID) who would report directly to Parliament rather than the Government.

The Commission, in essence, needs to be able to exercise formal powers (such as authority, enforcement, and access to data) and demonstrate institutional courage (willingness to speak truth to power, challenge orthodoxy, and act with integrity). To achieve this, the Commission must be regarded as a trusted bipartisan adviser.

### **Recommendation:**

- 5. The issues in this Section 6 "What's missing from the Plan..." , be addressed in the revised Plan**



## 7. The Commission must learn from past unsuccessful efforts

**In the Commission's words, *"This strategy learns from the lessons of the past and looks to the future, planning ahead to ensure our infrastructure will help us to meet the challenges we'll face."***

Elected representatives, public sector managers, and senior council staff, including myself, recognised the emerging crisis in the early 1990s and took several collective steps to prevent it. These measures, including legislation mandating funding depreciation for local bodies, are detailed in the following sections.

The "big four" accounting firms and other asset management consultancies have been aware of our \$1 trillion infrastructure crisis for thirty years. Despite this awareness, they seemingly have taken little action to raise the issue within their limited mandates, likely driven by commercial interests. If their client agencies and councils, bound by mandatory legislative requirements, are not tackling these problems, why would these consultancies act independently and risk upsetting their clients?

Public sector infrastructure service suppliers have lost significant amounts of sector-specific institutional knowledge to the consulting industry, and this trend must be reversed through increased internal capability, more explicit procurement rules, more transparent outcome-based performance measures, and enhanced accountability.

Loss of institutional accountability to the government in our open and free economy (Rogernomics) was replaced by accountability at the ballot box. This shift led to a change from prioritising sound decision-making to favouring popular choices, accompanied by a growing reliance on spin doctors.

Government agencies and councils have heavily depended on the "big four" accountancy consultancies and the many so-called Asset Management consultancies for business cases, procurement advice, and strategic planning, at the expense of developing internal capabilities within those government and council bodies. Their advisory dominance and numerous reports on sector reforms, such as the water industry and the health sector, appear to have entrenched status quo thinking at a time when a paradigm shift in approach was urgently needed.

This outsourcing trend has led to fragmented institutional memory, making it harder for agencies to learn from past failures or maintain continuity across political cycles. The lack of transparency regarding the long-term effects of consultant advice, combined with the client's limited understanding of sustainability concepts and value for money, has allowed this practice to persist.

The same applies to many other consultancies advising public organisations on "asset management", which often prioritise client satisfaction over providing honest feedback, thus avoiding the risks of upsetting their clients and losing business by sharing uncomfortable truths.

### Summary

Historical efforts to prevent our situation aimed for better outcomes but failed. The key lesson is that a hands-off government approach, relying on voters to hold Councils accountable, has proven ineffective in the past and will likely continue to be so unless there is a fundamental shift in government mandates and their enforcement.

Client organisations should develop greater internal capacity to recognise key concepts such as value for money and sustainability and shift their focus from inputs to long-term customer outcomes.

## 8. Learnings from the disestablishment of the Productivity Commission

Productivity improvements are vital in the infrastructure industry. Our goal should be to maximise output while minimising input. By adopting more innovative work strategies and executing projects more efficiently, we can potentially cut the infrastructure deficit considerably.

The New Zealand Productivity Commission was established in 2011 to provide independent, evidence-based advice to the government on improving productivity, thereby supporting NZ Inc. and enhancing the well-being of New Zealanders.

Over its 13-year history, the Commission has played a key role by producing well-structured reports across various policy areas. However, despite these valuable efforts, New Zealand's ranking in productivity has fallen from being one of the leading OECD economies to one of the lowest.



This decline does not signify a decrease in New Zealand's productivity, but rather it indicates that other countries with which we compete are improving their productivity at a faster rate than we are.

Before its disbandment in 2023, the Productivity Commission, following similar actions by NZ Treasury, called for measures that extend beyond merely focusing on economic metrics. These included:

1. Wellbeing-focused accountability systems
3. Recognition of the interests of future generations
4. A “social floor” to ensure basic standards

The NZ Infrastructure Commission should follow the lead of the Productivity Commission and Treasury on social issues. While some critics, including Treasury, questioned the practicality of the Commission's recommendations, it is evident that the Commission did not ignore social concerns. Instead, it actively addressed them. Some viewed this as the commission being excessively influenced by the then-government.

### Summary

The Productivity Commission's primary role was to increase productivity, but relative productivity declined during its 12-year tenure, and it was subsequently disestablished. Its role was to advise, investigate, and provoke debate. Looking at its work with rose-tinted glasses on, it:

1. Shaped key reforms in housing, urban planning, and local government funding
2. Elevated public understanding of productivity challenges and trade-offs
3. Introduced wellbeing frameworks that linked productivity to broader social outcomes

**Conclusion:** To justify its existence, the NZ Infrastructure Commission must adopt a more assertive and courageous approach, achieving early successes to build trust among New Zealanders before the hard decisions need to be made.

## 9. Learning from the 1990- 2002 attempts to address the current issues

Between 1990 and 2002, several measures were introduced to prevent the current infrastructure crisis, some of which I actively contributed to. I have outlined some of these measures below.

1. In the early 1990s, TLAs funded the creation of the NAMS (National Asset Management Steering) group to produce the now globally leading NAMS/IIMMs manuals, providing the tools to determine future infrastructure needs and costs.
2. The manuals were previously utilised in the government's Investor Confidence Rating (ICR) for major infrastructure organisations such as NZTA, prisons, and others. However, the ICR was discontinued around 2022, probably due to ongoing poor ratings across various agencies.
3. Benchmarking occurred in various sectors. For instance, in the three waters sector, Coopers & Lybrand (now PwC) worked with water supply and drainage managers on a comprehensive nationwide benchmarking process in the early 1990s.

**4. The Local Government (1996) Amendment Act No 3 explicitly required councils and others to allocate funds for replacing infrastructural assets, ensuring intergenerational equity by financing depreciation rather than merely recognising it in their annual plans. (see below)**

5. With minimal changes in local government, the Parliamentary Commissioner for the Environment released his report, "Ageing Pipes and Murky Waters – Urban Water System Issues for the 21st Century," in 2000.
6. In 2001, after little action, he produced a follow-up report, "Beyond Ageing Pipes", identifying "the four major areas of challenge". These four areas, while specific to the services provided by piped assets, remain consistent across all lifeline services.

**7. By 2000, it was evident that local government needed to shift from a process-driven approach under the 1974 Act to a new outcome-focused legislation – the Local Government Act 2002. A key feature of the Act was the introduction of a long-term plan, primarily centred on the sustainable delivery of all Council services, especially lifeline services and their funding sources. (See below)**

8. At the same time, the CDEM Act 2002 was enacted, requiring those responsible for providing lifeline services to have comprehensive "Lifeline Plans" to enhance the resilience of the services they deliver.

## Recommendation

It is recommended that;

6. **The Commission gains a clearer understanding of the reasons behind our current infrastructure deficit to learn from past experiences. This should include insights from the disbanded Productivity Commission, the Government's Investor Confidence Rating programme, MBIE's rule 16**
7. **The Commission requests input from relevant sector organisations, such as LGNZ, SOLGM, Engineering NZ, Water NZ, and universities/polytechnics, to better understand the reasons behind the current infrastructure deficit and to learn from previous experiences**

## a. The Local Government Amendment Act (No. 3) 1996.

In the early 1990s, major infrastructure suppliers and government agencies, such as Audit NZ, foresaw a substantial wave of renewals and upgrades commencing around 2010. They understood the importance of allocating depreciation funds to finance these future projects. Consequently, the LG Amendment Act (No. 3) No 1996 was enacted.

In Audit NZ words: “ **11.004 Why Fund Depreciation?**

***A range of reasons exists as to why depreciation should be funded. These reasons include:***

- 1. to provide funds for the replacement of assets;***
- 2. to facilitate inter-generational equity;***
- 3. to achieve economic efficiency aims (such as “the level playing field”); and***
- 4. to ensure that the users of the service pay the real cost.”***

Unfortunately, most councils and government agencies effectively disregarded this requirement with no consequences.

Twenty-seven years after the Act, the Auditor General’s report 2022 stated - ***“However, councils’ forecast renewals remain lower than forecast depreciation for the period of the long-term plan. This indicates that councils are still not reinvesting enough in their assets.”***

Over the past 29 years, the failure to address these issues has resulted in users of many lifeline services not bearing their true costs.

### Summary

The 1996 act didn’t work. The draft Plan does nothing to dispel the belief that future users will ultimately bear the majority of the \$1 trillion cost for infrastructure catch-up, rather than the users who didn’t pay on a user-pays basis. This is contrary to the principles of user pays and intergenerational equity, as well as the other reasons mentioned above.

## b. The Local Government Act 2002 ought to have addressed the situation

The primary purpose of the 2002 Local Government Act was to shift local authorities from a process-focused to an outcome-focused approach. This was to be accomplished by adopting outcome-based performance indicators and establishing long-term community consultation strategies, now referred to as the Long-Term Plans (LTPs).

The aim was to ensure that rates and user-pay costs remained affordable while maintaining service reliability, resilience and affordability for the foreseeable future. (I served as the initial chair of the NAMS subgroup that created the tool manual 'Creating Customer Value from Creating Community Assets' in 2002.)

The government's hands-off approach enabled councils and agencies to operate independently with minimal oversight. Consequently, the absence of effective accountability resulted in councils prioritising superficial projects over critical infrastructure maintenance and renewal.

### Summary

The LG act 2002 unsuccessfully tried to achieve the same outcomes as in the Commission’s draft Plan. The Commission needs to avoid repeating the same mistakes

## 10. What delivery model do we have now, and what do we need?

First, we need to understand the current delivery model. The existing infrastructure delivery model is siloed, input-driven, and agency-centric, and it struggles to meet today's demands for personalised, integrated, and outcomes-focused infrastructure services. As the Auditor-General noted, doing more of the same isn't practical any longer.

What is necessary is that all key activities within New Zealand align with the common nationwide values of NZ Inc. and other organisations associated with NZ Inc. For example, the Commission's outcomes should be aligned with those of the Water Regulator and vice versa. The recently established water regulator was set up to fix a broken system, restore public trust, and ensure that water services are safe, equitable, and future-proofed.

Restoring public trust is essential, as significant changes and sacrifices are necessary to develop reliable, resilient, sustainable, and affordable lifeline infrastructure. Councils and their ratepayers should shift from an 'us versus them' mentality to a collaborative 'us together' approach. Currently, public confidence in Councils' decision-making is low, 18% in Auckland, and to effectively address infrastructure challenges, they must work to rebuild the public's trust.



The infrastructure outcomes should not be treated in isolation, but as part of a connected infrastructure system, alongside housing, transport, energy, and climate adaptation. This would encourage reforms that integrate water planning with urban growth, environmental goals, and regional development.

**What we need is evidence-based prioritisation in developing a long-term strategy grounded in robust data, asset condition assessments, and performance benchmarking to guide investments. This directly aligns with the intended purpose of the Long-Term Community Capital Plans (LTCCPs, now LTPs) mandated by the 2002 Local Government Act, (which didn't work).** Applying this approach to infrastructure reform could help target funding more effectively, ensuring it delivers the most significant public value rather than being dispersed across fragmented systems.

Currently, there is no accountability for poor infrastructure decisions made by councils, other than at the ballot box. There is an obvious need for much stronger governance frameworks aligned with the needs of NZ Inc. Regional collaboration and shared services would go a long way towards improving the current situation, as they would reduce duplication and enhance technical capacity in service delivery.

### Summary

What we need is a future-facing guardian of infrastructure legitimacy, stewardship and delivery integrity. At its core, this refers to the public's belief that infrastructure systems, decisions, and institutions are justified, trustworthy, and aligned with societal values. It's not just about technical performance, it's about earned authority to manage our infrastructure systems.

## 11. The Jack Tame interview 24/2/25

The Jack Tame interview with Commission Chair Geoff Cooper, conducted in February 2024, should be essential viewing for anyone seeking to understand the infrastructure sector.

Parts of this interview are referred to below. <https://www.youtube.com/watch?v=ZeUunDv25Pc>



Geoff Cooper's interview with Jack Tame on Q&A in 2024 conveyed the message well. We are proficient at writing strategies, reports, and many other documents about the problems we have faced ***"since 1990, "but the problem is that we are not so good at turning inputs into outputs - efficiency... and are in the bottom 10%."***

### **What did Geoff imply but not explicitly say when he mentioned "since 1990"**

He probably meant that we have been aware of this current \$1 trillion problem since 1990 and that it would eventually reach a crisis point, which decision-makers could no longer ignore. We have now passed that point.

Specifically, several actions, as described above, were taken between 1990 and 2002 to avert this issue, but to no avail. There were no consequences for Councils and others ignoring the legislation.

### **Why was 1990 a turning point?**

In 1984, New Zealand's economy was in serious trouble because traditional financial tools were ineffective in the rapidly growing global economy. The government, following the example of the UK and the US, introduced neoliberal financial reforms known as Rogernomics.

A key feature of Rogernomics was the open and free economy (as described by the NZ Treasury) that we have today, characterised by minimal government intervention in the lives of individuals, councils, and businesses. For service providers such as Councils, the expectation was that they would be amalgamated to form larger organisations and managed in a business-like manner.

### **Conclusion**

The Jack Tame interview should be essential viewing for senior managers in the infrastructure businesses.



## 12. "Politicians tend to vote for what will get them elected."

### We need to change this mind-set.

The 1990s saw the rise of a new wave of politicians, with TLAs ten times larger than previous councils. Voters, uncertain of whom to support, often chose familiar names or selected candidates appearing at the top of the ballot. This shift resulted in a marked decline in fiscal and overall management literacy across most councils.

Mayor Wayne Brown has publicly expressed concerns about the apparent lack of financial literacy within the Auckland Council. Unlike him, other mayors have not spoken out so openly on this issue.

In my Council, a person changed their name by deed poll to appear at the top of the voting paper. It worked.

Being well-known for whatever reason also helps. Another individual, an 18-year-old, called herself the naked politician and displayed billboards of herself happily posing in underwear. This caused considerable offence at the time, but the publicity backfired positively for her, and she was elected. Today, she remains a politician, though she has thankfully removed the photos.

Councils mainly prioritise decisions that keep rates low, following the philosophy of delaying actions whenever possible, never postponing to the next year if it can be deferred further.

A former four-term mayor of Porirua City Council summarised this issue in a Post article on January 27, 2024, stating, "*The key issue is that pipes do not vote,*" and "*Politicians tend to vote for what will get them elected.*" She also explained why her Council did not fund depreciation.

### Wellington's water crisis: How did we end up in this mess?



Nicholas Boyack and Erin Gourley | The Post

January 27, 2024

Share

<https://www.thepost.co.nz/nz-news/350157974/wellingtons-water-crisis-how-did-we-end-mess>

The coming local body 2025 elections are an opportunity to spread the commission's messages with voters to assist them in making an informed vote.

When communities understand how infrastructure affects their daily lives, they become powerful advocates for long-term investment and reform. Getting the public on board transforms passive taxpayers into engaged partners. With strategic storytelling, hands-on tools, and genuine co-design, infrastructure moves from back-room budgets to front-page priorities.

#### Recommendation

8. The Commission develops plans for customers and businesses to rebuild trust and civic legitimacy with their service providers, facilitating a collaborative agreement on the key actions required to attain sustainable infrastructure.

### 13. The Commission needs to be more assertive and courageous,

To increase the likelihood of success, the Infrastructure Commission, in collaboration with the Ministry of Infrastructure, the Treasury, and other stakeholders, should adopt a more assertive and decisive approach when engaging with the community. Regardless of the chosen solution, it will significantly impact most residents and businesses across New Zealand and may face opposition from some, potentially leading them to consider alternative options.

This involves clearly outlining current issues and necessary actions, and working closely with relevant government agencies to establish mandatory requirements for government-influenced and controlled bodies, including council service providers. Past efforts that have relied solely on advice, recommendations, and mandated legislation to address infrastructure challenges have not been successful and are unlikely to be in the future.

We recognised many years ago that our infrastructure deficit was worsening, but little action was taken until the establishment of the Commission in 2019. Now, six years on, it's time to move beyond well-crafted reports and see real, tangible results.

The messages conveyed by the Plan are underappreciated. Many industry professionals who should be informed about the Commission's work remain unaware of it. Additionally, the Plan's messages are somewhat "not sexy" (as Jack Tame mentioned), resulting in limited media coverage.

**The main challenge for the Commission is to adopt a proactive approach to overcome the slow and difficult process characterised by political inertia, public scepticism, and institutional fragmentation, all aimed at achieving the goals of NZ Inc.**

**Missed opportunity for Courageousness.** Wellington has known for several years that it needs \$1 billion a year for 30+ years, for upgraded piped infrastructure and that its citizens will pay many times what they pay now for their water services.

At the same time, the same citizens are paying for what many perceive as extravagant vanity projects, such as a \$1.3 million and \$2.3 million bus shelters, and this month, a \$2.3 million "light show" toilet block (NZ Herald 24 June 25).



NEW ZEALAND / INFRASTRUCTURE

#### Cost of unplanned water pipe repairs in the Wellington region three times higher than in other regions

6:47 pm on 3 March 2025

Bill Hickman, Journalist  
@BillHickmanRNZ

Share this



#### Metro Water bills forecast to hit \$7000 a year in Wellington – before rates



Tom Hunt | The Post

June 12, 2025

Share

### Conclusion

The Commission urgently needs to find a mechanism to facilitate the calling out/vetoing of projects like this, happening under their Wellington nose, before they get too far down the track.



The commission should also be able to facilitate the calling out of infrastructure service providers who are failing to deliver the services expected of them, resulting in Crown appointments of people to overrule e.g. a Council or a Government Agency

### **Should the Commission call out universities not teaching the right skills?**

Our infrastructure has been primarily managed by elected representatives and their advisors, most of whom were trained at New Zealand universities over the past 35 years, in areas such as accounting, planning, engineering, social sciences, etc. I am sure that understanding depreciation is fundamental to any accounting qualifications, and I wonder why infrastructure CFOs and their various industry organisations like LGNZ and SOLGM have not done more to call out our infrastructure deficit.

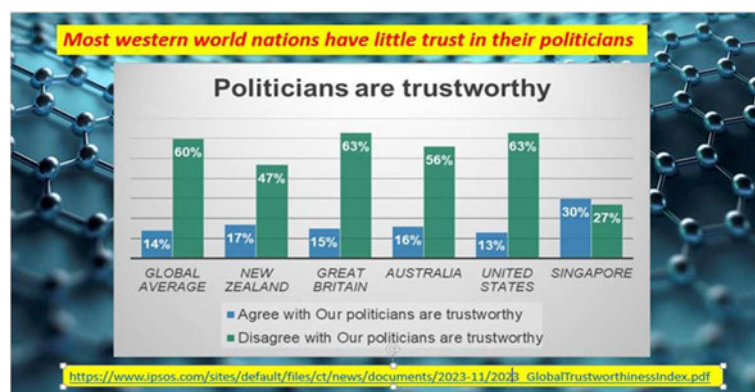
New Zealand's infrastructure crisis isn't necessarily due to a lack of training among professionals. NZ universities supposedly offer world-class programmes in accounting, engineering, planning, and asset management, among others. The deeper problem is that well-trained professionals are working within broken systems and don't feel encouraged to challenge or change these systems, especially in our open and free economy, where accountability is often lacking. That was seen as Mr Nobody's job and now the Commission's job. Too many of the people we need leave and go overseas, seeking greener pastures.

Universities have a unique chance to shape future leaders in infrastructure, not only as technicians but also as visionaries committed to public value. To accomplish this, the curriculum must be rethought with core principles that promote long-term thinking and societal impact. It's about ensuring education remains a public good that prepares students to think critically, act ethically, and contribute meaningfully to society.

There are other ways that the Commission could be more assertive and courageous.

### **Recommendations**

- 9. The Commission should, in collaboration with the appropriate government agency, have the authority to veto projects that do not present a robust business case meeting the Commission's minimum requirements.**
- 10. In worst-case scenarios, the Commission should facilitate the prompt deployment of Crown Monitors and Crown Commissioners.**
- 11. The commission should oversee all relevant training related to infrastructure to ensure that the skills taught align with its vision of delivering reliable, resilient, sustainable, and affordable infrastructure services for residents and businesses across New Zealand**
- 12. The Commission develop strategies for rebuilding trust before making the necessary bold decisions**



## **a. Commission staff need to understand social well-being better.**

The Commission's senior staff need to regularly meet with people struggling to make ends meet, not just once, but regularly. Infrastructure isn't just concrete and capital; it's about social well-being. When senior leaders embed themselves in communities grappling with affordability, transport inequity, housing unaffordability, or climate vulnerability, they shift from abstract strategy to grounded, real-world stewardship.

Meeting people should be carried out with dignity, with depth and purpose, not just a tick box exercise as commonly practised today. For any agency shaping public infrastructure, meeting those struggling to make ends meet requires more than just turning up. It calls for intentional, empathetic, and structured engagement that honours lived experience as a form of expertise.

Meeting people in their homes is convenient and meaningful. It shifts power, respects experiences, and shows real-world impacts of decisions. It's where trust, dignity, and relevance meet, like in food banks, work places, and homes. Asking struggling individuals to visit the Commission's office can unintentionally suggest formality, hierarchy, and distance.

### **Recommendation**

**13. The Commission collaborates with organisations such as Consumer NZ to select less affluent and younger citizens who can effectively communicate their perspectives. Senior staff then meet with these individuals, ideally in their environment, to better understand their needs and expectations, ensuring that their plan aligns with the interests of all citizens**

## **b. implement a new delivery model**

The Commission's current powers are advisory, analytical, and catalytic, aimed at inspiring change rather than implementing it. The 2025 amendment to its Act increased the Commission's accountability for monitoring progress against strategies. It delegated some of its support services functions by establishing the CID, Crown Infrastructure Delivery, and NIFF Ltd, (National Infrastructure Funding and Financing Limited).

The traditional delivery model is siloed, input-driven, and agency-centric, and struggles to meet today's demands for personalised, integrated, and results-oriented services. As the Auditor-General noted, doing "more of the same" isn't practical any longer.

A new model is urgently required, as the current one is overly influenced by elected representatives who too often prioritise popularity over responsibility. This tendency stems from a lack of social and fiscal literacy, a moral compass, or personal motives. Change is imperative.

A new model would have an apolitical agency, or agencies, having the power and responsibility for:

- Statutory veto power over misaligned or low-value infrastructure proposals
- Mandated review rights for all significant projects before funding approval
- Binding influence on the National Infrastructure Pipeline and Budget allocations
- Audit delivery performance across MBIE, CID (Crown Infrastructure Delivery Ltd) , and local councils
- Publish civic impact scorecards alongside cost-benefit analyses
- Recommend procurement reform and capability interventions

- Link funding strategies to NZ Inc
- Annual State of Infrastructure Reports to Parliament
- Public dashboards tracking delivery, equity, and climate resilience
- Civic audits and youth panels to review legitimacy and engagement

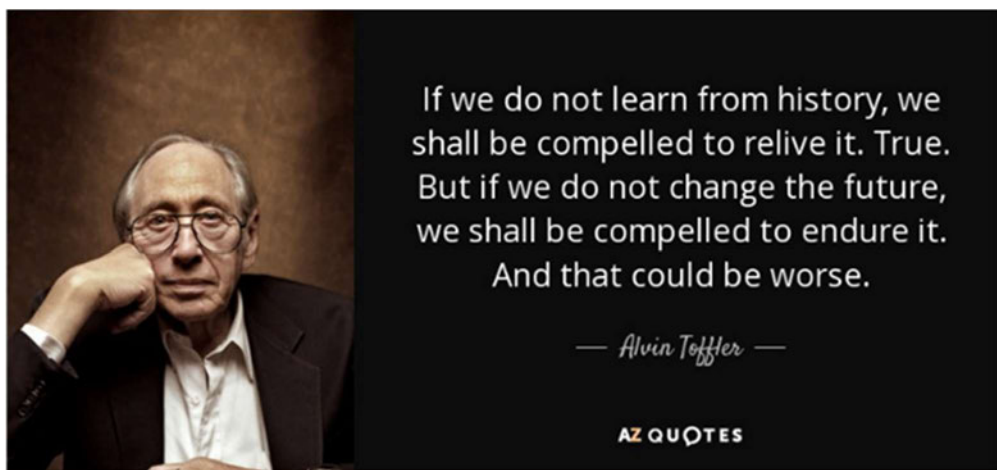
The main issue with the current model is that the Ministry of Infrastructure's direction depends not only on the government but also on the individual Minister. During the previous Labour-led government, three different ministers each led the ministry in different directions. This situation excluded the three waters services, which were under the Local Government Minister and influenced more by centralised governance and co-governance policies than by the services themselves.

A Parliamentary Commissioner for Infrastructure Delivery could unify the Commission, MBIE, and CID into an accountable network via a new Infrastructure Accountability Act. This legislation would establish a transparent, coordinated, and community-focused infrastructure system that aligns long-term strategies with delivery performance, public trust, and intergenerational equity values of NZ Inc.

A new, straightforward model is urgently needed. I include a preliminary business case justifying a Parliamentary Commissioner for Infrastructure Development, a job description, and key relationships for infrastructure service providers. Six years on, it's time to make things happen.

## Recommendation

### 14. The Commission start work on a new model of delivery for inclusion in its updated Plan.



### c. Get the messages out there

The messages conveyed by the Plan are underappreciated. Many industry professionals who should be informed about the Commission's work remain unaware of it. Additionally, the Plan's messages are somewhat "not sexy" (as Jack Tame mentioned), which has resulted in limited media coverage and minimal impact on the infrastructure industry currently.

The core message emphasises that persisting with our 35-year practices is unsustainable and will cause social and economic repercussions in the future. Our current situation stems from flawed past decisions driven by popularity. To strengthen our position, we need to adopt a new approach to decision-making and infrastructure development. We must communicate these messages effectively and secure their acceptance to implement the necessary changes.

The Commission should establish itself as a trusted thought leader and voice that clarifies complex issues by adopting a proactive communication strategy. The messages should be targeted at:

1. Citizens of New Zealand and the potential impact on them.
2. Voters in the upcoming October council election.
3. Infrastructure managers seeking guidance after reading the Plan.
4. Board members and elected council representatives need to be told that prioritising popular decisions over necessary ones is no longer acceptable.

One message should be that the government will not, and should not, bail out councils that have irresponsibly managed their assets and now face infrastructure deficits. Failure for institutions to take responsible actions will result in the appointment of Crown Commissioners.

### What are the key messages?

1. **Infrastructure forms the backbone of our lives and our nation.** Reliable, resilient, sustainable, and affordable infrastructure is essential for our functioning. Key services such as water, electricity, and fuel are the bedrock of society, much like a house's foundation ensures stability and growth. Investing only in superficial projects without strengthening these vital assets is unwise, as their integrity is essential for our survival and progress.



2. **Resolving our infrastructure deficit will take time and a lot of money.** This will cause significant disruptions, and we don't yet know how we will fund it. The \$1 trillion required equates to about \$500,000 per property over the next 30 years or \$16,700 a year.

This situation has been brought about by elected representatives making popular rather than good decisions to enhance their re-election chances. We need to change this mind-set. The upcoming local body elections offers voters a chance to cast an informed vote.

### 3. Our current infrastructure deficit is costing us all money

As an example, congestion in Auckland results in approximately \$2.5 billion in annual productivity losses and broader economic impacts. This gets added to the goods and services we buy.

### 4. Our infrastructure deficit issue is much bigger than our climate change issues

Our infrastructure deficit is a problem today, and climate change will be a problem tomorrow. Globally, the United Nations ranks Climate Action as the 13th most urgent issue, with hunger and poverty occupying the top two spots. It is probably similar in New Zealand.

Climate change is perceived as a major problem by those unaware of the increasing number of people struggling to put food on their tables and put a roof over their heads. Let's not be distracted by climate change and other popular topics when considering our lifeline infrastructure. That's not to say environmental issues are unimportant.

In the year ending June 2023, 17.5% of children in New Zealand lived in households with less than 50% of the median disposable income after housing costs, an important indicator of income poverty. Perhaps the senior management team needs to individually meet with these families to understand their social well-being issues better



The 17 Sustainable Development Goals (SDGs) initiated by United Nations

## Recommendation

15. It is recommended that the Commission start a media campaign to get its message across to the general public, and those in the infrastructure organisations, to facilitate future decisions.



#### **d. Obtain accountability through mandatory benchmarking**

Benchmarking is a powerful tool to enhance infrastructure accountability. It shifts the focus from inputs and intentions to performance, efficiency, and public value. Publishing benchmarked performance data builds civic trust by showing ratepayers and taxpayers whether they are getting value for money by comparing costs against other similar operators.

Benchmarking infrastructure is like holding up a mirror to NZ Inc.'s systems; you only assess your performance by comparing it with that of others.

When around 67 TLAs benchmark their output and outcomes, comparing these results helps each TLA understand its performance and identify areas for improvement. When done correctly, benchmarking is a powerful tool for making smarter investments, increasing accountability, and building long-term resilience.

It is also a tool for the government to assess where they need to appoint Crown Monitors or Crown Commissioners. Appointing Crown Commissioners is a last-resort intervention under the Local Government Act 2002, triggered when a TLA faces serious governance or operational dysfunction.

There is a lack of accountability for activities that do not meet expected outcomes within the allocated budget. For example, media reports have highlighted Wellington Water's higher costs compared to nearby regions, with some sources suggesting that their expenses in water, transportation, and energy sectors could be up to three times greater.

Numerous industry organisations are involved in setting performance criteria for infrastructure outputs and outcomes. The Commission should lead in establishing a standard set of criteria for each industry, ensuring they align with the broader values of New Zealand Inc. Such measures already exist.

Benchmarking should encompass both customer outcomes and internal management practices, including both planned and unplanned shutdowns.

#### **Recommendation:**

##### **It is recommended that:**

- 16. All infrastructure service providers are required to submit benchmarking data to the Commission annually by July 20th starting in 2026. Submissions should be made electronically using tools provided by the Commission, following an assessment of existing reporting systems.**
- 17. After the first year, the performance criteria will be reviewed, and the process will be revised accordingly. The aim is for modern real-time management systems to provide the required information automatically.**

## e. Provide meaningful and mandatory annual reports on outcomes

Current annual reports are heavily influenced by spin doctoring. They all claim that the local government and other organisations are performing well, when in fact they are not, and we face an infrastructure deficit crisis.

Let's agree that the primary goal of NZ Inc. infrastructure service providers is to deliver **reliable, resilient, sustainable, and affordable** services to customers. We should require the service provider to demonstrate this by ensuring that the organisation's manager responsible for the service reports accordingly, using a commission-supplied template. It is crucial that an employee, rather than a consultant, writes this report and takes responsibility for its content.

Specifically,

1. **Reliability** relates to how reliable the service is from a customer's point of view. It is evaluated using availability indicators such as SAIFI, CAIDI, journey time, VKT figures, blockage and flooding, as well as the quality of water supply. Ratios, including those between reactive and proactive maintenance, should also be taken into consideration.
2. **Resilience** relates to having up-to-date and robust lifeline plans in place, for emergencies as required by the 2002 CDEM Act
3. **Sustainability** relates to the social, economic, and environmental sustainability of the services.
4. **Affordability** relates to future funding and user costs

The parameters listed above are fundamental metrics that all organisations should use to assess and improve their performance. They are probably not published because they do not indicate a reliable, resilient, sustainable, and cost-effective infrastructure service.

The project funds should be appropriately accounted for with precise and efficient reporting. The absence of business cases, as highlighted in the Draft's Section 5.3, is particularly concerning. It's important to remember that success isn't solely about completing projects on time and within budget, but also about realising the intended benefits.

Every funded project has benefits and costs that justify its approval. After project completion, we need to evaluate whether the expected benefits were achieved and if the actual expenses matched the estimates. When discrepancies occur, we should analyse their causes and apply these lessons to future projects.

By improving how we select, design, and deliver projects, we could potentially halve our \$1 trillion infrastructure deficit, thereby boosting our effectiveness and efficiency.

This is not a new requirement. Organisations already produce Annual Plans and Reports based on their Long-Term Plan (LTP). The outlined information should form the core of their reports on service reliability, resilience, sustainability, and affordability.

### Recommendation

18. All infrastructure service providers are required to submit benchmarking data to the Commission annually by July 20th starting in 2026. Submissions should be made electronically using tools provided by the Commission, following an assessment of existing reporting systems.

## f. Promptly get advice out to voters for the coming elections

Most of the councils' money is inefficiently spent on infrastructure. The public needs to be better educated on the infrastructure issues before voting in the forthcoming local government elections

The upcoming elections are an opportunity for the Commission to facilitate or run a (e.g.) 'Don't Be a Dick' campaign, encouraging voters to be informed and "vote as if your family's future depends on it, because it does."

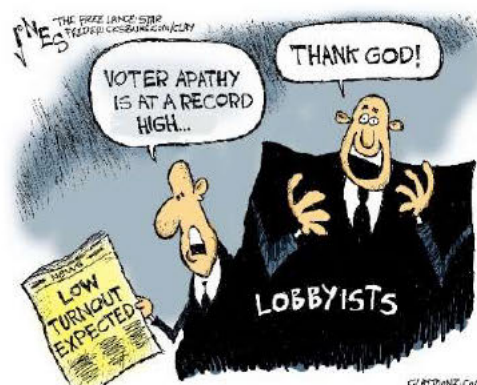
Many of the current issues have arisen because previously elected politicians vote for what gets them elected. The commission needs to have a campaign to ensure the voting public is aware of the issues. The Commission should play an active part in informing voters how to make good decisions on who they should vote for.

It should also encourage the right people to stand for election



### Recommendation

19. The Commission provides guidance to voters for upcoming and future elections, emphasising the importance of addressing our \$1 trillion deficit. It also highlights the need for elected officials to possess the necessary social and fiscal literacy to manage effectively.
20. The commission has a campaign that encourages the right people to put themselves forward for election.





## **g. Align the curricula of tertiary learning institutions with NZ Inc.'s needs**

Graduates from our educational institutions are the future custodians of our public infrastructure. Historically, many alumni have become decision-makers and advisors within the often siloed, input-driven, and agency-centric infrastructure organisations we see today, contributing to the substantial deficits accumulated over time.

In 2011, the New Zealand Treasury introduced the Living Standards Framework (LSF) to rethink how government decisions impact people's wellbeing, extending beyond mere economic growth. This approach was developed in response to the realisation that traditional fiscal tools were insufficient to capture the complete picture of what improves life for New Zealanders.

Tertiary institutions have been somewhat slow to update their curricula to better serve New Zealand Inc., particularly in incorporating aspects of the Treasury's living standards framework. They should focus more on aligning popular courses with the broader outcomes our nation needs for future success.

Universities have a unique opportunity to shape future leaders in infrastructure, not only as technicians, but also as visionaries dedicated to public value. To achieve this, the curriculum must be realigned with core principles that foster long-term thinking and societal impact.

1. Teach students to balance present needs with future sustainability/resilience, socially, financially, and environmentally, i.e, the principles of intergenerational equity, civic legitimacy (earned trust), or the social contract behind infrastructure investment.
2. Explore how infrastructure reflects and reinforces our obligations to each other as citizens.
3. Ensure graduates understand where funding comes from, who pays, who benefits, and how decisions get made.
4. Connect accounting, engineering, law, economics, planning, and social science to reflect infrastructure's real-world complexity.
5. Equip students to handle uncertainty, trade-offs, and multi-stakeholder governance using adaptive tools.
6. Align its curriculum with the significant future needs of NZ Inc.
7. Link its teachings with real-world scenarios, and not taught abstractly.

Siloed disciplines rarely teach how infrastructure interacts with housing, health, education, and democratic trust. There's limited training on participatory design, fiscal literacy, or how to democratise technical knowledge.

Graduates today often lack the adaptive, systems-level thinking needed for complex public challenges, especially in the context of infrastructure capability, civic literacy, and intergenerational equity. They should consider creating modules like "Infrastructure and the Social Contract" or "Systems Thinking for Public Value," and use scenario-based learning grounded in current infrastructure dilemmas.

### **Recommendation**

- 21. The Commission uses its influence to modernise tertiary learning, especially for universities in the context of infrastructure capability, civic literacy, and intergenerational equity.**

## **h. Start working on implementing an Infrastructure Accountability Act**

Treasury has issued a warning that many agencies do not possess foundational asset data and planning capabilities. There is a lack of accountability for subpar performance, leading to the wastage of taxpayer and ratepayer funds through ineffective, inefficient, and unsustainable spending, particularly on vanity projects.

New Zealand's infrastructure system is hampered by excessive bureaucracy, poor coordination, and limited accountability. To address these issues, I propose an Infrastructure Accountability Act that clearly defines roles, requires collaboration, and enhances civic legitimacy.

We can initiate this process tomorrow by requesting that all public service delivery organisations demonstrate their capacity to deliver reliable, resilient, sustainable, and affordable lifeline services over the next 30 years. They should do this by submitting meaningful, outcome-driven Annual Reports, as mandated by current legislation, rather than spin-doctored reports currently presented.

An Infrastructure Accountability Act could serve as a fundamental reform because it can embed transparency, stewardship, and long-term public value into infrastructure decision-making, especially where billions are committed across generations.

**A key feature of the Act would be aligning the responsibilities of all organisations covered by the Act with the core values of New Zealand Inc. The Act aims not only to improve governance but also to embody the principles that define our public purpose.**

### ***NZ Infrastructure Accountability Act 2026 - Public Value Statement***

#### ***Purpose***

*Every infrastructure decision undertaken under this Act shall demonstrably uphold the public values of New Zealand, including intergenerational equity, civic legitimacy, environmental stewardship, economic resilience, and purposeful alignment with the nation's values.*

#### ***Requirements***

*Before the approval of any major infrastructure investment, the responsible agency must publish a Public Value Statement addressing:*

- 1. Strategic Alignment*
  - *How the project supports the national infrastructure strategy and regional spatial plans*
- 2. Outcome Contribution*
  - *Anticipated social, environmental, and economic impacts across generations*
- 3. Engagement & Legitimacy*
  - *Evidence of meaningful iwi, community, and stakeholder engagement*
- 4. Transparency & Accountability*
  - *How performance will be tracked and reported publicly over time*
- 5. Review & Oversight*
  - *The Parliamentary Commissioner for Infrastructure Delivery shall review Public Value Statements and report annually to Parliament on sector alignment with NZ Inc values.*

#### **Recommendation**

- 22. The Commission starts work on a NZ Infrastructure Accountability Act ultimately aimed at being extended to have all publicly controlled, or influenced organisations, reporting annually on how they contribute to the values of NZ inc.**

## 14. What kind of infrastructure decisions belong at the local level, and which need broader governance?

For over 30 years, politicians have recognised that they need votes to stay in power. This means aligning with public sentiment, even if it's short-sighted or economically risky.

Local councils, particularly smaller ones, often appear to be the most suitable decision-makers for infrastructure projects, as they are closely connected to the communities they serve, understand local needs, and frequently manage assets such as roads, water, and libraries. However, when the stakes become higher, such as in major transport networks, piped infrastructure renewal, housing development, energy transitions, and issues related to scale, capacity, and accountability, their role and effectiveness come into question.

Smaller councils often lack the technical expertise and strategic planning skills necessary for managing complex infrastructure projects. As a result, they frequently depend on external advisors, predominantly the major consulting firms, including the Big Four.

Decisions about long-term infrastructure often outlive political terms. So there's a tension between short-term electoral cycles and long-term planning, especially when councils face pressure to defer costs to future generations.

Given the multitude of councils making autonomous infrastructure decisions, attaining national consistency or economies of scale becomes more challenging. For instance, in water reform, local control may conflict with the necessity for system-wide resilience.

Local governments were established to provide services to their respective communities through rates and other user charges. However, over the past 30 years, they have demonstrated an inability to effectively manage their infrastructure, while government agencies, adopting a hands-off approach, stood by and watched. Today, they seek government assistance to rectify their historical mismanagement. Such actions are morally questionable, and bailouts tend to diminish accountability.

**This raises an essential question for the Commission regarding infrastructure decisions: which should be made locally, and which require broader governance? Should the government act as a safety net, a partner, or a last resort? This concerns issues of fiscal responsibility, intergenerational equity, and the evolving role of central government in local affairs.**

This debate focuses on identifying stakeholders, those who benefit, those who pay, and how risks are distributed among them. Key questions include whether infrastructure should be funded by users, beneficiaries, or society as a whole, and how to prevent councils from passing responsibilities onto future generations.

### Summary and Conclusion

The Commission's concerns about local government's capacity to manage its infrastructure assets are well justified. Centralism is not the solution for locally provided services. Instead, what is needed are elected representatives and senior advisors who are reoriented toward a new infrastructure paradigm. The current challenges in local government delivery are not just technical; they are cognitive, cultural, and systemic. Elected officials and senior staff often operate within legacy mind-sets characterised by short-term thinking, siloed approaches, and risk aversion. Retraining is not only about upskilling but also about redefining what infrastructure stewardship means in the 21st century.

## 15. Is local government capable of supplying infrastructure services?

No, not under the current system, unless they can demonstrate that their infrastructure services are reliable, resilient, sustainable, and affordable. Clearly, they are not, which highlights the need for the Commission.

A paradigm shift in approach is needed if councils are to continue to provide lifeline infrastructure services. The Commission needs to convey this message to the wider public to help them understand the reasons behind its establishment.

Today, young and economically disadvantaged people feel alienated from local council decision-making and see voting as a waste of time. Many young people view councils as bureaucratic, slow, and disconnected from their daily lives, often favouring the wealthy.

Local government was established primarily to provide services to its communities and did so effectively until about 1990. Years of politically motivated, unsustainably low rate increases have led to a situation where much higher rates and user pays costs are now necessary. This occurs as many households face a cost-of-living crisis, with 140,000 families in 2024 taking out loans to pay their power bills, with an expectation that user pays will mean that council-provided services will cost significantly more.

**Regardless of any future actions, what is needed now is to reshape council cultures to prioritise financial literacy as the foundation for decision-making. Some councillors are deeply connected to their communities, skilled in advocacy or strategy, but uncertain about financial matters such as balance sheets and depreciation. Others might have more self-centred motives, while some might avoid technical details, viewing them as bureaucratic fog. The challenge is both cognitive and emotional: how to promote shared financial understanding without offending those who lack it.**

A paradigm shift in approach is needed if councils are to continue to provide lifeline infrastructure services. The Commission needs to boldly convey this message to the wider public to help them understand the reasons behind its establishment. These activities would include:

1. Significantly improving long-term planning
2. Sustainable outcome-driven funding, rates and user charges
3. Changing from a reactive to a proactive approach to service delivery
4. Technocrats and elected representatives are becoming skilled in social well-being issues
5. Intergenerational equity understanding and systems resilience
6. Business case conformance including post-completion reviews
7. Benchmarking to demonstrate value delivered, or not
8. Councils overall capability for continuing to deliver their services
9. Regaining trust from the communities they serve

The case for bold, systemic change is overwhelming. Incremental tweaks won't fix a broken model that's structurally misaligned, fiscally constrained, and increasingly unable to meet the demands of modern infrastructure stewardship.

### Summary and Conclusion

Going all out to reform local government is not just justified; it's crucial. Thirty-five years of central government's hands-off approach have shown that simply leaving local councils to their own devices doesn't work. Councils that cannot demonstrate sustainability in managing their services should be replaced by Commissioners until they are able to organise themselves effectively.

## 16. How Local Government could be fixed

**This concept outline shows how local government services can be reliable, resilient, sustainable, and affordable, with potential for expansion to all lifeline services providers.**

### **Year 1 - 2026 Goal: Create the enabling architecture and public mandate - Actions**

1. Establish a Parliamentary Commission for Infrastructure Delivery (PCID) with powers to audit infrastructure delivery and civic legitimacy across councils, working with Audit NZ
2. Pass Infrastructure Accountability Legislation mandating public value frameworks and long-term stewardship.
3. Pilot Regional Delivery Hubs in diverse geographies (e.g. Northland, Otago) with shared delivery capability
4. Launch Civic Infrastructure Panels involving youth, the less affluent and community orgs to advise councils
5. Develop Benchmarking Dashboards tracking renewal rates, engagement quality, and outcome metrics

### **Years 2&3 - 2027-2028 Goal: Shift incentives and build capability - Actions:**

1. Tie Central Funding to Maturity Scores and delivery performance (dashboards)
2. Introduce Outcome-Based Financing Tools, changing from a how much did it cost to a what was achieved approach (see below)
3. Embed specialist, mobile teams within or across councils to lift infrastructure delivery maturity to support councils with pipeline development, procurement, and risk management
4. Involve younger people in civic skill-building and career pathways
5. Implement Intergenerational Equity Stress Tests for infrastructure plans, led by PCID

Outcome-Based financing tools link payments directly to verified results, making them especially suitable for stormwater infrastructure projects. Currently, many developers prioritise minimising infrastructure costs to maximise profits, often avoiding the potential expenses associated with flooding. A possible solution could be to **make developers responsible for a portion of the insurance payouts**—say 50%—to give them more incentive to invest in flood prevention. Additionally, the government has funded various initiatives in this area, which can be explored online.

### **Years 3+ - 2029+ Goal: Embed enduring systems and democratize oversight - Actions:**

1. Annual Public Value Audit conducted by PCID and publicly reported
2. Co-Design New Regional Governance Models with stronger integration, equity, and stewardship focus
3. Mandate Participatory Budgeting elements in capital planning processes
4. Create a National Infrastructure Learning System, capturing case studies, lessons, and citizen insights
5. Develop Infrastructure Ombudsman Role to resolve disputes and enhance delivery legitimacy

**This isn't about punishing councils. It's about liberating them from a broken model.**

A Crown Monitor, working with the Commission, would be responsible for enhancing performance and accountability in an unbiased manner, since electoral considerations would not influence them.

### Summary

Lifeline services could be delivered much more effectively, but not by abandoning local government. The challenge is to rebuild trust, capacity, and alignment so councils can excel at the basics.

The credibility of the Infrastructure Commission depends on its role as an independent, trusted public steward and technical adviser. This requires honest communication, transparency, and open discussion of equity and intergenerational issues. To date, the governments' and Council's storytelling, which has avoided the main issues, has reduced public trust in their decision-making.

Today, young and economically disadvantaged people feel disconnected from local council decision-making and see voting as a waste of time. Many young individuals view councils as bureaucratic, slow, and out of touch with their everyday lives.

### Recommendation

- 23. The Commission include in their updated draft a mechanism and template for local government to demonstrate that they are delivering reliable, resilient, sustainable and affordable infrastructure services for all New Zealanders.**
- 24. Look at similar schemes for other lifeline infrastructure services providers**

Agreement with the statements below	New Zealand	Developed World
Our economy is rigged to advantage the rich and powerful	65%	67%
Traditional parties and politicians don't care about people like me	55%	64%
we need a strong leader to take the country back from the rich and powerful	66%	63%
Experts in this country don't understand the lives of people like me	56%	62%
We need a strong leader willing to break the rules	54%	49%
The main divide in our society is between ordinary citizens and the political and economic elite	60%	67%

[https://www.ipsos.com/sites/default/files/ct/news/documents/2023-11/2023\\_GlobalTrustworthinessIndex.pdf](https://www.ipsos.com/sites/default/files/ct/news/documents/2023-11/2023_GlobalTrustworthinessIndex.pdf)

## **17. The Commission's work must align with current government initiatives**

There are various other activities taking place within the infrastructure sector. The Commission should identify and agree on its interconnected working relationships with them. This includes recently established National Infrastructure Funding and Financing Ltd (NIFFCo), Crown Infrastructure Delivery (CID), National Infrastructure Agency (NIA), and The Infrastructure Collective (TIC).

Other ongoing initiatives include:

### **A new framework for co-investment in infrastructure**

Today, the central government is reclaiming some service design roles, particularly in water (through Taumata Arowai) and housing. A new framework (ECO-24-SUB-0076) is being developed to outline when and how the Crown should co-invest in infrastructure, and we assume the Commission is actively contributing to this process.

### **The Local Government (System Improvements) Amendment Bill**

The Local Government (System Improvements) Amendment Bill was introduced in 2025 as a major reform to refocus councils on core services and enhance transparency, financial discipline, and performance across New Zealand's local government sector.

Its Key Objectives are

1. Refocus the statutory purpose of local government on delivering lifeline services.
2. Reduce pressure on rates by curbing spending on non-core activities.
3. Strengthen accountability through clearer performance measures and reporting.

The bill reinstates a narrower purpose, the cost-effective provision of infrastructure and public services. Councils must prioritise services such as water, roading, waste management, public transport, and emergency management.

The bill is intended to;

1. Improves Performance Reporting
2. Introduces benchmarking and regular public reporting.
3. Requires disclosure of consultant and contractor spending.
4. Strengthens Governance Rules
5. Standardised codes of conduct and standing orders for elected members.
6. Enhances elected members' rights to access council information.
7. Provides Regulatory Relief
8. Removes outdated requirements (e.g. six-yearly service delivery reviews).
9. Modernises public notice rules and streamlines compliance.



## What is MBIE's current role?

The Ministry of Business, Innovation and Employment (MBIE) plays a multi-layered role in New Zealand's infrastructure system, focusing less on direct delivery and more on shaping the policy, regulatory, and investment environment that enables infrastructure to occur. Its role is broad and influential, spanning regulatory reform, funding enablement, procurement leadership, and innovation, and no doubt overlaps with the Commission's work and other government initiatives discussed in my submission.

MBIE and the Commission each have distinct but complementary roles within the infrastructure system. The Commission appears to establish the overall strategic direction, while MBIE is involved in policy development and regulatory processes. **However, responsibility must be clear—who will be accountable if our infrastructure services fail significantly? (Mr Nobody?)**

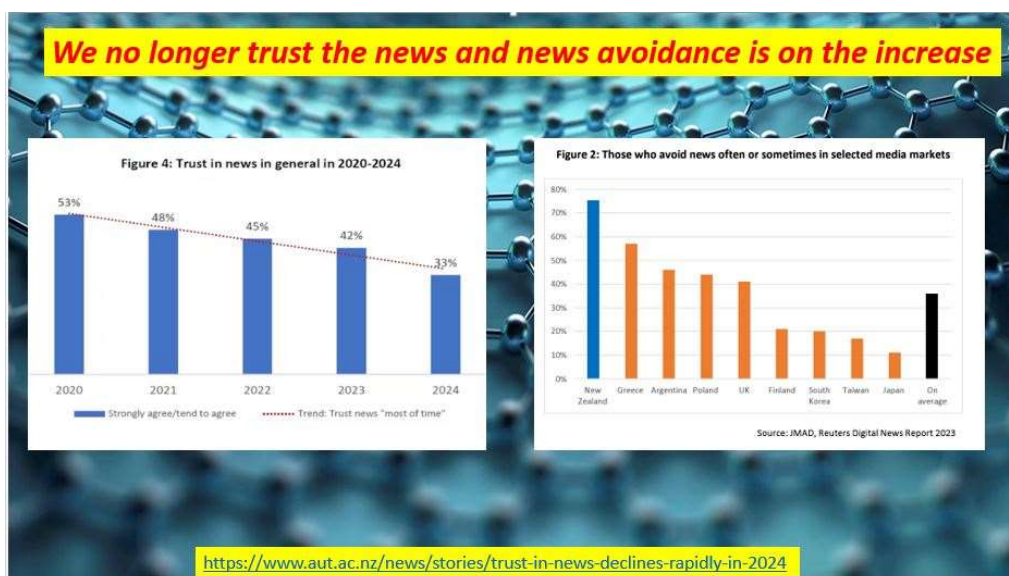
## Other government agencies

Other government agencies encompass various regulators or quasi-regulators that have input into the infrastructure pipeline. Ideally, we aim for all of them, and the Commission, to be aligned with the values of New Zealand Inc.

As an example of a potential conflict, the outcomes of the Water Regulator, Taumata Arowai, may differ significantly from those of the Commission, so who has the upper hand?

Taumata Arowai is New Zealand's dedicated water services regulator, established to ensure everyone has access to safe, reliable drinking water every day, everywhere. This is a noble aim, but delivering potable water to some remote locations may be impractical, costly, and at odds with the Commission's intended outcomes of affordability. It is easy to mandate actions if you don't have to consider where the funding will come from.

The Commission's work should be driven by the output of a reliable, resilient, sustainable, and affordable supply of lifeline infrastructure services for the foreseeable future, rather than the physical assets, which are one of the inputs that significantly influence the dependability of these services.





# Draft National Infrastructure Plan June 2025

## Feedback Comments and Recommendations

### 18. Part 2 - The Delivery Model

#### Summary

Having reflected extensively over the decades, I am convinced that there is a single, likely unique, solution, which is appointing a Parliamentary Commissioner for Infrastructure Delivery to report directly to Parliament, rather than to a government Ministry.

Currently, the three independent statutory officers are the Ombudsman, Auditor-General, and the Parliamentary Commissioner for the Environment. These are known as Officers of Parliament, who are independent watchdogs that help ensure government accountability and uphold democratic integrity. They enjoy a high level of institutional trust, especially when compared to other government sectors.

The Parliamentary Commissioner for the Environment is regarded as a credible and independent authority on sustainability, especially given the rising scrutiny of environmental governance. Similarly, a position such as a Parliamentary Commissioner for Infrastructure Development could also obtain comparable recognition. Without a trustworthy governance entity, effectively addressing our infrastructure challenges remains unlikely.

Under a Parliamentary Commissioner for Infrastructure Delivery (PCID) model, the Ministry of Infrastructure could shift from being a strategic coordinator to a delivery system steward, with more defined mandates regarding capability, oversight, and public legitimacy.

The amended role of the Commission would be a standing or advisory body supporting the PCID, providing independent, system-wide scrutiny and strategic guidance on infrastructure delivery.

An Infrastructure Accountability Act would establish a constitutional foundation for infrastructure governance in New Zealand, embedding principles such as intergenerational equity, civic legitimacy, and public value into law, beyond just strategic documents for the fiction section of the local library. Consequently, existing annual reports of lifeline organisations should honestly reflect their past year's performance, using mandatory criteria developed by the Commission for reporting.

The following presents a practical business case for the above, including a detailed job description and relationship tables for infrastructure delivery agents. After six years of Commission reports, it is time to focus on implementing reforms in the infrastructure sector to achieve tangible results.

#### Recommendation

- 25. The Commission quickly develops a reformed, non-partisan delivery system based on the following proposal, or a better proposal, including the appointment of a Parliamentary Commissioner for Infrastructure Delivery.**
- 26. The Commission facilitates the passing of an infrastructure Accountability Act along with remedial measures for suboptimal service delivery performance.**

## 19. Is the Ministry of Infrastructure the right long-term delivery vehicle?

**There is an urgent need to depoliticise infrastructure decisions**, increase transparency, and rebuild public trust. Since the abolition of the Minister of Works position in 1993, no organisation has been held accountable for managing our critical infrastructure services. The first Ministry for Infrastructure was established in 2008 by the incoming National government and lasted three years before being merged into the Finance Minister's portfolio.

In mid-2024, the Ministry became a direct report to the cabinet through a formalised work programme focused on improving infrastructure funding and financing. This reflects the government's intent to elevate infrastructure as a core enabler of housing growth, economic productivity, and long-term resilience.

### a. Has the Ministry of Infrastructure delivered value over the last 17 years?

The Ministry has lacked clear accountability outcomes since 2008. It has produced several well-written reports, but it appears to have done little to prevent our current infrastructure deficit crisis.

One such report was the 2015 Thirty-Year Infrastructure Plan, which outlined a vision for coordinated investment but lacked binding mechanisms or bipartisan support. It also produced reports that recognised our infrastructure deficit, acknowledging that New Zealand lags behind its OECD peers in infrastructure investment and productivity.

It also undertook work that led to the establishment of the Infrastructure Commission in 2019.

The Ministry of Infrastructure has faced ongoing challenges in clearly articulating and delivering tangible, measurable results. Despite a flurry of announcements, summits, and pipeline expansions, several systemic issues persist, including the lack of reporting on inputs without demonstrating what these actions genuinely contribute to public value, well-being, or resilience.

The Ministry needs a clear direction to follow and be responsible for it.

### b. Past Ministry directions changed directions every two years

The Ministry requires a clear direction to follow and be accountable for. The previous government, 2017-2023, had three Ministers for Infrastructure during its six-year term, each steering it in a different direction, and excluded the three waters services.

- Grant Robertson - Fiscal integration, intergenerational equity, and infrastructure strongly linked to Wellbeing Budgets.
- Megan Woods prioritised climate-aligned infrastructure planning, acceleration, housing infrastructure, and aligning Kāinga Ora with delivery pipelines.
- Shane Jones – Regional Development Priorities

Additionally, the Minister for Local Government separately attempted the unsuccessful \$1 billion-plus Three Waters reform programme. The Programme was led by the Department of Internal Affairs and overseen by the Minister of Local Government, not the Ministry of Infrastructure, because it was driven by centralising governance and co-governance.

Water is arguably the most essential of all infrastructure services and should have been included in the Ministry of Infrastructure's accountabilities.

### c. Current Ministry activities

The responsibilities of the Ministry for Infrastructure were significantly reinforced under the current coalition government in December 2024 to improve service delivery, attract investment, and rebuild public confidence and trust in New Zealand's infrastructure.

Its purpose is to provide strategic coordination and policy leadership to address the infrastructure shortfall. While it does not directly implement projects, it influences planning, funding, and governance by setting priorities and establishing institutional frameworks.

The New Zealand Infrastructure Commission is an autonomous Crown entity, meaning it operates independently but remains ultimately accountable to the Minister for Infrastructure.

I have no reason to doubt that the Ministry, working alongside the Commission, has achieved substantial progress over the past two years, including the launch of the \$206.9 billion National Infrastructure Pipeline. This is a good start, but it is only an input, and robust metrics for delivery speed, equity, or long-term public value will need to be developed to assess its success. The completion of the work will depend on securing full funding to finish it, and some good work is also ongoing in that area.

### d. Bipartisanship in the Ministry

The Ministry is not formally bipartisan, but it's trying to build cross-party consensus, with mixed success. We need to put more effort into rebuilding public trust in the government. It's challenging to gain public support and trust for any major announcement when opposition parties consistently criticising it, even when the ideas are worthwhile.

As I write this, the latest infrastructure announcement from the New Zealand Government outlines a \$6.4 billion package of projects set to start before the end of 2025. I believe this reflects an early effort by the commission to achieve some initial successes. I look forward to more of the same.

POLITICS / INFRASTRUCTURE

## Government's \$6b announcement has nothing new, Labour says

8:39 am on 21 July 2025

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Nick James, Journalist  
[nick.james@rmz.co.nz](mailto:nick.james@rmz.co.nz)

Labour's response to the \$6.4 billion infrastructure package has been sharply critical. Their infrastructure spokesperson described the announcement as a ***"re-announcement of previously committed projects, many of which were initiated under the previous Labour-led government."***, ***"The sector needs new work and forward-looking certainty, not recycled plans."*** ***"It's a political distraction from rising homelessness and economic pressures."***

### Conclusion

Headlines like this only add to confusing citizens and heightening distrust in the government. The Commission's words must be regarded as the Pulpit of Truth by ordinary New Zealanders.

### e. Could a bipartisan agreement work? Highly unlikely

If we keep a dedicated infrastructure ministry, reaching a bipartisan agreement is crucial because it shifts the focus from fleeting political wins to long-term, generational investment. This is essential because:

- Provides certainty over time and maintains continuity across government
- Provides investors with confidence in investing in New Zealand and highlights the social benefits.
- Allows PPPs to be used for larger projects.
- Allows contractors and suppliers to scale up with confidence
- Supports workforce development
- Provides more effective and efficient use of public funds through long-term planning
- Restores trust in our government systems
- Stops New Zealand falling behind our trading partners, in areas such as productivity and climate change adaptation

In theory, a bipartisan agreement could work, but in practice, it would be messy. The challenge isn't structural, it's behavioural. Politicians will do anything to get their name in the headlines, such as in the headline above.

Political parties often struggle to maintain good faith over time. The pendulum of policy reversals with each new government, as outlined above especially in infrastructure, has created what some call a "stop-start merry-go-round" that drives up costs, erodes delivery capability, and undermines public trust and confidence.

Too many politicians are too driven by the ballot box, not what is best for NZ Inc., and see compromising as a weakness. This has resulted in a divided society where the young and the poor feel alienated from political institutions and see no point in voting in systems that don't work for them.

### Conclusion

**Bipartisanship is unlikely to be achieved in our current governance structure**

### f. Trust and social cohesion are needed to make a bipartisan agreement work

**Trust and social cohesion are foundational** to the success of any bipartisan infrastructure accord. Social cohesion is the glue that keeps us together as a nation and reduces the mind-set that any gain by one group must come at the expense of another, political behaviour.

Without it, bipartisan agreements risk being seen as elite bargains or technocratic fixes, rather than democratic commitments. Parties are incentivised to differentiate themselves for electoral gain, even if it means reversing prior consensus.

***"New Zealand's social cohesion is under strain, and that trust, both social and institutional, is central to our democratic resilience."*** Sir Peter Gluckman

### Conclusion

Trust and social cohesion issues are potentially bigger issues than the infrastructure deficit

## g. Is the Ministry of Infrastructure doing a good job?

The Ministry's performance should be evaluated by its outcomes, not by the quantity of input activities. Over six years, collaboration with the Commission has led to key decisions that are progressing well. These include the \$206.9 billion infrastructure pipeline, the NIFFCo launch, RMA Act reforms, and the draft National Infrastructure Plan.

The challenges that remain include:

- Fragmented delivery across multiple agencies
- Weak outcome tracking, lots of inputs, few metrics on equity, resilience, or civic legitimacy
- Political volatility, priorities shift with governments, undermining long-term certainty
- Limited public engagement — infrastructure decisions remain largely technocratic

Civic legitimacy is the silent force that determines whether infrastructure systems are trusted, supported, and maintained across generations. It's not just about consultation or compliance; it's about whether people feel that infrastructure decisions reflect their values, priorities, and lived experiences.

Technocratic decisions are often driven by technical experts, economic models, and bureaucratic processes, with limited public input and democratic oversight. The Auditor-General has flagged the technocratic nature of decision-making as a systemic issue.

I believe this is an issue for the draft Plan and **warn the Commission against making future decisions based on popular opinions** influenced by feedback from the current process; instead of making responsible choices, they should remember that if councils and other infrastructure service providers had made responsible decisions initially, there would be no need for the Commission.

New Zealand's infrastructure system has traditionally favoured a technocratic approach, prioritising efficiency, engineering, and financial metrics over public value. This leads to:

- Low trust in delivery agencies, especially when projects are delayed or over budget
- Disconnection between planning and funding, particularly in local government
- Short-term focus, driven by political instability and fragmented governance

We could establish a Parliamentary Infrastructure Accord through Parliament, not Cabinet, to give it lasting legitimacy. It is hard to see this working with our current politicians, who would be expected to recommit to it every year. What is needed is a model founded on long-term pragmatism and trust, free from political interference if we are to address our infrastructural shortfall.

**Yes the Ministry is doing a could job but a change in government could change its direction as happened with three waters reform**

## Conclusion

**Yes but:** The Commission, working alongside the Ministry, is doing a commendable job; however, its efforts could be undone by a change of government which might significantly shift the Ministry's priorities. For investors in long-term sectors like infrastructure, energy, and housing, a change in government can cause investor anxiety. The issue isn't just about new policies but also about policy volatility and the decline in regulatory predictability. The 2018 offshore oil and gas ban led investors to quietly exit New Zealand, directing their capital to more stable jurisdictions



## 20. A remodelled Ministry or a Parliamentary Commissioner?

Whether a Ministry of Infrastructure with more teeth is “better” than a Parliamentary Commissioner for Infrastructure Delivery (PCID) depends on what kind of legitimacy, oversight, and delivery capability we are trying to build into the system.

### The Ministry pros are:

- Executive Power: Can directly set policy, allocate funding, and drive delivery.
- System Integration: Can coordinate across transport, housing, energy, and climate portfolios.
- International Signalling: Shows infrastructure is a strategic priority.

### The Ministry Cons are

- Political Risk: Vulnerable to short-termism, ministerial churn, and electoral cycles.
- Capture Potential: May be influenced by large consultancies or sectoral interests.
- Legitimacy Gaps: Less likely to embed civic engagement or independent scrutiny.

### The PCID Pros are:

- Independent Oversight: Can audit, report, and hold agencies to account without executive interference.
- Civic Legitimacy: More likely to embed intergenerational equity, public engagement, and ethical scrutiny.
- System Stewardship: Focuses on long-term delivery performance, not just pipeline expansion.

### The PCID Cons are:

- Limited Executive Power: Can’t directly fund or deliver projects — relies on influence and reporting.
- Institutional Complexity: May require new legislation, reporting frameworks, and coordination protocols.
- Risk of Marginalisation: Could be side-lined if not embedded in parliamentary processes or public discourse.

## Conclusion

Our infrastructure crisis stems from decades of underinvestment, fragmented governance, and short-term politics. This is a fundamental failure to manage public assets effectively for sustainable and equitable outcomes. Despite high GDP spending, NZ ranks in the bottom 10% for ROI among OECD countries. A paradigm shift is needed so future generations have the infrastructure they deserve.

A Parliamentary Commissioner for Infrastructure Delivery (PCID) provides a fundamentally different, sustainable long-term value proposition than a traditional Ministry of Infrastructure, which faces delivery fragmentation, capability gaps, and legitimacy challenges. Opposition to a PCID will likely arise from institutional, political, and philosophical concerns, not outright rejection of its goals.

## **21. Parliamentary Commissioner for Infrastructure Delivery functions**

### **a. Independence and System Accountability**

- The PCID is independent of ministerial portfolios, allowing it to scrutinise delivery performance without political interference.
- It reports directly to Parliament, enhancing transparency and public trust—especially critical for long-term, high-cost infrastructure.
- Unlike a ministry, whose priorities the Cabinet may bind, the PCID can flag systemic risks and challenge short-termism.

### **b. Whole-of-System Oversight**

- A ministry typically focuses on policy coordination and funding mechanisms, whereas a PCID can assess delivery effectiveness across agencies, councils, and PPPs.
- It can maintain a national infrastructure risk register, monitor cost overruns, and surface capability bottlenecks - constraints that limit the performance, scalability, or responsiveness of a system.
- The PCID can act as a watchdog for intergenerational equity, ensuring infrastructure decisions serve future generations—not just electoral cycles.

### **c. Civic Legitimacy and Public Engagement**

- The PCID can embed citizen panels, youth forums, and deliberative processes into infrastructure oversight.
- It translates technical data into accessible formats, democratising fiscal literacy and enabling informed public debate.
- Ministries rarely have the mandate or tools to build civic legitimacy around infrastructure delivery.

### **d. Strategic Advice Without Capture**

- The PCID can provide scenario-based advice on reform models, regional equity, and delivery acceleration, drawing on global lessons.
- It's less vulnerable to consultancy capture or siloed advice, which can affect ministries operating within tight budget cycles and political constraints.

### **e. Complementary, Not Redundant**

- A PCID doesn't replace a ministry, it complements it by creating a feedback loop between delivery reality and strategic ambition.
- The Ministry of Infrastructure could still coordinate funding, capability building, and pipeline management, but under the scrutiny and guidance of the PCID.

## **22. Role of the Ministry of Infrastructure under a PCID**

Under a (PCID), the Ministry of Infrastructure could shift from merely coordinating strategies to actively overseeing delivery as a system steward. This transition would clarify mandates related to capabilities, oversight, and securing public trust.

### **a. System Stewardship and Capability Building**

- Act as the executive arm supporting the PCID's independent oversight by coordinating across agencies and delivery entities.
- Lead efforts to lift infrastructure delivery capability across central and local government, including procurement standards, workforce planning, and digital tools.
- Maintain a national infrastructure delivery dashboard, feeding into the PCID's public reporting and performance assessments.

### **b. Pipeline Management and Fiscal Interface**

- Own and manage the infrastructure pipeline, ensuring alignment with long-term strategy and fiscal constraints.
- Work with Treasury to embed intergenerational equity metrics and lifecycle costings into investment decisions.
- Provide technical advice to the PCID on asset recycling, PPPs, and alternative funding models.

### **c. Democratising Infrastructure Governance**

- Support the PCID in public engagement, including citizen panels, youth forums, and regional infrastructure dialogues.
- Translate complex delivery data into accessible formats for public scrutiny and civic learning.
- Coordinate with Te Waihangā and other agencies to ensure joined-up advice on infrastructure priorities and trade-offs.

### **d. Regulatory Interface and Risk Management**

- Liaise with regulators (e.g. Taumata Arowai, Commerce Commission) to ensure delivery risks are surfaced and mitigated.
- Develop a national infrastructure risk register, including climate, seismic, and geopolitical risks, for PCID oversight.

#### **Considerations**

Who has the right to decide, and why should we trust them? The public have much greater trust in direct reports to Parliament such as the Auditor General and the Ombudsman than the government ministers.

Currently, service providers operate in silos, are input-driven, and focus on agency interests, often prioritising the size of future rate increases or returns to investors. A mandate for a Parliamentary Commissioner for Infrastructure Delivery would need to be both principled and practical, anchored in public value, while enabling decisive action across complex systems.

## **23. The future Role of the NZ Infrastructure Commission**

Under the Parliamentary Commissioner for Infrastructure Delivery (PCID) model, the Commission would act as a strategic and civic leader, providing independent advice, engaging the public, and overseeing the entire system. They would report to Parliament through the PCID to preserve their independent watchdog role.

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- Develop a national infrastructure risk register, including climate, seismic, and geopolitical risks, for PCID oversight.

## **24. Job Description**

### **Parliamentary Commissioner of Infrastructure Delivery**

#### **a. Role**

To oversee, evaluate, and advise Parliament on infrastructure investments—ensuring they are strategic, equitable, transparent, and aligned with NZ Inc.'s long-term interests. Key aspects of the Role include:

- Ensure delivery integrity across infrastructure agencies.
- Promote transparency, civic legitimacy, and intergenerational equity.
- Act as a non-partisan watchdog and advisor, with powers to audit, report, and recommend reforms

#### **b. Reporting**

Direct report to Parliament, not the Executive, to safeguard impartiality and public trust, as currently do the Auditor General, Ombudsman, and Parliamentary Commissioner for the Environment

#### **c. Functions**

- Monitor infrastructure delivery performance across central and local government, including Crown entities and PPPs.
- Identify systemic barriers to efficient, equitable delivery (e.g. capability gaps, procurement bottlenecks, regulatory misalignment).
- Evaluate whether infrastructure investments uphold principles of intergenerational equity, civic legitimacy, environmental stewardship and the values of NZ Inc.
- Provide parliament with independent reports, scenario modelling, and recommendations on significant projects, reforms, and delivery models.
- Facilitate public understanding of infrastructure trade-offs, costs, by and benefits, by making financial knowledge accessible, relevant, and empowering for all, not just those with formal education or economic privilege.
- 

#### **d. Guiding Principles**

- Ensure intergenerational equity achieved by Infrastructure serving future generations, not just current political cycles.
- Delivery must reflect public priorities and be accountable to communities.
- Promote sustainable delivery capability across agencies and regions.
- Ensure infrastructure decisions incorporate full environmental costs and benefits.
- 

#### **e. Complementary Roles**

This Commissioner would complement, but not duplicate, the roles of:

- Crown Infrastructure Delivery (CID), which executes projects for agencies with low delivery capability.
- Infrastructure Commission which focuses on strategic planning and system design.
- Auditor-General, who audits financial and performance aspects.
- NIFFCo National Infrastructure Funding and Financing Ltd who is the governments shopfront for infrastructure specialising in PPPs and Capital markets



## **25. The Future Role of the Commission**

### **a. System Stewardship and Capability Building**

- Act as the executive arm supporting the PCID's independent oversight by coordinating across agencies and delivery entities.
- Lead efforts to lift infrastructure delivery capability across central and local government, including procurement standards, workforce planning, and digital tools.
- Maintain a national infrastructure delivery dashboard, feeding into the PCID's public reporting and performance assessments.

### **b. Pipeline Management and Fiscal Interface**

- Own and manage the infrastructure pipeline, ensuring alignment with long-term strategy and fiscal constraints.
- Work with Treasury to embed intergenerational equity metrics and lifecycle costings into investment decisions.
- Provide technical advice to the PCID on asset recycling, PPPs, and alternative funding models.

### **c. Democratizing Infrastructure Governance**

- Support the PCID in public engagement, including citizen panels, youth forums, and regional infrastructure dialogues.
- Translate complex delivery data into accessible formats for public scrutiny and civic learning.
- Coordinate with Te Waihanga and other agencies to ensure joined-up advice on infrastructure priorities and trade-offs.

### **d. Regulatory Interface and Risk Management**

- Liaise with regulators (e.g. Taumata Arowai, Commerce Commission) to ensure delivery risks are surfaced and mitigated.
- Develop a national infrastructure risk register, including climate, seismic, and geopolitical risks, for PCID oversight.

## 26. Implications for Councils

For councils, a Parliamentary Commissioner for Infrastructure Delivery would represent both a challenge and an opportunity by shifting the landscape of accountability, capability, and civic engagement.

### a. Increased Scrutiny

- Councils would face independent oversight of their infrastructure delivery performance, especially around cost overruns, delays, and service outcomes.
- Long-term plans and infrastructure strategies could be reviewed for alignment with national priorities and principles like intergenerational equity.

### b. Capability Benchmarking

- The Commissioner could identify capability gaps in local delivery, prompting councils to invest in project management, procurement, and asset stewardship.
- Councils with strong delivery records might be showcased as models, others could be supported or challenged to improve.

### c. Fiscal Transparency

- Councils would need to justify infrastructure decisions more rigorously, including trade-offs between vanity projects, affordability, service levels, and long-term sustainability.
- The Commissioner could help democratise fiscal literacy, making council infrastructure decisions more accessible to the public.

### d. Collaborative Pressure

- Councils may be encouraged to collaborate regionally, pooling expertise, standardising delivery models, and sharing lessons.
- This could accelerate the formation of regional delivery hubs or shared service arrangements.

### e. Public Engagement

- Councils would be expected to engage communities more transparently about infrastructure priorities, risks, and costs.
- The Commissioner could act as a civic translator, helping the public understand complex infrastructure decisions and holding councils to account for public legitimacy.

### f. Strategic Alignment

- Councils would need to align their infrastructure strategies with national objectives aligned with NZ Inc. such as climate resilience, housing growth, and environmental outcomes.
- The Commissioner could help councils navigate shifting central government priorities and regulatory expectations.

## **27. Implications for Government Agencies, including transportation agencies**

### **a. Independent Oversight**

- Agencies would be subject to performance reviews on infrastructure delivery, especially around delays, cost escalations, and public value outcomes.
- The Commissioner could audit delivery pipelines, assess risk management practices, and flag systemic issues across portfolios.

### **b. Strategic Coherence**

- Agencies would need to align infrastructure projects with long-term national strategies of NZ Inc, including climate resilience, housing, and regional equity.
- Fragmented or siloed delivery approaches could be challenged, prompting more integrated planning across departments.

### **c. Capability Development**

- The Commissioner may identify capability gaps in project governance, procurement, and delivery, leading to targeted support or reform.
- Agencies would be benchmarked against best practice, with recommendations for improving internal delivery systems.

### **d. Transparency & Accountability**

- Agencies would be expected to justify infrastructure decisions in terms of public value, not just technical feasibility or budget constraints.
- The Commissioner could publish independent assessments of major projects, including cost-benefit analyses and scenario modelling. This would include determining whether the benefits sought from the project were obtained

### **e. Interagency Collaboration**

- Agencies may be nudged toward collaborative delivery models, especially for cross-cutting infrastructure (e.g. transport, water, housing).
- This could accelerate shared service arrangements, pooled funding mechanisms, or regional delivery hubs.

### **f. Public Engagement**

- Agencies would need to communicate infrastructure trade-offs more clearly to the public ,especially around affordability, resilience, and equity.
- The Commissioner could act as a civic translator, helping agencies build legitimacy and trust in their infrastructure programmes.

### **g. Systemic Influence**

- The Commissioner could shape policy settings, procurement frameworks, and regulatory coordination, especially where interagency delivery bottlenecks persist.
- Agencies might be required to respond formally to the Commissioner's reports, similar to how the Auditor-General's findings are treated

## **28. Implications for Electricity, Gas and Fuel suppliers (Energy suppliers)**

For energy suppliers, particularly generators, gentailers, distributors, and retailers, a Parliamentary Commissioner for Infrastructure Delivery could significantly enhance accountability, investment cues, and public trust.

### **a. Independent Scrutiny**

- Suppliers may face performance reviews on infrastructure delivery, especially around resilience, affordability, and alignment with decarbonisation goals.
- The Commissioner could assess how well suppliers are adapting to climate risks, demand shifts, and system-wide reliability challenges.

### **b. Long-Term Planning Alignment**

- Infrastructure investments (e.g. grid upgrades, renewable generation, storage) would need to align with national strategies—such as net-zero targets, regional equity, and energy security.
- The Commissioner could challenge short-termism in investment decisions and promote intergenerational equity in asset planning.

### **c. Transparency & Public Value**

- Electricity suppliers would be expected to justify infrastructure costs and trade-offs in terms of public value, not just shareholder returns.
- The Commissioner could publish independent assessments of major projects, pricing impacts, and delivery risks, enhancing civic legitimacy.

### **d. Capability & Risk Management**

- The Commissioner might identify systemic delivery risks—such as underinvestment in resilience or overreliance on ageing assets.
- Suppliers could be benchmarked on governance, procurement, and outage response, with recommendations for improvement.

### **e. Coordination with Regulators**

- The Commissioner could work alongside the Electricity Authority, Commerce Commission, and MBIE to ensure regulatory settings support effective delivery.
- This might include reforms to transmission pricing, distributed energy integration, or investment incentives.

### **f. Civic Engagement**

- Suppliers may be nudged to engage more transparently with communities—especially around pricing, outages, and infrastructure upgrades.
- The Commissioner could act as a civic translator, helping the public understand electricity system trade-offs and holding suppliers to account for public trust.

### **g. Sector-Wide Influence**

- The Commissioner could shape national debates on energy transition pathways, such as pumped hydro, green hydrogen, or distributed generation.
- (For example, recent modelling of electricity system pathways by the Parliamentary Commissioner for the Environment shows how different infrastructure choices (like Lake Onslow) affect prices, emissions, and energy security.

## 29. Implications for the Communications sector

For the communications sector, including telcos, broadcasters, and digital infrastructure providers, a Parliamentary Commissioner for Infrastructure Delivery could signal a shift toward greater resilience, transparency, and civic accountability.

### a. Independent Oversight

- Providers may face scrutiny on delivery performance, especially around network resilience, rural coverage, and emergency preparedness.
- The Commissioner could assess infrastructure vulnerabilities—like cyber risks, outage response, and climate-related disruptions.

### b. Minimum Standards & Resilience

- The Commissioner might advocate for national standards for critical communications infrastructure, including cyber protection and redundancy protocols.
- This could accelerate reforms already underway, such as the National Risk and Resilience Framework and satellite regulation.

### c. Strategic Alignment

- Communications infrastructure would need to align with national priorities—like equitable access, digital inclusion, and disaster response.
- The Commissioner could challenge underinvestment in underserved regions or outdated legacy systems.

### d. Transparency & Public Value

- Providers may be expected to justify infrastructure investments in terms of public value—not just commercial viability.
- The Commissioner could publish independent assessments of major rollouts (e.g. 5G, fibre, satellite), including affordability and service equity.

### e. Coordination with Regulators

- The Commissioner could work alongside the Commerce Commission, MBIE, and Broadcasting Standards Authority to ensure regulatory coherence.
- This might include reforms to spectrum allocation, dispute resolution, or universal service obligations.

### f. Civic Engagement

- Providers may be nudged to engage more transparently with communities—especially around outages, pricing, and infrastructure upgrades.
- The Commissioner could help demystify technical decisions and hold providers to account for public trust.

### g. Sector-Wide Influence

- The Commissioner could shape debates on digital sovereignty, satellite regulation, and AI-enabled infrastructure—ensuring these technologies serve public interest.
- For example, recent concerns about satellite providers like Starlink being regulated similarly to domestic telcos are already prompting policy reviews.



## 30. Attachment 1- NZ Inc. values examples

The following documents essentially outlines the core values of New Zealand Inc. and highlight some of the challenges we face as a nation.

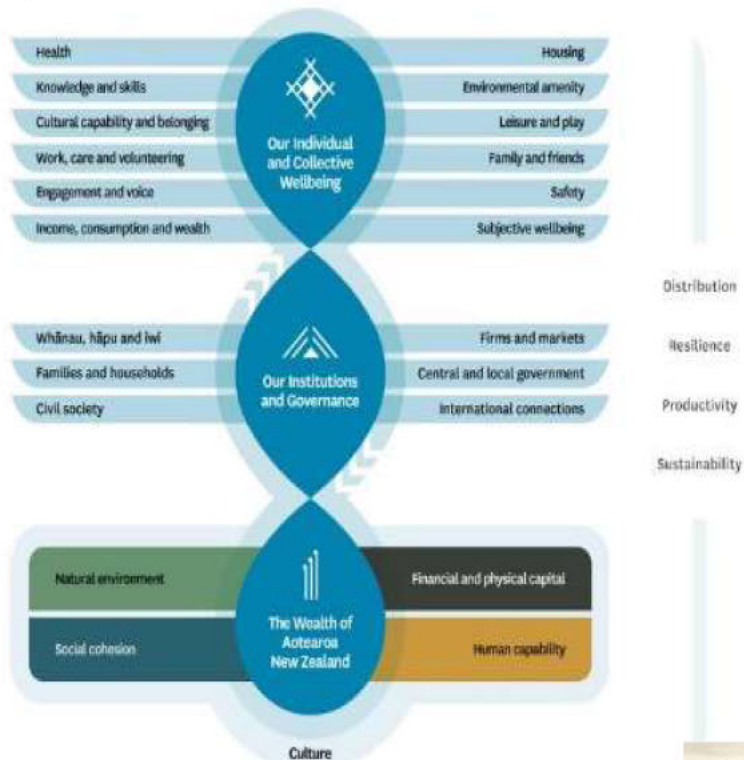
### e. NZ Treasury's Living Standards Framework

The Treasury's Living Standards Framework (LSF), first published by the New Zealand Treasury in 2011, outlines key concepts, including wellbeing domains and four types of capital: natural, human, social, and financial/physical. These fundamental elements continue to form the basis of the framework today.

In 2018, the Treasury launched the Living Standards Framework Dashboard, a tool designed to evaluate and monitor wellbeing outcomes nationwide. This initiative demonstrates Treasury's ongoing commitment to incorporating intergenerational wellbeing into economic and policy strategies. (See NZ Treasury's website for details.)

#### NZ Treasury Wellbeing in Aotearoa New Zealand in 2022 Summary

Figure 1: The 2021 version of the LSF



***"However, Aotearoa New Zealand performs less well on wellbeing for children and young people.....growing numbers of children are reaching age 15 without even basic levels of literacy and numeracy.... the children of poor parents are more likely to become poor themselves .... our rental housing is among the least affordable in the OECD"***



### a. The Auckland Plan 2050 (2018)

As one of several detailed examples, the challenges faced by New Zealand Inc. are outlined in the Auckland Plan 2050 (2018), particularly in its discussion of the '**divide between rich and poor**' under the '**Two-speed Auckland**' section on page 20.

Many outcomes and their objectives, directives and focus areas are negatively affected by poor infrastructure, especially in larger New Zealand cities. The costs of current services are an issue for many. The Commission should support these outcomes when appropriate. For example, how will its outputs align with the Transport and Access Outcome?



### b. The Productivity Commission

The principles of the LSF Dashboard are equally applicable to aligning the infrastructure Commission's work with NZ Inc. The recently disestablished Productivity Commission emphasised inclusive productivity, where economic gains are shared across society and aligned with environmental and social goals. This, in effect, aligned with the objectives of the Treasury's Living Standard Framework.

The Productivity Commission, before its disbandment in 2023, recommended measures that extend beyond merely focusing on economic metrics. This included:

1. Wellbeing-based accountability systems
2. Locally led, whānau-centred approaches
3. Recognition of future generations' interests
4. A "social floor" to ensure basic standards of living

While some critics, including Treasury, questioned the feasibility of the Commission's recommendations, it's evident that the Commission did not ignore social concerns, instead, it actively addressed them. Some saw this as the commission being too being too influenced by the then government.

### c. The Gluckman Reports on social cohesion

The recent Gluckman Reports, as a government advisor on e.g. **“Social cohesion and societal polarisation”**, and **“Social Cohesion in New Zealand”**, etc., are directly relevant to gaining the wider society’s support and trust for the outputs from the Commission’s work. We have become an increasingly divided society. Reaching agreement on any significant course of action will continue to be difficult unless we can revert to a more egalitarian and socially cohesive society that we had in the 1970s.



***“Institutional and social trust are both needed for a democratic society to be resilient and cohesive. They are interdependent concepts.”***

***“A modern liberal democracy can only function effectively and act with integrity for the benefit of its citizens if there is trust and accountability between the structures and institutions that perform various governing functions, and those who are governed (referred to as vertical trust). Contemporary liberal democratic societies are comprised of individuals and groups with differing histories, identities, values and worldviews, who also need to trust each other sufficiently to cooperate (horizontal trust).”***

***“Social cohesion is critical to our well-being, both collectively and individually. This is because humans evolved as social animals living in increasingly complex collectives, which came to depend on institutions to sustain their social well-being and cohesion.”***

#### **NZ Treasury Wellbeing in Aotearoa New Zealand in 2022 Summary**

***“However, Aotearoa New Zealand performs less well on wellbeing for children and young people.....growing numbers of children are reaching age 15 without even basic levels of literacy and numeracy.... the children of poor parents are more likely to become poor themselves .... our rental housing is among the least affordable in the OECD”***

### d. MBIE’s Rule 16: Broader Outcomes good in theory unworkable in practice

MBIE’s Rule 16: Broader Outcomes became a requirement for public sector procurement. It aims to achieve wider results from procurement processes. It’s not just about buying goods and services efficiently, but also about using government spending to deliver social, environmental, cultural, and economic benefits.

The requirement proved challenging for most, and the rule is being phased out and replaced with **“Rules for sustainable and inclusive procurement”** and **“Responsible expenditure of public funds”**.

Specifically, these include agencies considering the following in their procurement practices:

1. Support New Zealand businesses, especially Māori, Pasifika, regional, and social enterprises
2. Promote inclusive economic development
3. Improve conditions for workers (e.g. fair pay, safe workplaces)
4. Help transition to a net-zero emissions economy
5. Reduce waste and environmental harm

## e. Audit NZ

Audit NZ's values are documented in various sources, including the recent discussion on the Local Government Amendment Act No 3, 1996, which is also referred to in this document. These values include user pays and intergenerational equity.

*" 11.004 Why Fund Depreciation?"*

*A range of reasons exists as to why depreciation should be funded. These reasons include:*

- 1. to provide funds for the replacement of assets;*
- 2. to facilitate inter-generational equity;*
- 3. to achieve economic efficiency aims (such as "the level playing field"); and*
- 4. to ensure that the users of the service pay the real cost."*

## f. Summary

What is needed is for all key activities within New Zealand, private and public, to align with the country's core values. As the Auditor-General noted for infrastructure, continuing with the same approach is no longer practical.

Premium

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# David Seymour resurrects idea of migrants signing NZ 'values statement'



By Jamie Ensor

Political reporter · NZ Herald · 31 Jul, 2025 05:00 PM ⌚ 5 mins to read