

# Infrastructure weekly update

For the week starting 11 December 2023



To Hon Chris Bishop, Minister for Infrastructure

Minister's comments:

# Table of Contents

- 1. Actions arising from previous meetings .....2
- 2. Key issues and updates .....3
  - 2.1. National Infrastructure Agency .....3
  - 2.2. Resource Management (RM) reform – fast-track consenting for infrastructure .....3
  - 2.3. Water reform .....4
  - 2.4. Housing update .....4
  - 2.5. Budget 24.....4
  - 2.6. Immediate opportunities to strengthen the National Infrastructure Pipeline.....4
  - 2.7. Informing the recovery from the 2023 North Island Weather Events (NIWE) .....5
  - 2.8. Upcoming events .....5
- 3. Upcoming advice .....6
  - 3.2. Upcoming briefings and aides memoire .....6
  - 3.3. Monitoring and performance reports.....9
  - 3.4. Upcoming Cabinet papers.....9
  - 3.5. Ministerial Official Information Act requests ..... 10
  - 3.6. Departmental Official Information Act requests ..... 10
  - 3.7. Upcoming Ministerial meetings..... 10
- Appendix A: List of upcoming reports and publications .....11

## 1. Actions arising from previous meetings

Meeting date	Agreed action	By whom	By when	Status
28 November	Consider next steps for the NZ Infrastructure Strategy	Minister	No deadline	Pending
28 November	Develop early advice on infrastructure system reform, including National Infrastructure Agency	TW	For meeting with the Minister on 7 December	Delivered 6 December [TW-2023-318 refers]
28 November	Provide advice on three waters	TW	asap	Briefing to be delivered 14 December
28 November	Provide advice on aspects of the RMA that are useful to keep	TW	asap	Delivered 28 November [TW-2023-310 refers]

## 2. Key issues and updates

### 2.1. National Infrastructure Agency

On 6 December 2023 we provided you with a joint briefing from the Infrastructure Commission, the Treasury and the Ministry of Business, Innovation and Employment [TW-2023-318 refers], in advance of our meeting with you on 7 December.

At this meeting you reiterated the position outlined in the National Party manifesto and provided further direction for us on scope for the next paper.

We will continue to work with the Treasury and MBIE to meet the 15 December deadline for initial options around scope and functions. We will also continue to develop advice for you on the infrastructure investment system can be strengthened to ensure better infrastructure outcomes across the board.

Responsible GM: Blake Lepper

### 2.2 Resource Management (RM) reform – fast-track consenting for infrastructure

We would like to discuss with you the overall approach of whether to pursue separate fast track legislation. The Commission sees *considerable advantages of separate legislation with a clear defined purpose that enables the public benefits of infrastructure provision*, rather than incorporating a 'fast-track' within the RMA. Separate legislation with a narrowly-defined purpose gives direction to decision-makers, and it is easier to develop a 'one stop shop' for non-RMA approvals if part of separate legislation. A separate infrastructure consenting act will also more readily survive the future repeal of the RMA, and long-term certainty is critical to address our infrastructure deficit. The COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA) provides a template with some necessary modifications, and would allow the legislation to refer back to the RMA.

s9(2)(f)(iv)

We acknowledge there is a case to improve consenting processes for other activities, to help address objectives such as housing shortages and affordability. However [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

We propose to provide you further detailed advice on this on 14 December. We have discussed approaches with infrastructure providers. We also intend to feed into advice provided by the Ministry for the Environment. Your direction that this advice fully reflects the interests of infrastructure will accelerate this process. Prior to Christmas we can provide further RM advice, including on national direction for infrastructure and suggestions to ensure greater coherence and support for infrastructure across existing and new national direction. [REDACTED]

Responsible GM: Barbara Tebbs

## 2.3 Water reform

We are preparing advice on water reform and intend to have this ready for you on 14 December. [REDACTED]

s9(2)(f)(iv)

[REDACTED] Our proposed complementary advice will focus on the attributes of effective economic regulation, the importance of volumetric charging, and the opportunity existing in establishing a 'default provider' (for those communities where local councils are unable to deliver safe, financially sustainable water services). We propose initial advice outlining the way in which the default provider, together with the quality and economic regulators, could lead excellence in quality and economic efficiency of water service provision.

We welcome direction from you on how you would like the Infrastructure Commission to engage with the Department of Internal Affairs and the Minister of Local Government on this.

Responsible GM: Barbara Tebbs

## 2.4 Housing update

We are preparing advice on housing and infrastructure, focused on near term opportunities to strengthen the National Policy Statement on Urban Development to improve the competitiveness of urban land markets and the efficiency of infrastructure provision and use. We propose to have this advice ready for you by 19 December.

[REDACTED]  
[REDACTED] s9(2)(f)(iv)

Responsible GM: Geoff Cooper / Barbara Tebbs

## 2.5 Budget 24

As the Minister for Infrastructure and Associate Minister of Finance you have significant responsibility for infrastructure investment (working with the Minister of Finance) for the way projects are planned, selected, prioritised and delivered through the investment management system (IMS).

As such, the Infrastructure Commission is supporting the Treasury to prepare for Budget 24, which we expect will include [REDACTED]

[REDACTED] We are happy to provide you with more detail when the Minister of Finance has confirmed the approach to this.

s9(2)(f)(iv)

As in past years, we expect the Budget process to require significant input from the Infrastructure Commission over a compressed timeframe. We propose to use this Budget process to pilot and test aspects of the assessment framework we have developed for the Infrastructure Priority List (IPL). The findings from this process will inform the future direction of our work on the IPL.

Responsible GM: Blake Lepper

## 2.6 Immediate opportunities to strengthen the National Infrastructure Pipeline

In your role as Minister for Infrastructure, you can influence the priorities and expectations for all Ministries and Crown Entities involved in infrastructure. With priority-setting now underway, we see a timely opportunity to strengthen New Zealand's national dataset of infrastructure project information (the Pipeline) to better inform government decision making. This is consistently requested by the market but the quality of data we receive limits the usefulness of this tool.

[REDACTED]  
[REDACTED] s9(2)(f)(iv)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Responsible GM: Geoff Cooper

## 2.7 Informing the recovery from the 2023 North Island Weather Events (NIWE)

Prioritising and scheduling infrastructure projects or programmes requires a coordinated approach, along with analysis of market constraints that may affect deliverability. The Pipeline enables this planning, and we are using it to advise you, Cabinet and other agencies – including Treasury, for its assessment of capital expenditure on infrastructure as part of Budget 24. This work is also helping to inform the ongoing recovery from this year’s North Island Weather Events (NIWE).

We continue to work with infrastructure providers and regional recovery agencies to facilitate a coordinated NIWE response. We have collected information on more than 4,000 NIWE-related projects valued at \$16 billion, and modelled the workforce that might be required to deliver these projects. Government stakeholders, including DPMC’s cyclone recovery unit, are using these projections to analyse recovery challenges.

There is an opportunity to strengthen the information agencies provide us on the recovery to enhance your visibility of the projects to restore infrastructure services. We are ready to brief you on the status of infrastructure recovery projects, challenges, and opportunities to inform the Government’s response to items 6 and 7 (relating to disaster recovery) in your 100-day plan.

Responsible GM: Geoff Cooper

## 2.8 Upcoming events

We advise you of any significant forums or events that Infrastructure Commission staff are attending or presenting at.

There are no such events currently scheduled for December 2023 or January 2024. We note that the Chief Executive attends a number of regular cross-agency forums, including an Australasian Infrastructure Body (i-Body) Chief Executives forum. These types of forums provide useful cross-agency learning and information sharing.

## 3 Upcoming advice

### 3.2 Upcoming briefings and aides memoire

We provide advice to you on our work programme and our contribution to the government’s wider work programme – both proactively and in response to requests from you.

<b>Topic and <a href="#">tracking number</a></b>	<b>Date due to your office</b>	<b>What this advice covers</b>	<b>Deadline for Minister’s feedback</b>
National Infrastructure Agency – initial scoping of issues and functions [TW-2023-318]	Sent 6 December	Sets out a problem definition, functions of a high-performing infrastructure system. This advice supports the Government’s 100-day plan to begin work on agency establishment.	For meeting with Minister Bishop on 7 December
Fast-track consenting [TW-2023-319]	14 December	Advice on how to improve consenting processes to enable faster delivery and greater certainty for infrastructure projects. This advice supports the Government’s 100-day plan to begin work on establishing a fast-track consenting regime.	tba
Water reform options [TW-2023-314]	14 December	Advice on water sector reform. This advice supports the Government’s 100-day plan to repeal the Water Services Entities Act.	tba
National Infrastructure Agency – final recommendations	15 December	Final recommendations on options; next steps for government (as part of 100-day plan): action plan/dates/leadership/roles etc. Joint briefing with the Tsy and MBIE.	For Cabinet consideration New Year
Budget 24	15 December	[REDACTED]	[REDACTED] s9(2)(f)(iv)
National direction, upcoming decisions under the RMA and other planning matters	19 December	Advice on recent consultations regarding national direction, options to take forward new and amend existing national direction to better enable infrastructure. Other RMA and planning matters for consideration. This advice supports the Government’s 100-day plan to repeal the Spatial Planning Act, NBE Act and consider alternatives.	New Year

Project leadership	19 December	Building leadership capability in major project leaders.	New Year
Housing and infrastructure	19 December	Focuses on near term opportunities to strengthen the National Policy Statement on Urban Development to improve the competitiveness of urban land markets and the efficiency of infrastructure provision and use.	tba
Contractor market sounding	19 December	Insight on vertical build contractor market capacity as informed by our recent engagement with the sector.	New Year
30-year plans, Infrastructure priority list (IPL) and National Infrastructure Pipeline (NIP)	January	Outlines how the Infrastructure Commission could respond to the government's proposal for us to develop 30-year infrastructure plans. [REDACTED] [REDACTED] [REDACTED] [REDACTED]	tba    s9(2)(f)(iv)
Local government financing	January	Review of local government financing mechanisms and current state of local government debt capacity. This is a background paper that informs our other advice, eg on water reform and new financing mechanisms.	tba
National Infrastructure Pipeline – options for improvement	January	Options to improve the Pipeline. Includes section on current challenges/completeness/quality focusing on central govt agencies.	tba – depends on the preferred option
North Island Weather Events recovery support	January	Outlines what support TW can provide Minister (noting 100-day plan items 6 and 7), progress to date, challenges. May extend to learnings and options for improvements in the future.	tba – ahead of any further information collection
Pricing and revenue – including options for transport funding	January	Will canvass a range of pricing options and tools to address revenue deficits for transport and other infrastructure. This advice supports the Government's 100-day plan to update the Government Policy Statement on Land Transport.	tba
Options for reviewing infrastructure projects [TW-2023-312]	New year	Options for reviewing projects.	tba

**Briefings re reports and publications**

September quarterly insights reports	Sent 6 December [TW-2023-320]	<p>Informs the Minister of planned release of two reports:</p> <ul style="list-style-type: none"> <li>• <i>Why do construction input costs change? The role of global and local factors</i></li> <li>• <i>Who's working in infrastructure? A baseline report</i></li> </ul>	asap	
Health infrastructure: Building a Healthy Future Report 2023 [TW-2023-311]	8 December	<p>Sets out findings and informs the Minister of the plan to publish a NZIER report - Building a Healthy Future. The report estimates the public hospital infrastructure spending needed during the next 30 years. It includes recommendations and is ready for publication.</p> <p>Could inform next steps on Dunedin Hospital and the possible reprioritisation of the health investment pipeline.</p>	asap	
[REDACTED]	14 December	[REDACTED]	asap	s9(2)(f)(iv)
December quarterly insights report	19 December	<p>Informs the Minister of planned release of one report:</p> <ul style="list-style-type: none"> <li>• <i>How much is our infrastructure worth? Infrastructure asset value, depreciation, and investment baselining</i></li> </ul>	New Year	
What New Zealanders think is a fair way to pay for infrastructure: Insights from the Kantar Public survey [TW-2023-313]	19 December	Sets out findings and informs the Minister of the plan to publish the survey report.	New Year	



### 3.5 Ministerial Official Information Act requests

Where requested, we provide information to inform responses to OIAs that you receive.

Date received from your office	Correspondent	Description of request	Date due to Minister	Date due to send
None				

### 3.6 Departmental Official Information Act requests

We provide you with a heads-up on OIAs that we have received and our proposed response.

Date received	Correspondent	Description of request	Date for briefing to Minister	Date due to send
None				

### 3.7 Upcoming Ministerial meetings

Where requested, we provide support for meetings you are attending.

Meeting	Meeting date	Meeting purpose	Comment/action
None			

[Note that, due to timeframes, Written and Oral Parliamentary questions and media requests will be provided directly to the Minister’s office and not signalled in this report.]

## Appendix A: List of upcoming reports and publications

We investigate a range of topics to help build the capability and performance of the infrastructure system and to support discussions with the sector. We publish reports that we commission or author ourselves – including research insights, ‘deep dive’ inquiries, project reviews, economic analysis, and policy insights. The list below sets out our current programme of reports. We provide the Minister’s office with a heads-up before publishing.

Topic / Title	Type of report	Intended publication date	What this report or publication covers
<i>Why do construction input costs change? The role of global and local factors</i> (September quarter 2023 Research Insights paper)	Research insight	December	This paper identifies drivers of short-term movements in prices for key inputs to infrastructure construction, in particular construction wages and construction material prices. An aide memoire informing him about release of this report was sent to the Minister’s office on 6 December [TW-2023-320].
<i>Who’s working in infrastructure? A baseline report</i> (second September quarter 2023 Research Insights paper)	Research insight	December	This paper defines the infrastructure workforce, including planning, construction, and maintenance, and provides baseline metrics on the size and characteristics of the workforce. An aide memoire informing him about release of this report was sent to the Minister’s office on 6 December [TW-2023-320].
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Building a healthy future: The potential scale of investment in Crown-owned health</i>	Research report	tbc	This review was commissioned from NZIER and estimates the public hospital infrastructure spending needed during the next 30 years.

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infrastructure over the next 30 years			
Baseline data on infrastructure asset values, investment rates, and depreciation rates (December quarter 2023 Research Insights paper)	Research insight	January/February	This report is expected to provide consistent baseline data on the asset value of our infrastructure networks (public and private), current/historic rates of capital investment, and current/historic depreciation rates. It is intended to provide a quantitative evidence base that will complement the asset management state of play report.
<i>A fair way of paying for infrastructure: Survey insights</i>	Research report	January/February	Provides Insights from a Kantar Public survey into what New Zealanders think is a fair way to pay for infrastructure.
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Asset management maturity across the public sector	Research report	February/March	This report looks at the maturity of New Zealand's system settings to ensure that we have the appropriate skills, processes, and funding in place to look after and be a good steward of New Zealand's infrastructure.
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Towards better contracts: building better relationships to get the most out of building	Research report	Q1 2024	Report commissioned from ALTA. The success or failure of a project is often determined in its early stages – in particular, the commercial and contractual framework will set the foundation for the relationship and incentives that play out across a project's lifecycle. This is part of our wider work to help create a consistent culture of world class project performance.

s9(2)(g)(i)

s9(2)(g)(i)

<p>Insurance of infrastructure against natural disasters (March quarter 2024 Research Insights paper)</p>	<p>Research insight April 2024</p>	<p>This report is expected to provide information on current approaches to insuring infrastructure assets, across multiple networks, against natural disasters. It will also explore the economic consequences of different approaches to insurance or self-insurance.</p>	<p>s9(2)(g)(i)</p>
<p>Potential sites for aggregate extraction in fast growing regions</p>	<p>Research report April 2024</p>	<p>This work is being undertaken by GNS and is intended to provide useful spatial planning information to inform local government integrated planning. The product will provide geospatial information on potential aggregate sources in four regions: Auckland, Wellington, Tauranga and Queenstown where supply is currently constrained. Between now and publication in March/April 2024 (date TBC) we are engaging with the relevant local government agencies and MBIE, and then with the quarrying sector, to ensure the final product is fit for purpose. The published geospatial data will be hosted by GNS with free password protected access for users.</p>	