



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

Organisation: **Fonterra Limited**

Reference: **NIPC24-0003125** | Submitted: **13/12/2024 03:45 pm** | Submitted by:

## Summary of information submitted

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### Page 1 - Introduction

[NIPC24-0003125](#)

### We're seeking feedback

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

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

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

### Submission overview

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

A few things to note:

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

## Further assistance

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

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

## Submission method

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

### Select a submission method

To continue, select the method you will be using.

[Online form](#)

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

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

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

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

*Fonterra welcomes the opportunity to provide input to the development of a National Infrastructure Plan ('the Plan').*

*We commend the effort to develop a long-term and enduring roadmap that will address critical infrastructure challenges facing the country, while optimising investments and supporting sustainable development. A predictable, long-term strategy will support productivity in the economy and enable industries to make well-informed investment decisions.*

*Fonterra is New Zealand's largest exporter and a key supplier of dairy products into the domestic market. More than 8,000 Fonterra farmers supply milk to our 28 manufacturing sites. Our operations are right across New Zealand, making us a major user of the country's transport, water and energy infrastructure.*

*We agree with the Commission's approach to the development of the Plan and endorse the focus on building capability, maintaining and improving existing assets, and ensuring regulatory frameworks are fit for purpose. In addition to strategic longevity, Fonterra believes key considerations for the National Infrastructure Plan should be the country's international competitiveness, resilience in supply chain infrastructure, and supporting sustainability objectives.*

#### *Critical Infrastructure Challenges*

*Fonterra believes there are several critical infrastructure challenges that the Plan needs to address. A focus on productivity and supporting New Zealand's export competitiveness will provide a robust framework to tackle these challenges.*

*Ensuring the reliability of transport infrastructure and maintaining connectivity with rural communities and regions should be a priority. These networks are important for keeping communities connected and vital for enabling the efficient movement of milk from Fonterra farms to our manufacturing sites and finished goods on to ports for export. As the country faces increasing challenges associated with climate change, prioritising resilience as part of infrastructure planning for the transport network will be important, particularly in rural and regional areas.*

*We also recommend a focus on optimising the use of road, rail and coastal shipping through coordinated investments that support efficiency and economic growth. Taking a network approach ensures that these investments can be prioritised and impacts assessed.*

*Rail continues to be a valuable part of this integrated network for moving bulk goods efficiently, while a reliable road network remains crucial to regional economic productivity. Ports too are crucial to running an efficient network. Fonterra believes this approach will help optimise investment across the network and support the best outcomes for New Zealand.*

*Investments at the Port of Tauranga provides a good example where there are clear network benefits from new infrastructure that warrant prioritisation and will support demand for investments into other infrastructure over the medium term, all supporting New Zealand's export growth.*

*Investments into energy infrastructure are also important to Fonterra, both to support the security of supply in our manufacturing operations, and to enable Fonterra to decarbonise our operations. There is a growing pipeline of generation and transmission investments that will be required to support the increased demand for electrification. Having greater visibility and certainty over the pipeline of investments will help give businesses confidence to continue investing in electrification at pace.*

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

*No response provided*

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

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

## **3. What are the main sources of uncertainty in infrastructure planning, and how could they be addressed when considering new capital investments?**

*No response provided*

## **Section three: What investment is already planned**

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

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

*The National Infrastructure Pipeline can be used to better support infrastructure planning and delivery across New Zealand in several ways. Having transparency about planned projects and funding timelines enables private sector alignment and collaboration, potentially delivering efficiencies and saving time.*

*Fonterra recommends long-term visibility of investments to allow industries to plan complementary developments. We also recommend greater transparency and inclusion of stakeholders in the pipeline to align infrastructure projects.*

*We also believe a crucial aspect of the development of a long-term infrastructure pipeline is viewing assets as part of an integrated network, for example roads, rail and ports, as discussed above. By taking a network approach, more effective impact assessments can be conducted, and thereby ensure the pipeline of projects can be appropriately prioritised and weighted against competing priorities.*

*We endorse the Commission's focus on capability building and ensuring New Zealand has the necessary skills and capacity to support the delivery of the infrastructure pipeline. We have observed that the availability of skilled engineers and other specialists can have a direct impact on the delivery of large scale and complex projects. We are also observing the growing international demand for equipment associated with certain infrastructure, such as transformers required for electrical infrastructure. There may be scope to better coordinate the planning and/or purchasing of such equipment at a national level as part of a broader infrastructure pipeline.*

### Section four: Changing the approach

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We have used our research and publicly available information on infrastructure investment challenges to identify key areas for change. The next question and the following three pages seek further detail on the three themes in section four of our paper. Within each of the three themes, we explore some topics in more detail, outlining the evidence, discussing the current 'state of play', and asking questions about where more work is needed.

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

##### *Capability to Plan and Build*

*Fonterra agrees with balancing the maintenance of existing assets and developing new infrastructure. We believe that multi-decade funding commitments for large infrastructure projects would improve certainty for stakeholders. We recommend independent oversight to assess and prioritise infrastructure proposals based on their long-term value, in collaboration with stakeholders including industry.*

*To balance the competing interests and investment needs with the limited capital available, we recommend a focus on projects that deliver clear economic benefits, such as those that directly support export industries.*

*To improve leadership and delivery, we recommend a greater focus on partnerships and collaboration between government and industry. Alongside the focus on the availability of skilled workers referenced above, we also believe that a focus on training and upskilling will be important to ensuring we have the capability to deliver projects.*

#### *Taking Care of What We've Got*

*Improving long-term asset management for infrastructure is a sensible approach. Better monitoring of condition and maintenance needs would help build a better understanding of the investment required and avoid neglect. To better understand and manage risk, we recommend a greater focus on scenario modelling, particularly to predict the impacts of natural disasters and climate change. We also recommend cross-sector coordination and wider stakeholder engagement.*

#### *Getting the Settings Right*

*Fonterra agrees with the general direction outlined, and recognises the value of an independent, central body to oversee an infrastructure strategy and ensure alignment with national priorities. Addressing consenting barriers will assist to streamline project planning and speed up delivery. We would emphasise again the importance of taking a long-term view of infrastructure needs and seeking a plan which has broad-based support and will survive the test of time.*

*We welcome further engagement with the Commission to enable the development of a high quality and enduring National Infrastructure Plan and we look forward to providing input on the draft plan when it is released in 2025.*

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

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

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

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

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

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

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

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

*No response provided*

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

*No response provided*

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

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

**8. How can we improve leadership in public infrastructure projects to make sure they're well planned and delivered? What's stopping us from doing this?**

*No response provided*

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

*No response provided*

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

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

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

*No response provided*

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

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

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

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

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

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

*No response provided*

### Resilience: Preparing for greater disruption

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

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

*No response provided*

### Decarbonisation: A different kind of challenge

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

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

*No response provided*



## Changing the approach — Getting the settings right

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

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

### Institutions: Setting the rules of the game

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

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

*No response provided*

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

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

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

*No response provided*

### Regulation: Charting a more enabling path

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

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

*No response provided*

### Page 6 - What happens next?

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## Additional information to support our development of the Plan

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

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

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

### Item 1

*We welcome further engagement with the Commission to enable the development of a high quality and enduring National Infrastructure Plan and we look forward to providing input on the draft plan when it is released in 2025.*

## 18. Attach any documents that support your submission

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

### Document 1



[Fonterra submission on Infrastructure Plan.pdf](#)

Last modified 2024-12-13 15:45:31 pm, file size 158.34 KB

supporting info added to the end of this document

## Thank you for your response

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

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

*Principal respondents* to manage access and assignment of requests for information to people within your organisation.

If you require any assistance please reach out to our team at [inform@tewaihanga.govt.nz](mailto:inform@tewaihanga.govt.nz).

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# Fonterra submission on the development of a National Infrastructure Plan

December 2024

Fonterra welcomes the opportunity to provide input to the development of a National Infrastructure Plan ('the Plan').

We commend the effort to develop a long-term and enduring roadmap that will address critical infrastructure challenges facing the country, while optimising investments and supporting sustainable development. A predictable, long-term strategy will support productivity in the economy and enable industries to make well-informed investment decisions.

Fonterra is New Zealand's largest exporter and a key supplier of dairy products into the domestic market. More than 8,000 Fonterra farmers supply milk to our 28 manufacturing sites. Our operations are right across New Zealand, making us a major user of the country's transport, water and energy infrastructure.

We agree with the Commission's approach to the development of the Plan and endorse the focus on building capability, maintaining and improving existing assets, and ensuring regulatory frameworks are fit for purpose. In addition to strategic longevity, Fonterra believes key considerations for the National Infrastructure Plan should be the country's international competitiveness, resilience in supply chain infrastructure, and supporting sustainability objectives.

We recommend enhanced stakeholder collaboration for infrastructure planning be prioritised as part of the implementation of the Plan, to ensure investment alignment with sector-specific needs.

## Feedback on the Consultation

### Critical Infrastructure Challenges

Fonterra believes there are several critical infrastructure challenges that the Plan needs to address. A focus on productivity and supporting New Zealand's export competitiveness will provide a robust framework to tackle these challenges.

Ensuring the reliability of transport infrastructure and maintaining connectivity with rural communities and regions should be a priority. These networks are important for keeping communities connected and vital for enabling the efficient movement of milk from Fonterra farms to our manufacturing sites and finished goods on to ports for export. As the country faces increasing challenges associated with climate change, prioritising resilience as part of infrastructure planning for the transport network will be important, particularly in rural and regional areas.

We also recommend a focus on optimising the use of road, rail and coastal shipping through coordinated investments that support efficiency and economic growth. Taking a network approach ensures that these investments can be prioritised and impacts assessed.

Rail continues to be a valuable part of this integrated network for moving bulk goods efficiently, while a reliable road network remains crucial to regional economic productivity. Ports too are crucial to running an

efficient network. Fonterra believes this approach will help optimise investment across the network and support the best outcomes for New Zealand.

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Investments into energy infrastructure are also important to Fonterra, both to support the security of supply in our manufacturing operations, and to enable Fonterra to decarbonise our operations. There is a growing pipeline of generation and transmission investments that will be required to support the increased demand for electrification. Having greater visibility and certainty over the pipeline of investments will help give businesses confidence to continue investing in electrification at pace.

### Better use of a National Infrastructure Pipeline

The National Infrastructure Pipeline can be used to better support infrastructure planning and delivery across New Zealand in several ways. Having transparency about planned projects and funding timelines enables private sector alignment and collaboration, potentially delivering efficiencies and saving time.

Fonterra recommends long-term visibility of investments to allow industries to plan complementary developments. We also recommend greater transparency and inclusion of stakeholders in the pipeline to align infrastructure projects.

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### Investment priorities

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### *Getting the Settings Right*

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We welcome further engagement with the Commission to enable the development of a high quality and enduring National Infrastructure Plan and we look forward to providing input on the draft plan when it is released in 2025.