

21 March 2025

s9(2)(a)

Via email: s9(2)(a)

Dear s9(2)(a)

Thank you for your Official Information Act (OIA) request which was partially transferred from the Office of Hon Chris Bishop on 24 February 2025. The following documents were transferred to us:

Paper	Title	Agency	Tracking
1	Workshop on 'Developing the National Infrastructure Plan' on 14 November	Infracom	TW-2024-509
3	Infrastructure weekly update for the week starting 11 November 2024	Infracom	TW-2024-508
7	Key issues for infrastructure - paper for the Expert Advisory Group on Resource Management reform	Infracom	TW-2024-513
9	Draft natural hazards research paper to inform the Infrastructure Needs Analysis	Infracom	TW-2024-514
10	Infrastructure weekly update for the week starting 25 November 2024	InfraCom	TW-2024-511
13	Report back on tolling reform – Infrastructure Commission feedback	Infracom	TW-2024-519
14	Infrastructure weekly update 29-Nov-24	Infracom	TW-2024-518
15	Background information and talking points for The Post/Infrastructure New Zealand event on 2 December	Infracom	TW-2024-512
16	Background and talking points for meeting with industry leaders on 5 December	Infracom	TW-2024-520
19	Infrastructure weekly update for the week starting 9 December 2024	Infracom	TW-2024-521
20	Release of a research report on Auckland infrastructure	Infracom	TW-2024-522

Paper	Title	Agency	Tracking
22	Infrastructure weekly update for the week starting 16 December 2024	Infracom	TW-2024-523
23	Duplicate of above	-	-
25	TW-2025-526 Infrastructure weekly update for the week starting 27 January 2025 received from the New Zealand Infrastructure Commission on 23 January 2025	Infracom	TW-2025-526
28	Infrastructure Commission - Infrastructure weekly update for the week starting 3 February 2025, received 30 January 2025	Infracom	TW-2025-527

Information being released

Please find enclosed copies of papers 1, 9, 13, 15, 16 and 20, as set out in the table below. Some information has been withheld under the following sections of the OIA:

- 9(2)(a): to protect individuals' privacy
- 9(2)(f)(iv): to protect the confidentiality of advice tendered by Ministers of the Crown and officials.

Paper	Date	Document Description	Decision	Section of the OIA applied
1	4 Nov	Aide memoire: Workshop on 'Developing the National Infrastructure Plan' on 14 November	Release in part	9(2)(a)
9	20 Nov	Aide memoire: Infrastructure Needs Analysis paper: Preparing infrastructure providers for natural hazard events: What role for insurance?	Release in part	9(2)(a)
13	26 Nov	Aide memoire: Report back on tolling reform – Infrastructure Commission feedback	Release in part	9(2)(a), 9(2)(f)(iv)
15	28 Nov	Aide memoire: Background information and talking points for The Post/Infrastructure New Zealand event on 2 December	Release in part	9(2)(a)

Paper	Date	Document Description	Decision	Section of the OIA applied
16	3 Dec	Aide memoire: Background and talking points for meeting with industry leaders on 5 December	Release in part	9(2)(a)
20	5 Dec	Aide memoire: Release of research report on Auckland infrastructure	Release in part	9(2)(a)

Clarification needed

Paper 16 is an aide memoire about a meeting that was called on the basis of a joint letter from a number of individuals in peak industry groups. This correspondence is in Attachment 1 to the aide memoire. We will need to consult with those individuals in order to make a decision on the release of their correspondence, and this consultation process could take some time to complete.

Before we initiate this process, we wish to confirm whether you are seeking this correspondence as part of your request. Can you please let us know by return email to MinisterialServices@tewaihanga.govt.nz.

In the interim, I have decided to release the Minister's response to their correspondence to you, subject to some information being withheld under s9(2)(a) of the OIA.

Publicly available information

Papers 9 and 13 of your request are aides memoire with advice about draft Cabinet papers. The final versions of the Cabinet papers referenced in these aides memoire have been released on the websites of the lead agencies. The attachment to item 20 is an aide memoire about a draft version of a research report which has been published on our website. Accordingly, I have decided to refuse your request for the Attachments to papers 9, 13 and 20 under section 18(d) of the OIA as the information is publicly available. The URLs for these documents are provided in the table below.

Item	Date	Document Description	Decision and URL
9	20 Nov	Attachment 1: <i>Preparing infrastructure providers for natural hazard events: What role for insurance?</i> Draft research paper	Refused s18(d) – publicly available here: https://tewaihanga.govt.nz/our-work/research-insights/invest-or-insure

13	26 Nov	Attachment 1: Draft Cabinet paper: Land Transport Revenue Action Plan: Report back on Tolling Reform	Refused s18(d)– publicly available on MOT's website here: https://www.transport.govt.nz/assets/Uploads/Additional-Redactions-Doc-7-Tolling-reform-Cabinet-paper-for-lodgement-marked-up-002_Redacted.pdf
20	5 Dec	Attachment 1: Research report "Auckland's infrastructure: The cost to serve a city that's growing upwards"	Refused s18(d) – publicly available here: https://tewaihanga.govt.nz/news-events/new-report-emphasises-infrastructure-costs-when-planning-for-growth

As you are aware, we periodically publish proactive information releases on our website here: <https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases>. This is where you can find our infrastructure weekly updates. Accordingly, I have decided to refuse your request for papers 3, 10, 14, 19, 22, 23, 25 and 28 under section 18(d) of the OIA as this information is or will soon be publicly available.

Item	Date	Document Description	Decision and URL
3.	7 Nov	Infrastructure weekly update for the week starting 11 November 2024	Refused 18(d) – will soon be publicly available on our website: https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases
10.	21 Nov	Infrastructure weekly update for the week starting 25 November 2024	Refused 18(d) – will soon be publicly available on our website: https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases
14.	28 Nov	Infrastructure weekly update for the week starting 2 December 2024	Refused 18(d) – will soon be publicly available on our website: https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases
19.	5 Dec	Infrastructure weekly update for the week starting 9 December 2024	Refused 18(d) – will soon be publicly available on our website: https://tewaihanga.govt.nz/about-

Item	Date	Document Description	Decision and URL
			us/corporate-documents-official-information/information-releases
22.	12 Dec	Infrastructure weekly update for the week starting 16 December 2024	Refused 18(d) – will soon be publicly available on our website: https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases
23.	-	Duplicate to item 22	-
25.	23 Jan	Infrastructure weekly update for the week starting 27 January 2025	Refused 18(d) – will soon be publicly available on our website: https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases
28.	30 Jan	Infrastructure weekly update for the week starting 3 February 2025	Refused 18(d) – will soon be publicly available on our website: https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases

Information to be withheld in full

I have decided to withhold in full **paper 7** under sections 9(2)(f)(iv) in order to protect the confidentiality of advice tendered by Ministers of the Crown and officials.

Paper	Date	Document Description	Decision	Section of the OIA applied
7	19 Nov	Aide memoire: Key issues for infrastructure - Paper for Expert Advisory Group on RM reform	Withhold in full	9(2)(f)(iv)

In making my decision, I have considered the public interest considerations in section 9(1) of the OIA.

Please note that this letter (with your personal details removed) and the enclosed documents may be published on the Commission's website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely



Barbara Tebbs
Executive Advisor



**Te Kāwanatanga
o Aotearoa**
New Zealand Government

Workshop on 'Developing the National Infrastructure Plan' on 14 November

Date: 4 November 2024

Report No: TW-2024-509

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	For review.	Event is scheduled for 14 November.

Attachments

1. Appendix A: Speaking points

Contact details

Name	Role	Phone
Shelly Biswell	Principal Advisor Communications and Engagement	s9(2)(a)
Peter Nunns	Acting General Manager – Strategy	s9(2)(a)

Purpose

1. You have been invited to open and speak at a workshop in Wellington on 14 November that is being co-hosted by the New Zealand Infrastructure Commission and Infrastructure New Zealand. This Aide Memoire provides information on the workshop and includes speaking points for a five-minute speech.
2. This is one of a series of workshops being offered around the country to provide information and seek feedback on the development of the National Infrastructure Plan. The workshops are supporting the release of our discussion document 'Testing our thinking: Developing an enduring National Infrastructure Plan' [TW-2024-501 refers].

Wellington workshop details

3. The workshop will be held on Thursday, 14 November from 1.00 to 4.00 pm at the City and Sea Museum, von Kohorn Room, 3 Jervois Quay, Wellington. You will be opening the workshop with a five-minute speech. You are scheduled to stay for the first hour of the workshop and are welcome to participate in workshop activities.
4. Attendance is limited to 40 people who have registered in advance through Infrastructure New Zealand. Most attendees will be Infrastructure New Zealand members. We anticipate many will be from the private sector and from the Wellington region.
5. You will be introduced by New Zealand Infrastructure Commission Chief Executive Geoff Cooper. Following your speech, Infrastructure New Zealand Chief Executive Nick Leggett will welcome attendees.
6. Following these presentations, the workshop will involve:
 - a presentation by Geoff Cooper introducing the National Infrastructure Plan
 - a group activity that highlights the challenge of prioritising infrastructure projects to help encourage discussion around infrastructure investment
 - a presentation on the Commission's initial thinking on the Plan
 - a facilitated discussion focused on three key questions:
 - a. What are the most critical infrastructure challenges that the National Infrastructure Plan needs to address over the next 30 years?
 - b. How should we think about balancing competing investment needs when there's not enough money to build everything?
 - c. What changes would enable better infrastructure investment decisions by central and local government?
7. The workshop will conclude at 4pm following a summary of insights from the day and next steps.
8. The deadline for providing written feedback to the discussion document is 5.00pm 10 December. Feedback can be provided through the Commission's website.

Next steps

9. We will send through an event form and list of attendees closer to the event.

Appendix A: Speaking points

- It's great to see all of you here today. I know the team is looking forward to sharing some of their thinking during this workshop, but just as importantly, I know they want to hear from you.
- Earlier this month, the Commission published '*Testing our thinking: Developing an enduring National Infrastructure Plan*' to share the Commission's initial thinking on developing a Plan that gives us the long-term view we need.
- While there is much to do – as all of you are acutely aware – there's a lot of good work underway. That includes the work the Commission is doing that's contributing not only to the development of a 30-year Plan, but also to how we build a more efficient and successful system for today. This work includes:
 - looking at current investment intentions drawing on sources that include the quarterly National Infrastructure Pipeline that the Commission manages, the Treasury's Quarterly Investment Reporting, local government plans and significant private sector investment intentions
 - independently reviewing unfunded infrastructure proposals to give decision-makers a menu of high-quality vetted proposals through the Infrastructure Priorities Programme that was launched earlier this year
 - and analysing how we can better prioritise and sequence our infrastructure investment, understand what trade-offs we might need to make to help with decision-making and look at whether there are institutional settings that need to change.
- The development of the Plan is crucial – we need a roadmap if we want to build a New Zealand that continues to thrive. Just as important, however, is the need to create an ongoing dialogue. It's the only way we're going to create a shared, long-term view of our infrastructure expectations and priorities.
- The Commission's team will be gathering information today, but I encourage you to also give feedback on the discussion document they've published through their website.
- When completed, the Plan will signpost where we need to go as a country if we want to get better results from our infrastructure investment. It will do this by providing independent information and advice on ways of closing the gaps between the infrastructure investment that's already planned and our long-term needs.
- As I signalled in my Building Nations speech in August, we need to make big changes to how we plan, invest in, build, and look after our infrastructure. The Plan will be foundational to that change, but only if people like those of you in this room have

contributed to its development and commit to the actions that are going to be required of all of us.

- Once the Government has received the final National Infrastructure Plan in December 2025, we'll review and respond.

Infrastructure Needs Analysis paper: Preparing infrastructure providers for natural hazard events: What role for insurance?

Date: 20 November 2024

Report No: TW-2024-514

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	Note the contents of this aide memoire	N/A

Attachments

- Attachment 1: *Preparing infrastructure providers for natural hazard events: What role for insurance?*
Draft research paper

Attachment 1 is publicly available here: <https://tewaihanga.govt.nz/our-work/research-insights/invest-or-insure>

Contact details

Name	Role	Phone
Nadine Dodge	Principal Economist	s9(2)(a)
Philip Stevens	Acting Director, Economics	s9(2)(a)
Peter Nunns	Acting GM Strategy	s9(2)(a)

Purpose

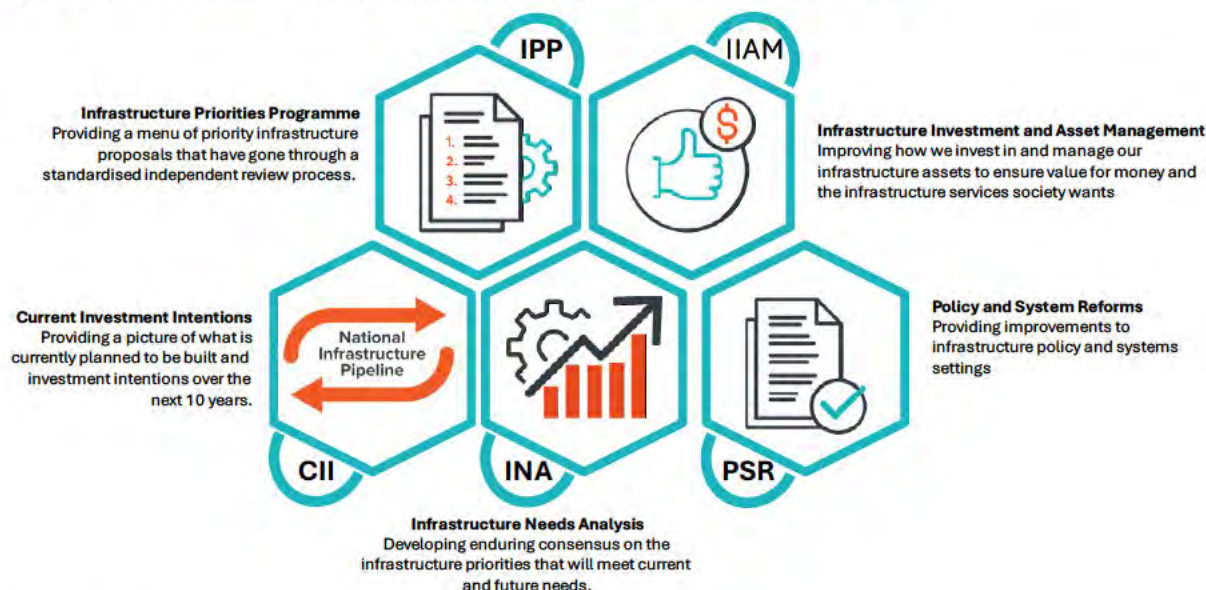
- This Aide Memoire provides you with an early draft of our Research Insights paper *Preparing infrastructure providers for natural hazard events: What role for insurance?*, produced as part of the Infrastructure Needs Analysis workstream of the National Infrastructure Plan.

Background on the Infrastructure Needs Analysis

- The Infrastructure Needs Analysis (INA) sits within the 30-year National Infrastructure Plan (the Plan). It seeks to answer what infrastructure will be needed over the next 30 years by taking a top-down, constrained approach to need analysis, drawing upon lessons from previous work by the Infrastructure Commission and other infrastructure bodies' approaches to defining and measuring need.
- The INA is one of five workstreams of the Plan. The results of the INA will be compared with investment intentions and plans over the near and medium term to identify gaps and

misalignment. From there, the Commission will generate priority reform opportunities for the infrastructure system. These recommendations will form the heart of the Plan.

Figure 1: Workstreams for development of the National Infrastructure Plan



4. For the INA, we are using three themes to examine long-term infrastructure needs:

Theme 1: What is the state of our current networks?

5. This theme will be used to take stock of our networks and identify gaps.
6. It will leverage and build upon the Commission's existing work on the value of our networks.¹ We are also undertaking an international benchmarking exercise to determine whether we have more or less infrastructure compared with other countries, and whether it provides a higher or lower level of service.

Theme 2: What are we willing to pay for infrastructure?

7. The amount of money we have available to invest in infrastructure is limited by our willingness and ability to pay for it. This theme will focus on what that constraint has been historically and what factors make people willing to spending on infrastructure over time.
8. Our objective for this theme is to provide policymakers with an understanding of what New Zealanders have been willing to spend on infrastructure as a proxy for need, and how it has evolved over time. This will help inform our advice on prioritisation of infrastructure investment.

Theme 3: Where or how should we invest in the future?

9. This theme will explore the drivers of future infrastructure investment and how they shift over time. Our main objective for this analysis is to provide decision-makers with information and advice about how spending demands might change in the future.

¹ *Build or maintain? New Zealand's infrastructure asset value, investment, and depreciation, 1990–2022.* Te Waihangā, February 2024. <https://tewaihangā.govt.nz/our-work/research-insights/build-or-maintain>

10. Analysis of these long-term drivers will be higher-level in nature. It will inform and guide future decisions around infrastructure needs, rather than being prescriptive about specific projects or assets.
11. Figure 2 sets out the eight broad factors we intend to explore and/or quantify, based on our legislation, work completed for the New Zealand Infrastructure Strategy, and the international literature.

Figure 1: Potential drivers of demand for investment



Overview of the draft research paper

12. The new Research Insights paper (attached) focusses on the 'resilience to natural hazards' driver in Figure 2 above. In particular, it outlines how insurance helps to spread the cost of low-probability, high-impact events over time, making it easier to pay for the cost of disasters and creating incentives for cost-effective proactive risk management.
13. To this end, the paper provides a brief overview of the literature on insurance cover and hazard risk and current settings in New Zealand. It then outlines two case study examples of how infrastructure providers and decision-makers can compare the relative costs of different options to respond to the risk from natural hazards. In both case studies, we compare the relative cost of three broad options: buy insurance to mitigate financial risk, invest in resilience measures, or retreat from at-risk sites.
14. Through these case studies, we explore three sources of uncertainty and ask whether they influence the optimal choice and timing of decisions for infrastructure providers.
 - a. The first case study explores the relative costs of different approaches to manage the risk of **damage to infrastructure**, and considers the potential impact of climate change uncertainty;
 - b. The second case study explores the relative costs of different approaches to manage the risk of **damage to private property from infrastructure**, and considers the potential impact of cost uncertainty.

Findings

The 'best' approach to managing risk varies

15. There are many alternative approaches to managing hazard-related risks to infrastructure. Some options include fiscal risk management with insurance and structural risk reduction through actions such as strengthening resilience or managed retreat from at-risk areas.
16. The idea of a 'silver bullet' to natural hazard risk might sound appealing. However, there is no single best approach to managing natural hazard risk to infrastructure. Instead, the optimal approach will vary depending on many factors, including likelihood, consequence, and the relative cost of different options in different situations. For example, two buildings could have the same function and exposure to risk, but the optimal response might be different if they are made of different materials with different levels of vulnerability to damage.
17. This means that infrastructure providers need to have a good understanding of their assets and the risks to which they are exposed. They will also need the capability to assess their options and optimise their response to risks from natural hazards.

Insurance costs can guide resilience investment

18. From the perspective of an infrastructure asset owner facing risk from natural hazards, it may be difficult to ascertain the optimal risk management strategy. In a world where there is a multitude of risks, which risks are 'worth' investing in resilience for, and which are not?
19. Quantifying risk, and resulting insurance premiums, can help clarify the optimal risk management approach for a given piece of infrastructure. Optimal resilience investments should reduce risk management costs, as compared to continuing to pay risk-related insurance premiums. In cases where resilience investments are more costly than insuring risk, they may not be warranted.

Demand for resilience depends on costs

20. The costs created by natural hazards and the costs required to mitigate risk are both uncertain. Because of this uncertainty, the optimal amount of resilience investment is not set in stone.
21. Instead, the optimal level of resilience will depend on the relative cost of resilience investments compared to the cost of (and the benefits we get from) the assets being protected. We can increase the case for resilience investment by focusing on keeping infrastructure costs down. Conversely, increasing infrastructure costs relative to other costs will erode the case for resilience investments.

Next steps

22. We include a draft of this paper for your information, noting that this report is still undergoing internal and external review. We will send you the final version in December, prior to publication.

23. Prior to publication we will inform key stakeholders in central government, local government, and the private sector of the report's findings on an embargoed basis. Upon release we will issue a press release and web content summarising the research, provide media availability, and share the research through the Commission's social media, newsletter, and other channels.
24. We will provide you with an update on the overall Infrastructure Needs Analysis as part of a package of National Infrastructure Plan reading for inclusion in your summer bag.

Report back on tolling reform – Infrastructure Commission feedback

Date: 26 November 2024

Report No: TW-2024-519

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	Note and refer to Under Secretary Court	27 November 2024

Attachments

1. Draft Cabinet paper: Land Transport Revenue Action Plan: Report back on Tolling Reform

Attachment 1 is publicly available: https://www.transport.govt.nz/assets/Uploads/Additional-Redactions-Doc-7-Tolling-reform-Cabinet-paper-for-lodgement-marked-up-002_Redacted.pdf

Contact details

Name	Role	Phone
Jeff Whitty	Principal Adviser - Policy	s9(2)(a)
Barbara Tebbs	General Manager - Policy	s9(2)(a)

Purpose

1. This aide memoire responds to a request from your office to provide feedback on the Minister of Transport's draft Cabinet paper: "Report back on Tolling Reform" (Attachment 1). Ministerial consultation on this Cabinet paper closes on Wednesday 27 November. The Minister of Transport intends to present the paper at ECO on Wednesday 4 December.

Alignment with the Infrastructure Strategy

2. The proposed amendments to the Land Transport Management Act (LTMA) are highly aligned with the Infrastructure Strategy which recommends enabling greater use of road tolling (Rec 21.b.).

Summary of the proposed reform

3. The draft Cabinet paper proposes to:
 - enable tolling where new and existing roads form a travel corridor
 - include additional considerations when setting toll prices and automatic adjustments in line with the Consumer Price Index

- s9(2)(f)(iv)
 - allow the Minister to require heavy vehicles to use toll roads
 - assign payment liability to the vehicle owner.
4. We support the proposals to enable corridor tolling and automatic pricing adjustments as a means of contributing to a financially sustainable road transport system. We have no views on the remaining proposals which we see largely as operational matters.

Role of independent tolling evaluation

5. The Infrastructure Strategy also recommends assigning responsibility for setting and adjusting prices to an appropriate independent institution. Doing so would insulate price setting from political influence and the risk of revenue under-recovery experienced in both the transport and water sectors.
6. We note that economic regulation has worked well for other monopoly infrastructure providers. An independent regulator could play a positive role to ensure transport pricing and investment decisions provide long-term benefit to road users and supports financial sustainability.
7. An independent institution could also evaluate the merits of tolling proposals – assessing traffic volumes, willingness to pay and other factors needed to ensure a proposal delivers net benefits.

Enforcement of heavy vehicle use on local roads

8. The Cabinet paper proposes giving the Minister of Transport powers to require heavy vehicles to use toll roads. We note that further detailed advice will be required as regards how such a requirement would be enforced.
9. Heavy vehicle operators generally have commercial incentives to utilise the routes that offer them the greatest benefits. We note that a power to compel heavy vehicle use of toll roads may weaken the imperative to ensure a tolling proposal offers strong benefits. Here again, an independent evaluation of tolling proposals could consider the willingness of heavy vehicle operators to inform investment decisions.

Financial implications

10. The draft paper suggests the proposal has no direct financial implications.
11. While our research¹ suggests that revenue generation potential from new toll roads is modest, increased tolling revenue should reduce burden on the National Land Transport Fund.

¹ <https://tewaihangā.govt.nz/our-work/research-insights/buying-time-toll-roads-congestion-charges-and-transport-investment>



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New Zealand Government

Background information and talking points for The Post/Infrastructure New Zealand event on 2 December

Date: 28 November 2024

Report No: TW-2024-512

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	Note this briefing ahead of your attendance at the 'Future-Proofing NZ' forum on 2 December	2 December 2024

Attachments

- 1. Appendix A: Event run sheet
- 2. Appendix B: Talking points for Q&A

Contact details

Name	Role	Phone
Barbara Tebbs	General Manager, Policy	s9(2)(a)

Purpose

- 1. You have agreed to speak at the *Future-Proofing New Zealand: The 2050 Infrastructure Forum* event being organised by The Post and Infrastructure New Zealand (INZ) in Auckland on 2 December from 4-7pm. This aide memoire provides further background information and talking points for this event.

Background information

- 2. The event is being hosted by Chapman Tripp at their offices in Auckland CBD (PwC Building, Level 34/15 Customs Street West). Attendance is by invitation only. We understand that approximately 140 attendees are expected, comprised of chief executives and business leaders with a particular interest in infrastructure.

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3. A run-sheet is provided in Appendix A. The format for the event is a series of speeches followed by Q&A sessions and a panel discussion. The event will be moderated by The Post's National Affairs Editor, Andrea Vance.
4. You have been asked to deliver a 10-minute keynote speech, followed by a 10-minute Q&A session. Following this, Hon Shane Jones and Rt Hon Chris Hipkins will also speak for 10 minutes and have Q&A sessions with the audience.
5. The Post has also commissioned a poll from Freshwater Strategy, in partnership with INZ, and will use this to gauge public opinion during the event on key infrastructure issues and the challenges facing the country. The polling will be anonymous.
6. The speeches and poll will be followed by a panel session that will include Business and Political Editor, Luke Malpass, industry experts and other commentators.
7. We understand that the speeches will be live streamed, and the Q&A and panel session will be recorded. There will also be further coverage on The Post and Stuff and a 3 News bulletin at 6pm.

Speech and talking points

8. We supplied a draft speech to your office on 20 November which had input from the Treasury and Ministry for Housing and Urban Development. It is based on the standard talking points for infrastructure, with updates to the following content:
 - a. National Infrastructure Plan (NIP) discussion document
 - b. Public Private Partnerships (PPP) framework and Blueprint
 - c. other infrastructure funding and financing work.
9. Infrastructure NZ has advised that members may raise the following topics during your Q&A session, which follows your speech:
 - a. bipartisanship
 - b. next stages of the RM reforms
 - c. the National Infrastructure Plan and progress on developing it
 - d. this week's community housing announcements.
10. Talking points are provided in relation to the first three of these topics in Appendix B; the last topic is outside our remit.

Appendix A: Event run-sheet

Future-Proofing NZ: The 2050 Infrastructure Forum brought to you by The Post and Infrastructure New Zealand

Hosted by **Chapman Tripp**

PwC Tower, Level 34/15 Customs Street West, Auckland CBD, Auckland 1010

Monday 2 December, 4:00 - 7:00pm

RUN SHEET

Time	Activity	Responsible
3:15 pm	INZ setup with banner and name badges, check AV, set up registration desk	Issy Pasley, INZ
3:55 pm	Arrival of Speakers & Hosts	INZ Team The Post Team
4:00 pm	Guest Arrival & Registration: Usher guests through to seats - Non-alcoholic drinks available	All
4:15 pm	Ask guests to take their seat	
4:25 pm	Welcome and housekeeping	Pip England, Chapman Tripp
4:30 pm	Start livestream	The Post
4:30 pm	INZ Welcome, Scene Setting and Intro to Andrea	INZ
4:32 pm	Andrea Vance Welcome and Scene Setting	Andrea Vance
4:35 pm	Minister Bishop Address (10m) and Q&A (10m)	
4:55 pm	Shane Jones Address (10m) and Q&A (10m)	
5:15 pm	Rt Hon Chris Hipkins Address (10m) and Q&A (10m)	
5:35 pm	Freshwater Strategy Poll	TBC,
5:50 pm	Panel Session – facilitated by Andrea Vance <ul style="list-style-type: none"> • Luke Malpass • Dita De Boni • Craig West • Katherine Rich 	
6:25 pm	Closing Remarks, Invitation for networking and refreshments	Andrea Vance
6:30 pm	Networking, canapes and refreshments	All
~7:00 pm	Event concludes, guests depart	All

Please contact Issy (INZ Events & Marketing Lead) at issy.pasley@infrastructure.org.nz if you have any queries on logistics. Please contact s9(2)(a)

if you have any questions on content.

Appendix B: Talking points for Q&A

Can you tell us more about the National Infrastructure Plan and why it's needed?

- It's important that we have a comprehensive, shared view of what infrastructure we need for the future, and what options there are to meet those needs.
- The Infrastructure Commission is leading work to develop the National Infrastructure Plan, and has a discussion document out for feedback right now. They want to test their early thinking on what the Plan will cover and what its scope should be. I would encourage you to provide feedback by the closing date of 10 December. Details about how to do this are on the Commission's website.
- I've asked the Commission to deliver their Plan by the end of next year. The Government will then draft a Response early in 2026.
- There will be many more opportunities for you to have your say on the Plan as it is developed over the next year or so.

We're hearing a lot lately about a bipartisanship approach for infrastructure. What will this look like?

- First and foremost, it's about getting a much more transparent and shared view of what infrastructure we need and the options we have to achieve it. The National Infrastructure Plan is key to this.
- We need to avoid the 'boom-bust' cycles of infrastructure investment we've seen over time and take a more planned approach. We need to stretch our limited dollars to buy the best outcomes we can afford. In short, we need a cunning, affordable, but agnostic plan for the long term.
- For me, bipartisanship is about having more open conversations – sharing intel and reaching agreement, where we can, on the outcomes we're chasing and the best ways to deliver for all New Zealanders. We won't always agree on the details: every government will reserve the right to prioritise some investments over others. But the key is that these decisions are well-signalled and the impacts are well understood. Bipartisanship is, at heart, about avoiding nasty surprises.
- The agnostic part is important too – and why it's appropriate that an independent entity like the Commission is taking the lead.
- As a first step, I've asked the Infrastructure Commission to brief all parties on their approach to developing the Plan. I will also be following up with meetings, and keeping in mind opportunities to work together on other issues – as we did recently with the release of the Government's blueprint for PPPs.

What will happen next with Resource Management reform?

- Just to recap: Phase 1 was the repeal of the Natural and Built Environment Act and Spatial Planning Act, which was completed last year.
- Phase two has been about improving the performance of the RMA as it stands.
- Fast Track will be up and running very soon. It includes 43 infrastructure projects, 22 renewable electricity projects, and other areas such as housing projects and quarrying that will be a big boost to infrastructure construction and development over the coming years
- We're also developing a big package of national direction on topics such as energy, and new infrastructure direction, which will remove unnecessary regional differences, and enable infrastructure to be built faster and smarter. We're aiming to get all these components of Phase 2 done by the middle of next year.
- And we've now started work on Phase 3 of the reforms, which involves the long term replacement of the RMA. I have appointed an Expert Advisory Group to develop a blueprint for Phase 3, and they're due to report back by Christmas. In parallel, we are also reforming the Public Works Act to make it more efficient for infrastructure providers, and there will be more to say on that early next year too.
- The new resource management system needs to deliver in 3 main areas:
 - unlocking development capacity for housing and business growth
 - enabling delivery of high-quality infrastructure for the future, including doubling renewable energy
 - enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture, and mining)
- I look forward to working with you on taking this important work forward.

Background and talking points for meeting with industry leaders on 5 December

Date: 3 December 2024

Report No: TW-2024-520

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	Note this aide memoire before your meeting with Hon Brown and industry leaders	5 December 2024

Attachments

- Appendix A: Previous correspondence with peak industry groups

Contact details

Name	Role	Phone
John Hemi	Director, Construction Productivity	s9(2)(a)
Barbara Tebbs	General Manager, Policy	s9(2)(a)

Purpose

- This aide memoire provides background information and talking points for your meeting with industry leaders on 5 December 2024 from 12-12:30pm.
- Attendees will be:
 - For the Association of Consulting and Engineering New Zealand (ACE NZ): Helen Davidson – Chief Executive; Chris Short – Vice President of ACE NZ and Chief Executive at CGW Consulting Engineers; and Julia Byers, General Manager Strategy and Government Relations
 - Alan Pollard, Chief Executive of Civil Contractors New Zealand (CCNZ) (who will be joining by Teams)
 - Ankit Sharma, Chief Executive of the Registered Master Builders Association.
- We understand that Nick Leggett, Chief Executive of Infrastructure New Zealand (INZ), is unable to attend.

4. Hon Simeon Brown will also be attending the meeting. John Hemi will be attending for the Infrastructure Commission (by Teams).

Background information

5. This meeting follows on from your recent attendance and speeches at an ACE NZ membership event on 26 November 2024 [TW-2024-515 refers] and The Post / Infrastructure New Zealand event on 2 December 2024 [TW-2024-512 refers], as well as your correspondence with the industry leaders earlier this year.
6. On 8 April 2024, the industry leaders wrote to you to raise their concern that the time being taken to re-set programmes and get new initiatives underway may be leading to a reduction in industry confidence. They called for greater certainty in the infrastructure pipeline and suggested that a stimulus renewals package may be needed. Your letter of 17 July 2024 responded to their concerns in detail and reflected recent Budget announcements. Copies of this correspondence are provided in Appendix A.
7. You were scheduled to meet with the industry leaders on 26 August 2024. Ahead of this meeting, CCNZ wrote to you on 21 August 2024 to raise a concern about very little being brought to market. They provided a summary of some of the direct feedback they have received from their members on their current business position. They also considered that an urgent and immediate stimulus was needed to restore confidence and remove market uncertainty, and they outlined the form that this could take. A copy of this correspondence is also provided in Appendix A. The meeting was postponed until 5 December.

Key issues

8. ACE NZ has provided a separate briefing ahead of the meeting. Among other things, their briefing notes that in November, ACE NZ surveyed their members and found that:
 - 75% of their members continue to experience a slowdown of work
 - Most firms report no change from three months ago
 - Members are seeing a broad-based slowdown across sectors – but particularly in the residential sector.
9. At your meeting on 5 December, the attendees may again raise with you the concerns expressed in their letter of 8 April and the level of workforce capacity the sector has been able to sustain through this extended period of resetting and relative inactivity. The time lag in advance of the anticipated increased demand and activity being signalled in the infrastructure pipeline may continue to be a point they seek to discuss.
10. Confirmation of funding for Roads, Road Maintenance and Waters projects has allowed activity in these areas to show signs of picking up.
11. The significant and ongoing reductions in the Official Cash Rate over the last 5 months have resulted in optimism that the private sector will resume infrastructure activity related to housing developments.

12. Of the 149 listed projects in the Fast Track Approvals Bill, 44 are residential developments. Attendees will be interested to hear how funding for the Government projects on the Fast Track Approvals list can be advanced.
13. Following the establishment of the National Infrastructure Funding and Financing Company (NIFFCo) and Crown Infrastructure Delivery, there has been a re-setting of functions across several government organisations. Meeting attendees may seek clarity on where key functions sit, and will be interested to understand how they can support the adoption of standard practices in planning, procurement and delivery of projects and programmes including building longer term relationships and who in the system will support the ongoing adoption of fair contracting principles.
14. There is a concern among parts of the supply chain that procurement practice is reverting to lowest cost selection, and the resulting 'race to the bottom' that this drives will further reduce the supply chain's capability and capacity to respond to the future demands on the infrastructure pipeline.
15. At yesterday's Post / Infrastructure NZ event, you announced a new Infrastructure Funding and Financing Framework to help the Crown make better and more informed funding and financing decisions. Attendees may ask for more information about this.

Talking points

16. You may wish to address the following points in your meeting:
 - I have heard the concerns from the infrastructure sector that the pipeline of work is uncertain, and that investors and the workforce are moving away.
 - The Infrastructure Commission's National Infrastructure Pipeline shows that across central government, local government and the private sector there are around \$46 billion of projects under construction, and \$10 billion more which are in procurement now.
 - A key challenge we face as a country is the very high cost of our infrastructure. One of the contributors to this is the embellishment or overly conservative design solutions we adopt. Working with you to realise efficiencies, right size our solutions, considering minimum viable product, and being focussed on value for money are ways you can help us address this challenge.
 - For the longer term, I understand that the New Zealand Infrastructure Commission is keen to work with your organisations on testing the approach they are taking to the development of the National Infrastructure Plan. As part of that, I encourage you to provide feedback on their discussion document 'Testing our thinking: Developing an enduring National Infrastructure Plan'.
 - I have asked the Commission to deliver the Plan by the end of 2025, and the Government will respond in early 2026. There will be opportunities for you and other key stakeholders to continue to provide input to development of the Plan as work progresses.

Hon Chris Bishop

Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
Minister for Sport and Recreation
Leader of the House
Associate Minister of Finance



17 JUL 2024

MIN-CB-67

Helen Davidson, Chief Executive, ACE New Zealand

By email: s9(2)(a)

Alan Pollard, Chief Executive, Civil Contractors New Zealand

By email: s9(2)(a)

Ankit Sharma, Chief Executive, Registered Masters Builders Association

By email: s9(2)(a)

Nick Leggett, Chief Executive, Infrastructure New Zealand

By email: s9(2)(a)

Dear Helen, Alan, Ankit and Nick,

Thank you for your letter of 8 April 2024. I note your concern that the time being taken to re-set programmes and get new initiatives underway may be leading to a reduction in industry confidence. I also note your suggestion that a stimulus renewals package, particularly in the water and transport sectors, could help address the current challenges the sector is facing, and better position it to deliver the Government's future infrastructure plans.

Given the importance of your sector and the significance of the issues you raise, I have taken time to reply in detail and to reflect recent Budget announcements.

Pressures on the construction industry appear to reflect pressures across the economy

First, it's important to recognise that the issues you have raised are not unique to the infrastructure sector. Our whole economy is adjusting to a sustained period of high inflation and interest rates, and the need for fiscal restraint by Government. Macro-economic factors have led to persistently high inflation, rising unemployment and sustained high interest rate levels. Previous stimulus packages have further exacerbated the situation, and businesses across the economy are working through these challenges.

The Government has a number of initiatives underway to address barriers to infrastructure delivery

But we're working hard to change this. This Government has a strong focus on infrastructure delivery and has identified a range of initiatives to strengthen it. These include:

- a new **National Infrastructure Agency**, with a focus on connecting offshore capital with New Zealand infrastructure opportunities
- work by the Infrastructure Commission to develop a **National Infrastructure Plan** that has three main components:

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IN-CONFIDENCE

- an assessment of long term infrastructure needs
- an improved infrastructure pipeline
- an assessment of infrastructure priorities – to provide a menu of high-quality infrastructure proposals that have been independently and robustly assessed and vetted
- a **new consenting framework** for infrastructure investment – reducing regulatory barriers to infrastructure investment through reforms to the resource management legislation, including a fast-track pathway for significant infrastructure projects
- a focus on **smarter funding and financing solutions** for infrastructure – for example, through greater use of tools like value capture, road tolls and PPPs
- improved health and education infrastructure – including a review of the education infrastructure investment portfolio
- **regulatory reforms** to strengthen the resilience and asset management of **critical infrastructure**
- implementation of the **Local Water Done Well** policy to improve delivery of water services.

The problem is not with the pipeline

Many projects in the Crown's investment pipeline have committed funding and, rather than signalling a slow-down in activity, will stretch market capacity in the medium term. The pipeline and draft council Long Term Plans also indicate an increase in infrastructure spend by local government over the next three to ten years. We know that many councils are coming up against funding and financing constraints, and we are working with councils to improve access to innovative financing arrangements, especially for new infrastructure that can generate revenue.

Recent Budget announcements should provide further confidence in the pipeline, including:

- \$1.2 billion for the Regional Infrastructure Fund to support regional economies – including an initial investment of \$200 million into flood resilience infrastructure.
- \$2.68 billion in roads, rail, and public transport, including 17 new Roads of National Significance and funding for the Rail Network Investment Programme
- \$1.48 billion in school and kura property
- \$408 million to upgrade Defence equipment and infrastructure
- \$140 million to deliver 1,500 new social housing places
- \$103 million to meet emerging cost-pressures in Health NZ's infrastructure pipeline.

High investment in infrastructure is not being matched by efficiency of spend

I am convinced that the key to addressing the infrastructure challenge lies in working smarter, not spending more. New Zealand ranks in the top 10 percent of high-income countries for public investment as a share of GDP, but in the bottom ten percent for efficiency of that spend. This suggests we need to (and can) get much better value from our infrastructure buck.

We need to shift from a focus on high-cost to a focus on high-value projects

As a first step to making this shift, we need to secure our investment in maintenance and renewals. I agree with you that looking after the assets we already have is key to delivering best value and services for New Zealanders. And we know there has been significant historic under-investment in maintenance of our infrastructure networks over time – with research suggesting that \$6 out of every \$10 invested in infrastructure in the future should be in maintaining and renewing our existing infrastructure.

You will have seen that an increase in the road maintenance budget is signalled through the draft Government Policy Statement on Land Transport 2024. Improvements in maintenance and renewals will also be a focus in other asset classes – especially for water services, but also for existing (and new) flood protection assets and other regional infrastructure (through the Regional Infrastructure Fund), schools, hospitals, prisons and defence assets.

I welcome your ongoing leadership to improve industry confidence

I am confident that the changes set out above will mean we have the right systems, tools and processes in place to plan, prioritise, fund, invest in, and deliver the infrastructure services that are required to meet New Zealanders' needs.

It would be great if you and your members could help to identify opportunities to deliver the substantial existing pipeline earlier and more efficiently over the long term. Particularly if you have ideas about new ways of working alongside your client bases, including government clients, to deliver high quality projects more efficiently.

I understand my office has been in to you arrange a meeting with you, and I have also invited Minister Brown. I would welcome the opportunity to further discuss how industry can partner with us on solutions for delivering the infrastructure New Zealand needs.

Yours sincerely,



Hon Chris Bishop

Minister for Infrastructure

Release of research report on Auckland infrastructure

Date: 5 December 2024

Report No: TW-2024-522

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	For information only	N/A

Attachments

1. Research report "Auckland's infrastructure: The cost to serve a city that's growing upwards"

Attachment 1 is publicly available here: <https://tewaihanga.govt.nz/news-events/new-report-emphasises-infrastructure-costs-when-planning-for-growth>

Contact details

Name	Role	Phone
Peter Nunns	Acting General Manager, Strategy	s9(2)(a)

Actions for the Minister's office staff

Forward this report to the Minister for Auckland for his information, subject to the Minister's agreement

Purpose

1. This aide memoire informs you of our plan to release a report titled "Auckland's infrastructure: The cost to serve a city that's growing upwards" in the week of 16 December 2024.
2. This is a revised version of a research report that we previously briefed you on (TW-2024-470 refers). It summarises Auckland-specific analysis from our existing research reports.

Process for publication

3. We intend to release this report under embargo on or shortly after 16 December 2024, and to publish it on our website the next day. A copy of the report is attached.
4. We have previously provided an overview of the research to key stakeholders, including Auckland Council, Auckland Transport, New Zealand Transport Agency | Waka Kotahi,

Ministry of Transport, Ministry of Business, Innovation and Employment (Auckland Ministerial Portfolio), Crown Infrastructure Partners, and Kāinga Ora – Homes and Communities in March 2024. We will send the report to these stakeholders in advance of publication.

5. Once published, we will promote the report through our communication channels, including our website, newsletter and LinkedIn.

Key findings

6. Auckland is New Zealand's largest city and only city with a population over one million. In 2023, the Auckland region had a population of 1.66 million people, or 33% of New Zealand's total population, and it contributed 38% of the country's total economic output (GDP, or gross domestic product). However, the Auckland region only occupies 1.8% of the country's total land area.
7. Auckland faces different infrastructure challenges than other parts of New Zealand, due to its size, density, and growth rate. City size and density affect how much infrastructure is needed in total, what it costs to service people with infrastructure, and what types of infrastructure are needed.
8. We identify three ways that Auckland is different to the rest of New Zealand when it comes to infrastructure:
9. **Auckland is cheaper to service with network infrastructure – but new projects can be more expensive.** Because it has a large population of people who live relatively close together, it needs fewer roads, electricity distribution lines, and fibre broadband cables to connect them, and it is also more viable to provide public transport services. This reduces the amount of infrastructure that is needed per person, which in turn reduces ongoing maintenance and renewal costs. However, the cost to build new infrastructure, like major roads, may be higher in Auckland, due to more complex mitigation requirements and higher land prices in built-up areas.
10. **Aucklanders spend a smaller share of their income on infrastructure services.** On average, Auckland households spend a smaller share of their after-tax income on infrastructure services than non-Auckland households, but because incomes are higher in Auckland they spend more in dollar terms. Auckland households' mix of spending is also different, with a greater share of infrastructure budgets spent on public transport and slightly smaller shares spent on private vehicle transport and electricity and household fuels.
11. **Aucklanders have slightly different views about the fairness of some options for pricing infrastructure.** Aucklanders are more likely to think that it was fair to price piped water based on what it costs to supply to households or based on how much water households use, and more likely to think that it is fair to price roads based on how much people drive or based on whether they are travelling at peak times. These differences are likely to reflect the city's longer experience with volumetric charging for water and increased exposure to congestion, which can be alleviated by time-of-use charging.