

Crown Infrastructure Delivery Limited: Submission on the Draft National Infrastructure Plan

General comments

- CID supports the Plan's articulation of New Zealand's infrastructure challenges and recognises the need for some of the key shifts articulated to support the delivery of more sustainable, cost-effective infrastructure.
- The Plan correctly identifies a need to target limited investment towards the most appropriate infrastructure and for greater consistency in the regulatory environment. Cross-party consensus building will be essential to establish a foundation on which sustainable infrastructure investment planning can occur.
- However, the Plan still feels very high level. It will be useful to see the more detailed implementation pathways that have been suggested for most of the recommendations.
- There may be a risk that some of the functions described and/or proposed for the Infrastructure Commission will jeopardise its independent role in the New Zealand infrastructure system. I.e. if the Infrastructure Commission is assessing specific projects and advising on their priority then it is closely linked to, rather than independent of, the selection and prioritisation of specific projects rather than system improvements.

Chapters One-Two

- We support the general thrust of these sections outlining the infrastructure challenges New Zealand faces, however, it may be more impactful to arrive directly at the actionable content of the plan, with a more succinct section of context or overview. There is a risk that these sections are too long or technical for the general reader and are already commonly understood by decision-makers and the sector.

Chapter Five - Central government infrastructure delivery

- Developing the Crown's business case capability will be important for improving Ministers' oversight of the Crown's investment options. There is a value to business cases being developed independently to ensure that all options are being considered equally, rather than business cases being retrofitted to suit a preferred option.
- We support rigorously testing a project for deliverability and quality prior to a funding decision. New Zealand cannot likely build all the infrastructure it thinks it needs, and it is better to concentrate the country's limited resources (in both the delivery and the construction space) on the best projects.
- The Crown does have delivery capability gaps, but the solution should be right-sized for the problem. This means the Crown possessing the delivery resources it requires for

the portfolio being delivered. This might mean consolidating delivery capability rather than developing it in agency siloes as can happen today. Fewer ‘front doors’ to the Crown also makes it easier for the construction sector to engage with Crown infrastructure projects and allows for greater consistency and transparency in supplier relationships.

-Not having multiple discrete siloes of capability will also improve the ability for the Crown to learn and apply lessons in infrastructure delivery across its entire portfolio, rather than in specific areas.

-Better asset registers and long-term infrastructure investment plans will be important for understanding the pipeline of work needed and the balance between maintenance, renewals, and new build solutions to central government’s infrastructure challenges. In themselves, they may not lead to better funding decisions, though they will improve the evidence base that can be drawn upon to make those decisions.

-Greater transparency around Crown infrastructure is important for the public but also to support those who will go on to deliver that infrastructure (in both private and public sectors).

Chapter Six – The Pipeline and the Infrastructure Priorities Programme (IPP)

-There are some key questions of capacity arising from this chapter. There are 8,100 initiatives voluntarily submitted to the Pipeline (meaning the true total will be higher). Even the 150 cited in the draft plan would presumably require significant resources to evaluate.

-The value of the Pipeline is in how it is used. There are a lot of good ideas surrounding the pipeline (using it to prioritise and sequence investment, using it to support regional collaboration between projects etc), but there is little evidence any of these outcomes are being achieved. Without wider system change, the large number of potential projects will continue to compete against each other for limited funding, resource, and attention.

-As noted, the Pipeline does not test the quality of projects of investments, and it is unclear how the IPP can compensate for this. The Pipeline remains aspiration-based i.e. it *could* become a useful evidence base, but it is currently an unassessed list of things people *want* to build. This limits its ability to be used as an evidence base for better decision making in its current form.

-Also, as noted, the Pipeline is only an effective co-ordination method ‘if similar information is available for initiatives from different infrastructure providers’. To be useful to decision-makers projects in the Pipeline must be able to be compared with each other. Without assessment of the information provided when it is entered into the pipeline, there is no way of verifying if this is happening (meaning that projects may not

be directly comparable, reducing the trust that can be placed in it). Adopting common information standards within the infrastructure system could help improve the value of the Pipeline as a decision-making tool, but - though mentioned - this is not currently part of the Plan's set of recommendations.

-The recommendations in the draft Plan are too high level to effect the changes needed to make the Pipeline an important decision-making tool. At present, the Plan makes the case for the value of the existing Pipeline, with minimal acknowledgement of its limitations or the concrete actions that could be taken to strengthen it.

-The IPP has theoretical merit as an assessment of investment-readiness, but there is a risk that it could be misused in its current form. Being based on voluntary submission of projects, it does not necessarily reflect the true infrastructure priorities of New Zealand. Even though the plan notes that the IPP is not a prioritised list, the name itself "Infrastructure Priorities Programme" and the way it is already being used and referred to suggests it maybe more comprehensive and authoritative than it actually is.

-CID agrees that planning for delivery should begin as early as possible to minimise delays and cost escalations later in the process.

Chapter Seven – Sector Snapshots

-These are interesting, but in the interests of brevity and focus, could probably be released as a separate document. The plan already contains adequate illustrations of the concepts it discusses, and no recommendations in it refer to this section.