

We're seeking feedback

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

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, you can provide any other comments or suggestions that you would like us to consider as we develop the National Infrastructure Plan. Submissions are welcome from both individuals and organisations.

Deadline for submissions: 5.00pm on 10 December 2024.


A few things to note:

- 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.

Submission method

We prefer feedback to be submitted through our [online survey](#). Alternatively, you may use this Word template to generate and upload a PDF.

Instructions for PDF submission:

1. Complete your response using this Word template. You can edit the document at points marked with the  cursor. This includes adding tables, images and text as normal.
2. Save the file type as PDF by selecting 'Save as' in MS Word and choosing 'PDF' as the file type.
3. Complete the introduction section of the online form.
4. Select 'PDF attachment' as your submission method. You'll then be prompted to upload your PDF.

Important: PDF submissions that are not generated from this Word template cannot be processed.

If you have any questions, please feel free to email info@tewaihangangovt.nz and one of our team will follow up with you.

Context for the Plan

Section one: Why we need a National Infrastructure Plan

- Q1. What are the most critical infrastructure challenges that the National Infrastructure Plan needs to address over the next 30 years?

Addressing water infrastructure needs is a major priority for Government and local government. There is a large backlog of renewal required along with addressing the water needs associated with population and economic growth.

Funding and financing this in a way that is affordable for end-users is a significant challenge. Steps have been taken to address this via Water Services Delivery Plans (WSDPs), new water services delivery models and improved access to finance via the Local Government Funding Agency.

Delivering the combined water related work programme efficiently will also be a challenge for councils. The WSDPs and council Long Term Plans provide an opportunity for councils and government to consider sequencing, along with the construction sector in order to maximise efficient use of the work force and supply chain.

Transport infrastructure and the renewal of associated assets are also a significant priority for the local government sector. We presume that other agencies will provide detailed responses to these questions on importance and challenges of maintaining those assets.

The introduction of the 'Regional Deal' model is a further factor to consider, with the content/coverage of those deals and their implications for other planning still to emerge.

- Q2. How can te ao Māori perspectives and principles be used to strengthen the National Infrastructure Plan's approach to long-term infrastructure planning?

DIA expects other agencies will be able to comment on this.

Section two: Long-term expectations

- Q3. What are the main sources of uncertainty in infrastructure planning, and how could they be addressed when considering new capital investments?

There is a track record of cost escalation from planning through to hand-over. Cost escalation can be difficult to accommodate in budgets, impact on other funding priorities and/or lead to undesirable compromises in what can be delivered.

There can also be a mismatch between when Councils indicate projects are intended to start and when they do start. DIA will be considering this further in the context of WSDPs and their 'deliverability'.

Section three: Existing investment intentions

- Q4. How can the National Infrastructure Pipeline be used to better support infrastructure planning and delivery across New Zealand?
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Having a shared view across central and local government alongside the private sector will help ensure that there is appropriate sequencing of works and maximum pricing efficiency. However, it's not clear what the mechanism is to 'negotiate' a sequenced pipeline, and this is something the Commission might like to consider.

Section four: Changing the approach

- Q5. Are we focusing on the right problems, and are there others we should consider?
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Developing a comprehensive and shared view of infrastructure plans is a critical foundation step. However, originators of plans can be overly ambitious in their intentions, at least with respect to timing. This is an issue that DIA will be considering when assessing WSDPs but there is no clear process or mechanism to do this at a combined local government level. The 'deliverability' of project intentions is something the Commission may wish to consider with respect to non-local government projects.

Capability to plan and build

Theme one: Capability to plan and build

Investment management: Stability, consistency and future focus

- Q6. What changes would enable better infrastructure investment decisions by central and local government?
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Ensuring the pipeline is comprehensive and informed by robust and reliable information is critical.

Being able to adjust the pipeline is also important, particularly in response to unexpected events like natural disasters.

- Q7. How should we think about balancing competing investment needs when there is not enough money to build everything?
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The local government sector has the ability to use rates to fund works (or debt related to works). The question for the LG sector is therefore less about the availability of funds and more about the affordability of projects in terms of how the cost impacts on ratepayers. As councils seek to address the backlog of works and future needs, we have seen large rates increases.

The Department continues to work with councils on their plans and how debt can be used to smooth the impact of large projects on ratepayers. Taking an affordability lens to plans would be a useful approach to incorporate into infrastructure planning centrally where the costs are directly passed on to consumers including through levies, fees, tolls and similar. This could also be included in stage 3 of the Infrastructure Priorities Programme (IPP) assessment.

Workforce and project leadership: Building capability is essential

- Q8. 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?
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DIA expects that a number of councils will move their water services into council controlled organisations. These will have independent and competency-based boards. The Department expects that this will materially strengthen leadership with respect to managing water assets as well as the initiation and delivery of capital projects.

- Q9. How can we build a more capable and diverse infrastructure workforce that draws on all of New Zealand's talent?
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The capability and capacity of the workforce will need to change in response to demand. Sending clear signals of intentions will help employers and those involved in

training and education to meet the anticipated need. Appropriate immigration settings can be used to meet demands that can't be satisfied by the domestic workforce. Employers as well as training and education institutions all have a role in informing prospective employees of expected industry demand, but they need confidence that the jobs will be there for trainees/graduates if they scale up to deliver education and training. This links back to the robustness of the pipeline information and how much it can be relied upon.

Project costs: Escalation means less infrastructure services

Q10. What approaches could be used to get better value from our infrastructure dollar? What's stopping us from doing this?

The many examples of cost increases during construction point to fundamental issues with scoping projects, managing project variations and managing costs during construction. In most instances the client (Crown in many cases) bears the cost of escalations. This places little incentive on the private sector to manage cost increases.

Taking care of what we've got

Theme 2: Taking care of what we've got

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

- Q11. 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?

The issue of aging (and even failing) infrastructure in the local government sector has a range of causes but one of them has been the insufficient controls to ensure water assets are maintained and renewed. This is a fairly systemic issue and points to system and governance issues but is also reflective of expenditure trade-off decisions councils have made as they have tried to meet competing demands, including community aspirations.

The introduction of an economic monitoring regime is intended to address this by ensuring an appropriate match between revenue and expenditure on water assets. Government has also signalled that it wants local government to focus its revenue on essential needs rather than 'nice to haves'. This reflects concerns over the rating burden as well as councils not consistently investing in maintaining key assets, such as water assets.

A greater focus on whole of life costs, including when considering options at the start might be useful for some projects. In addition, explicitly planning for renewal and replacement (with an associated plan for what funding is required and how that will be met) would help organisations with initial investment and funding decisions.

Resilience: Preparing for greater disruption

- Q12. How can we improve the way we understand and manage risks to infrastructure? What's stopping us from doing this?

It's not clear what risks the Commission is referring to. There are external risks such as natural disasters and then there are risks that relate to how well assets are maintained and operated.

There are other risks associated with simply not building required infrastructure which may place strain in infrastructure already in place or result in population and economic growth not being supported.

There are further risks if assets are poorly designed or located and which fail to meet needs or which are unnecessarily expensive to operate.

In general, well designed and built assets will mitigate all of the above, to the extent possible. However, there will also be a balance to be struck in terms of costs and asset resilience. Having a clear understanding on things like flood and seismic risk and what level of resilience to build to would help achieve a suitable balance. Discussions of alternatives such as managed retreat also need to come into this discussion.

We are supportive of the need to invest in good asset planning and management. This means that we need to know what we already have, where it is, what condition it is in, what services it supports, and what future pressures it will face.

We are supportive of the need for a comprehensive understanding of natural hazard risks, and processes to analyse risks.

There is no overall system framework that sets direction on climate change adaptation

There are gaps within the natural hazard system framework, particularly around managing climate change adaptation and community-led retreat (whether this is from disaster events or from the impacts of climate change).

This results in a lack of certainty, poor incentives for risk reduction, and potentially overspending on recovery from natural disasters and the impacts of climate change. Roles and responsibilities for climate change adaptation are not clearly articulated – either from a planning or funding perspective. The lack of legislative clarity raises potential legal and regulatory challenges for local government.

There is no guidance currently on how local government is expected to fund and finance any climate change adaptation investments that reduce risk across the Protect, Avoid, Retreat, and Accommodate (PARA) framework and increase resilience to disaster events. Nor are there any cost sharing arrangements in place to do so with others (beyond bespoke agreements post event).

Investment in high-quality national data and information is critical so that property owners, insurers, and other decision makers can understand risks and take appropriate action, and so as to prepare nationally consistent assessments of risk and options, to enable effective prioritisation of projects and interventions.

The Regional Deals Strategic Framework includes three priority objectives. These are:

- build economic growth;
- deliver connected and resilient infrastructure, and;
- improve the supply of affordable, quality housing.

The priority objective related to infrastructure has two aspects to it. Firstly, that there are better connected communities and businesses through infrastructure. Secondly, that infrastructure built (and identified investment in support of it) is more resilient against the impacts of natural hazards and climate change.

Decarbonisation: A different kind of challenge

Q13. How can we lower carbon emissions from providing and using infrastructure? What's stopping us from doing this?

No comment from DIA on this.

Getting the settings right

Theme 3: Getting the settings right

Institutions: Setting the rules of the game

Q14. Are any changes needed to our infrastructure institutions and systems and, if so, what would make the biggest difference?

None identified.

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

Q15. How can best practice network pricing be used to provide better infrastructure outcomes?

No comment from DIA on this.

Regulation: Charting a more enabling path

Q16. What regulatory settings need to change to enable better infrastructure outcomes?

In the water space, key legislative and regulatory mechanisms to ensure better outcomes are either in place or being introduced.

What happens next

Section five: What happens next?

Q17. Do you have any additional comments or suggestions that you would like us to consider as we develop the National Infrastructure Plan?

No.

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.

Please email info@tewaihanga.govt.nz if you have any questions or need more information.