

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

Reference: NIPC24-0002709 | Submitted: 12/11/2024 12:30 pm | Submitted by:

Summary of information submitted

Page 1 - Introduction

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We're seeking feedback

Our Discussion Document, <u>Testing our thinking: Developing an enduring National Infrastructure Plan</u>, 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 (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

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

Submission method

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

Page 2 - Context for the Plan

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Testing our thinking

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

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?

I think one of the biggest challenges will be infrastructure costs and funding/financing.

I support the focus on demand management approaches in infrastructure planning and it would be good to see the National Infrastructure Plan include a large amount of discussion on this topic. It would be good to include very specific examples and strategies of how this can be achieved. Volumetric water charging and congestion charging are often cited but there are a wide range of solutions. This includes more holistic approaches such as integrated spatial planning which can reduce the demand for horizontal infrastructure because of proximity and focussing on the built urban form which can reduce energy demand and the creation of stormwater runoff.

I would also like to see discussion in the National Infrastructure Plan around public vs private financing for infrastructure and what that means in terms of costs incurred by infrastructure users. It seems there is a reluctance to finance infrastructure through increased rates or taxes and there is a shift towards private financing. However, I think what hasn't been well communicated to the NZ public is this may mean that overall they pay more for infrastructure in the end because of profit margins and higher interest rates on debt than what is available to the government.

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

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

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?

No response provided

Section four: Changing the approach

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?

See answer to #1. I strongly support a focus on demand management approaches.

Page 3 - Capability to plan and build

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Changing the approach — Capability to plan and build

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

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

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?

We need a more stable pipeline of work. The industry is hurting at the moment because of the cancellation of a number of projects and limits on local government spending. A whole lot of engineers are getting laid off and moving overseas as a result.

Project costs: Escalation means less infrastructure services

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

Page 4 - Taking care of what we've got

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

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

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

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?

We need a framework for managed retreat. We are still investing in infrastructure in areas which will not be viable for housing in 50-100 years time.

Decarbonisation: A different kind of challenge

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?

The most effective way to reduce carbon emissions in the infrastructure sector is to not build something. We need to take a demand management approach to infrastructure supported by integrated spatial planning to reduce how much infrastructure we need to maintain.

Page 5 - Getting the settings right

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Changing the approach — Getting the settings right

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

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

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?

I support user pays approaches to infrastructure. The key is getting the incentives right.

Using impervious area fees as an example there is a balance to be struck between making development contributions proportional to the amount of impervious area created and how much rates bills should be proportional to the amount of impervious area on a site. Obviously when a new house is built is the greatest opportunity to influence these outcomes.

Equity also needs to be consider in pricing structures. This could be achieved by free minimum allocations when charging for essentials like drinking water (e.g. the first x m3 per household is free and then charged per m3 above that). Also in the case of congestion charging there needs to be alternatives to driving in the form of cycling or public transport.

User pays systems also needs to be properly priced to capture all costs and externalities so that it drives good decision making around infrastructure. Currently the costs of infrastructure for greenfield development are not captured properly which incentivises urban sprawl and in turn creates unsustainable financial burdens on councils and future rate payers.

Regulation: Charting a more enabling path

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?

We need more central government direction around urban spatial planning and development contributions. I think there is a reluctance amongst local authorities to be the first to raise rates and development contributions to where they need to be to cover the cost of the infrastructure we are currenly building.

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

No response provided

18. Attach any documents that support your submission

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

Document 1

No attachment

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.