

24 July 2023

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Thank you for your Official Information Act request, received on 26 June 2023. You requested “a copy of the latest monthly [report] from Te Waihanga received by the Minister (Monthly Update – June 2023)”.

Please find enclosed the requested report. I have decided to release this document subject to information being withheld under one or more of the following sections of the Official Information Act:

- certain sensitive advice under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions
- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials.

The redacted report will be released on our website. When we publish the report, we will also redact your name from page 5 of the report in line with section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons.

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

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
General Manager, Policy

Monthly Update – June 2023

To: Minister for Infrastructure, Hon Megan Woods
From: Geoff Cooper, Chief Executive (Acting), Te Waihanga

This Report is provided every month for completeness.

1: Key updates from the Chief Executive

- **Building Nations:** Te Waihanga participated in four sessions at Building Nations. A keynote address highlighted how we can make better use of existing infrastructure, with a focus on network efficiency issues in water and transport sectors and the role that more sophisticated pricing strategies could achieve for infrastructure outcomes. We participated in a session on Pipeline Certainty, presenting a systematic view of certainty across different sectors and timeframes, showing how this aligns with work on the National Infrastructure Pipeline, the Infrastructure Priority List, and the Infrastructure Needs Assessment. We facilitated a panel discussion on what form the Infrastructure Priority List should take, drawing on the experience of Australia. Lastly, we participated in a session on subsurface infrastructure emphasising the substantial benefits of digital engineering and data collection and the importance of making these a core part of their project structure.
- **Auckland Transportation Portfolio** – we recently provided you with our first high level advice on the economy wide concerns and opportunities we see in grappling with the need to significantly increase levels of investment to address long standing issues associated with mobility in Auckland. While we are aware that others have raised similar issues, it is unclear that economy-wide implications are apparent. We believe this is important context for considering a proportionate solution to the challenges presented. We are continuing to engage with other agencies on work in this area, as well as further refining our thinking on the institutional structures that would be required to get better outcomes for New Zealand.

2: Team updates and progression towards FY22/23 outcomes

Team Update	Activity and key milestones
Strategy Team	<p>Presentations at the New Zealand Association of Economists conference 28-30 June</p> <ul style="list-style-type: none"> • <i>How much do we pay for infrastructure? Household expenditure on infrastructure services</i> (published in the last week of June as part of Te Waihanga's <i>Research Insights</i> series) • <i>Protecting land for infrastructure: How to make good decisions when the future is uncertain</i> (published in April 2023 as part of Te Waihanga's <i>Research Insights</i> series) • <i>Construction productivity and the Baumol cost disease model</i> (published in September 2022 as part of Te Waihanga's <i>Research Insights</i> series) <p>Infrastructure Priority List In line with the highlighted action in the Infrastructure Action Plan the team continues to work with Treasury to progress this initiative, starting with development of an assessment framework. To the extent possible, the work is being integrated with the National Resilience Plan.</p> <p>Survey of views on paying for infrastructure Kantar Public are undertaking a survey of 3000 New Zealanders to elicit views on 'what's fair' when it comes to paying for water, electricity, and roads. The survey will be in the field from 14 June until early July (i.e. it will be closed off before the pre-election period starts). Results won't be reported until late 2023.</p> <p>Visit of Sophie Howe, former Future Generations Commissioner of Wales 20-21 July Te Waihanga is hosting Sophie Howe in Wellington to support our 'What's Fair? Providing and Paying for Infrastructure' research project. As part of this work, we are looking at how other countries, such as Wales, address the challenge of intergenerational equity when it comes to funding infrastructure. These conversations will also feed into other pieces of our work, such as the development of the Infrastructure Priority List and the next New Zealand Infrastructure Strategy. To make the most of Sophie's limited time, we will be offering roundtable sessions that will be open to the Treasury; Ministry of Housing and Urban Development; Ministry for the Environment; Ministry of Business, Innovation & Employment; and the Climate Change Commission.</p>
Delivery Team	<p>The portfolio disputes team</p> <p>Te Waihanga continues to support the development and work of the portfolio disputes team within the Treasury. The team currently consists of a Treasury director and seconded resource from Te Waihanga.</p>

The first steering group meeting provided an opportunity for project teams to share detail around their specific disputes and share learnings around their engagements on the relevant disputes. A number of common themes between the projects have been identified, which will be shared in the next monthly report. The Team will be meeting with the Te Whata Ora to discuss the Dunedin Hospital project to share lessons and advice from other projects as they look to negotiate their contract for the Dunedin inpatients building.

The team continue to build out and align the work programme with the Cabinet directive, which will look to be finalised following the appointment of a permanent Director. A meeting with a candidate for the permanent director position is being held this week.

Major Project Leadership Programme

In line with the highlighted action in the Infrastructure Action Plan the team has increased the pace of this work. Two FTE (Director and Senior Advisor) are now on board, and the work programme through to Ministerial decision making is currently being finalised.

The ongoing scoping into the design and delivery of a Major Project Leadership Programme has highlighted several areas that need to be further explored. These include the need to:

- clearly identify the cohort the programme needs to target as the initial priority and understand their critical development needs to deliver better outcomes on the projects, they are accountable for.
- focus the development on either core technical leadership or transformational leadership or project leadership.
- decide and agree a funding model for the design and ongoing delivery of the programme.
- understand the capability of the market to deliver such a programme.

This will be achieved through engagement with major project leaders, targeted meetings with key entities and agencies including the Public Service Commission and a Request for Information (RFI) to potential market suppliers of the programme.

City Rail Link Lessons Learnt Review

We have been working closely with the reviewers, City Rail Link, and Sponsor Agencies to finalise the City Rail Link Lessons Learnt Review. We held a workshop with sponsor representatives on 14 June to work through their detailed feedback. The session was very productive and has helped refine the key messages. We have invited the sponsor representatives to include a foreword within the report to ensure the findings are appropriately placed in context. We are seeking to have a final draft of the report to your office shortly.

Additional requests for project advice

	<p>In the lead up to, and following budget announcement that there has been a significant increase in infrastructure planning and procurement activity across Government with a number of significant projects reaching critical milestones. We have recently engaged with several project teams including:</p> <ul style="list-style-type: none"> • Health: [REDACTED] seeking Programme Business Case approval in coming months. • Defence: [REDACTED] commencing market engagement • Education: [REDACTED] commencing market engagement • Water: [REDACTED] <p>[REDACTED] s(9)(2)(f)(iv)</p> <p>We are particularly focused on supporting agencies that are undertaking good market engagement processes as this is a useful conduit of real time information from the market back into the system. We will highlight with you any notable themes that come from these processes.</p>
<p>Policy Team</p>	<p>[REDACTED]</p> <p>[REDACTED] s(9)(2)(f)(iv)</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>Future of Severely Affected Locations (FOSAL) working group:</p> <ul style="list-style-type: none"> • Te Waihanga continues to support the development of policy proposals for Category 2 locations, particularly where infrastructure is material to the categorisation decision, where iadaptation may be required as a result of the categorisation, or where there is the potential for stranded assets to result. <p>Trifecta Review:</p>

	<ul style="list-style-type: none"> Supporting NEMA drafting Schedule 1 of the revised CDEM Act which will list the critical infrastructures covered by the Act.
Operations Team	<ul style="list-style-type: none"> Last week (9th June) Te Waihanga's Board approved the FY24.27 Statement of Intent and FY23.24 Statement of Performance Expectations including prospective financial statements. These will be presented to the Ministers office no later than 30th June. Te Waihanga is currently in the process of refreshing its website (www.tewaihanga.govt.nz) with a 'go live' date now set for early July. We received attendee feedback from the May Symposium with a 94% satisfaction rating. We've recently published the following resources: <ul style="list-style-type: none"> Webinar: Revision of NZS 3910 public consultation phase (jointly with the Construction Sector Accord) Slides and videos of presentations given at the 2023 Looking Ahead Infrastructure Symposium

3: Upcoming Te Waihanga Briefings, Publications and Official Information Act Requests

Upcoming and current briefings and research			
Topic	Date	Purpose / action / note:	Deadline
How has 'fairness' or 'equity' in the provision, planning and funding of infrastructure been considered in the academic and other literature?	16 June	Prepared as part of the equity and infrastructure special topic. For noting only. Intention to publish on the Te Waihanga website in the week beginning 3 July.	30 June
The National Resilience Plan – Role of Te Waihanga in supporting Ministerial decision making	16 June	Noting the role that Te Waihanga is playing to support better infrastructure decision making and the balance between short term objectives and improving longer term context for decision making.	19 June
Official Information Act requests			
Requestor	Date due to requestor	Scope	Agency/ Ministerial
	26 June 2023	Te Waihanga Monthly Report to the Minister for Infrastructure, May 2023 Te Waihanga Quarterly Report to the Minister for Infrastructure, Q3 2023	Te Waihanga / Infrastructure



Titles of advice for publishing

Te Waihanga releases a list of the titles of advice provided to the Minister for Infrastructure each month. The list is updated within 6 weeks of the end of each month and currently includes titles up to the end of May. Titles that concern matters that are commercially sensitive or matters under active consideration are not published. OIA briefing titles are not published in the list because these are published separately. Please **note** the list of titles of advice below that will be published (by mid-July) for May 2023.

Document type	Date	Title
Briefing	1 May 2023	Symposium speech for Minister
Aide Memoire	12 May 2023	Te Waihanga Symposium
Aide Memoire	29 May 2023	Survey to understand what people think is fair when it comes to paying for infrastructure services

4: Te Waihanga-led Strategy Recommendations

Key:  = Not started  = Attention required  = Some issues  = On track  = Complete

1	Strengthen partnerships with Māori across the infrastructure system of Aotearoa New Zealand	2022 2031	Supported, subject to decisions on establishing a Māori advisory group	Underway in part	Lead	Undertaking a State of Play on current Māori engagement activity for infrastructure (2022/24). This work aims to improve understanding of how the Crown engages with iwi/ Māori for infrastructure. Engagement across a range of infrastructure projects will be considered, identifying examples of best practice, that resulted in better infrastructure and cultural outcomes. The work seeks to also identify opportunities for improvement across the infrastructure system.	<p>Following feedback from the Board at the April Board meeting, we've identified ways of gathering information about Māori ownership and investment in infrastructure.</p> <p>We've provided the Board an update on this and have also invited them to assist in providing introductions to Māori groups.</p> <p>We also continue to interview infrastructure providers about their approaches to engaging with Māori.</p> <p>We have also begun talking with Māori groups including  s(9)(2)(g)(i)</p> <p>A webpage about this project was published on 18 May 2023</p> <p>We've drafted a literature review report, which could potentially be published before the final report. We're sharing this draft report internally for comment and will also share it with the Project Advisory Group and, potentially, others such as  s(9)(2)(g)(i)</p>	
2	Develop capabilities and capacity across the infrastructure system for effective partnerships with Māori	2022 2031	Supported, subject to completion of the State of Play	Underway in part	Support (TBC)	TBD	Not yet started, subject to completion of the Māori Engagement State of Play.	N/A
3	Strengthen the Māori infrastructure evidence base	2022 2050	Supported in principle	Underway in part	Support (TBC)	TBD	Not yet started, subject to completion of the Māori Engagement State of Play.	N/A
4	Minimise lock-in of future emissions	2022 2026	Supported	Underway	Support	Supporting the delivery of the Emissions Reduction Plan (ERP), Chapter 7: Planning and Infrastructure actions	<p>Te Waihanga is developing a methodology for measuring infrastructure emissions. We're currently evaluating what the methodology should cover and targeting a final scope for the coming months.</p> <p>This work supports action 7.4 in the Emissions Reduction Plan: <i>improve the evidence base and tools for understanding and assessing urban development and infrastructure emissions.</i></p>	
16	Reduce costs by optimising infrastructure corridors	2022 2031	Supported, subject to further work on establishing fund	Underway in part	Support research component	<p>We are contributing to RMA reform by leading work on the infrastructure content of the National Planning Framework (NPF). The NPF could be used to reduce the legislative barriers to corridor protection.</p> <p>We are undertaking research to:</p>	<p>We have completed the infrastructure content for the NPF 1, including both policy and National Environmental Standards. We are working with MfE to integrate this content into NPF 1, and we're advising on the roadmap for future NPF development.</p> <p>We've also published research to quantify the magnitude of benefits from advance property protection, and to identify evaluation methods for this. We're currently developing supplementary comms / engagement material on the</p>	

Rec	What	Strategy Timeframe	Govt Response	Govt Response Status	Te Waihanga Role	Description of Te Waihanga's Actions/Project	May 2023 Update	RAG
						<ul style="list-style-type: none"> Quantify the magnitude of benefits of advance property protection Identify evaluation methods that can be used to determine when and why property should be protected for infrastructure projects Identify best practice methods for funding and financing of corridor protection <p>The purpose of this work is to provide a robust evidence base to advance work on guidance for corridor protection, including funding and financing issues.</p>	findings of this research, including an example of how advance property protection is done by infrastructure providers.	
24	Improve spatial planning through better information on infrastructure capacity and costs to service growth	2022-2031	Supported in principle	Underway in part	Support	We have concluded work with Auckland Council on their development contributions policy – this focused on understanding how DC policy could better reflect the cost to service growth. This work will feed into our assessment of how to improve DC policy in the future.	We are currently investigating whether and how to scope a study on the geographic differences in costs to service growth with infrastructure. We do not currently have a timeframe for this work.	
25	Increase the resilience of critical infrastructure	2022-2026	Supported in full	Underway	Support	<p>Te Waihanga is contributing to:</p> <ul style="list-style-type: none"> The Trifecta Review which aims to modernise New Zealand's Emergency Management system <p>Critical Infrastructure Reform which is considering whether the government's existing regulatory approach to building critical infrastructure resilience is fit-for-purpose.</p>	<p>Te Waihanga is continuing to support the National Emergency Management Agency (NEMA) in the revision of secondary instruments, including the Emergency Management Plan.</p> <p>Te Waihanga is part of the steering governance group for the DPMC-led critical infrastructure regulatory reform programme and is providing direct support to the working group. This work aligns with the National Adaptation Plan deliverables on risk assessment and scoping a resilience standard/code for infrastructure.</p>	
27	Prepare infrastructure for the impacts of climate change	2022-2031	Supported	Underway	Lead allocated actions	<p>Te Waihanga is leading two of the 'critical actions' in the National Adaptation Plan, plus one of the 'supporting actions':</p> <p>Critical actions</p> <ul style="list-style-type: none"> Action 3.8: Develop guidance for assessing risk and impact on physical assets and the services they provide Action 5.6: Scope a resilience standard or code for infrastructure <p>Supporting action</p> <p>Action 8.8: Support knowledge sharing and the implementation of adaptation actions across the infrastructure sector.</p>	<p>We are adjusting our approach to procuring this work, to make sure we align with the DPMC-led work programme on the regulatory framework for critical infrastructure.</p> <p>The orange rating reflects the short-term situation, where the time frames are uncertain for the DPMC-led work programme. We are progressing with our re-scoped procurement and confident the work will be delivered within the time frames specified in the National Adaptation Plan.</p>	
40	Strengthen independent advice for infrastructure prioritisation	2022-2026	Supported	Underway	Lead	<p>Te Waihanga will investigate options to establish an Infrastructure Priority List (IPL).</p> <p>Although design details for the IPL are yet to be determined, at a high level, the IPL will be a process to assess investment proposals at set points in the planning process, culminating in a list of investments assessed to represent value for money, and be of strategic priority for New Zealand.</p>	<p>Following work with the Treasury and other leaders in the Investment Management System, we have developed a design brief outlining three high-level design options for the Infrastructure Priority List (IPL). During the remainder of our 2023 work programme for the IPL, we will be investigating the viability of these options.</p> <p>Our work programme for 2023 revolves around two main tasks, which are:</p> <ol style="list-style-type: none"> Developing an Assessment Framework that can be used to assess proposals at set points in the planning process, and inform which 	

							<p>proposals are published on the IPL; and</p> <p>2. Developing a business case to document our investigation of design options and implementation considerations for the IPL, and to inform a Budget 24 bid if necessary.</p> <p>We have appointed a consultant with experience in the Australian IPL to assist with the development of the Assessment Framework. We are also in the early stages of developing the business case.</p> <p>As our work programme progresses, we will be looking for opportunities for early implementation of elements of the Assessment Framework IPL [REDACTED]</p> <p>[REDACTED]</p> <p>Additionally, we are currently in discussions with the Treasury on the development of an Infrastructure Needs Assessment (INA) that will build on some similar work we have done in this area. We expect that the INA will be separate but complimentary to the IPL.</p>	s(9)(2)(f)(iv)
41	Improve infrastructure performance reporting and insight	2022-2050	Noted	Further consideration required	Lead	A number of workstreams are underway that are helping to capture the performance of projects in delivery. This includes our infrastructure pipeline, ex-post reviews and sector dashboards which are in beta development and are the first attempt at extracting and presenting this type of data for certain sectors.	Te Waihanga has continued to develop dashboards that provide information on how key infrastructure sectors are performing. The information presented is aggregated from mostly public sources and covers the four key network infrastructure sectors water, energy, telecommunications, and transport. We continue to share these with the sector to gather feedback and discuss how we can best monitor performance.	
43	Strengthen project evaluation through cost benefit analysis	2022-2026	Noted	Underway in part	Support	Providing advice to the lead agencies, for instance through advice on Treasury's Budget Evaluation Framework.	<p>In November/December 2022 Te Waihanga participated in the Investment Panel for Budget 23. We also assisted the Treasury in its assessment of Budget 23 bids relating to the recent North Island Weather Events.</p> <p>As work to progress the IPL continues, we will consider how we could implement elements of our own Assessment Framework in the Budget 24 Investment Panel process.</p> <p>[REDACTED]</p>	s(9)(2)(f)(iv)
44	Ensure an appropriate consideration of future generations in project evaluation	2027-2031	Supported in full	Further consideration required	Support	The Treasury is currently reviewing the discount rate. Te Waihanga is not currently involved, and no further action is proposed at this time.		
46	Improve infrastructure cost analysis	2022-2050	Supported in full	Further consideration required	Lead	<p>Undertake investigations into the cost performance of New Zealand's infrastructure sector that:</p> <ul style="list-style-type: none">a. Cover multiple infrastructure sectors to enable the identification of common issues and points of difference.b. Identify recent cost trends and drivers of cost trends within infrastructure sectors.c. Benchmark New Zealand's cost performance against better-performing OECD countries and identify drivers of differences.	<p>Our December 2022 <i>Research Insights</i> paper ("The lay of the land: Benchmarking New Zealand's infrastructure delivery costs") has been published following stakeholder engagement. This provides initial, high-level data that addresses this recommendation.</p> <p>Our September 2023 <i>Research Insights</i> paper will examine drivers of short-run construction cost inflation, including global and local trends in infrastructure construction material prices and short-run construction wage movements.</p> <p>Infrastructure costs/ cost escalation remains a potential future special topic, subject to other priorities.</p>	

Rec	What	Strategy Timeframe	Govt Response	Govt Response Status	Te Waihanga Role	Description of Te Waihanga's Actions/Project	May 2023 Update	RAG
						Are repeated at least every five years to inform ongoing Infrastructure Strategy development.		
56	Improve public understanding of how infrastructure is funded	2022-2026	Supported in full	Underway	Lead	<p>Undertaking a technical study to inform the establishment of a consistent approach to thinking about best practice and best pricing for infrastructure networks in New Zealand across all sectors. This study will be expected to:</p> <ul style="list-style-type: none"> a. establish a framework for networked infrastructure pricing, including a categorisation of charges. b. detail current pricing practices. c. contribute to and inform policy recommendations involving pricing strategies for networked infrastructure across different sectors, including considerations of equity. d. feed into policy advice, including but not limited to reform of 3 waters and the review into the transport funding system. e. feed into the 2027 New Zealand Infrastructure Strategy. <p>Scheduled for October 2022 to June 2023</p>	<p>An economics and engineering consultancy team has been appointed to undertake this work. The study is ongoing, and the draft pricing principles are being tested through stakeholder engagement. We anticipate that this report will be completed in mid-2023.</p> <p>The technical study will contribute to Te Waihanga's special project into 'fairness in the provision and funding of infrastructure' by looking at the equity implications of different pricing strategies.</p>	
60	Develop greater certainty for infrastructure providers in the Natural and Built Environments legislation	2022-2031	Supported	Underway	Lead	Leading work on the infrastructure content of the National Planning Framework including development of infrastructure technical standards for common activities and providing advice on the RMA reform process.	<p>The report back from the Select Committee and the Revised Tracked version of the Natural and Built Environments (NBE) Bill are now planned for the end of June.</p> <p>The time frames for passing the NBE legislation and preparing the first National Planning Framework (NPF1) are increasingly compressed.</p> <p>We are putting substantial resource into supporting MfE on the drafting instructions to ensure all the content we developed for the infrastructure chapter of NPF1 is incorporated into the drafting.</p>	
64	Provide certainty to industry to invest in skills and training development	2022-2031	Supported in full	Underway	Lead	Strengthening the National Infrastructure Pipeline to improve completeness and transparency of project information and provide insights to inform decisions on the demand and supply of new infrastructure into the future.	<p>The March 2023 Q1 update of the National Infrastructure Pipeline (Pipeline) lifted our number of contributors to 66 organisations, up from 60 in the previous update. The Pipeline currently includes projects to the value of \$92.3 billion, (an increase of 17.4 per cent from the December 2022 quarter)</p> <p>The regular Pipeline update process for June 2023 Q2 is scheduled to start in the week commencing 15/05/2023.</p> <p>A focus of Q2 2023 Pipeline Outreach Programme continues to be engaging with entities in disaster affected areas. Te Waihanga is working with the support of the Construction Sector Accord to discover the value and scale of recovery projects in disaster affected areas and model workforce implications and constraints.</p>	
65	Develop the talent required to deliver New Zealand's future infrastructure	2022-2031	Supported in principle	Underway	Lead workforce study	<p>Begin to build an evidence-base for future decision-making regarding workforce matters through three steps:</p> <ol style="list-style-type: none"> 1. define what the infrastructure workforce means and includes. 2. identify what the existing infrastructure workforce is (and any current gaps). 3. leverage the Pipeline to model future workforce needs 	<p>A consultant has been appointed to deliver steps 1 (defining the infrastructure workforce) and 2 (identifying the infrastructure workforce).</p> <p>Step 1 of the project has been completed, and the consultant team is currently seeking feedback on step 2 draft findings from the Te Waihanga reference group.</p> <p>We anticipate that the report will be completed in Q3 2023. This project will further help inform improvements to the Infrastructure Pipeline.</p>	

Rec	What	Strategy Timeframe	Govt Response	Govt Response Status	Te Waihanga Role	Description of Te Waihanga's Actions/Project	May 2023 Update	RAG
						(and identify emerging gaps).		
68	Recognise major project leadership as a role with comparable complexity to organisational leadership	2022-2031	Supported in principle	Further consideration required	Lead	Providing advice on the establishment of a Major Projects Leadership Academy.	<p>The second FTE (Senior Advisor) to support the building of major project leadership capability commenced with Te Waihanaga 24th May.</p> <p>We will present the timing and approach to developing a Major Project Leadership Programme (MPLP) at the June Board meeting and seek strategic input in four areas.</p>	