

The Treasury

Submissions on a New Independent Infrastructure Body Information Release

February 2019

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26 October 2018

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A New Independent Infrastructure Body

Genesis Energy Limited (**Genesis**) welcomes the opportunity to provide a submission to the New Zealand Treasury (**Treasury**) on its consultation paper regarding the proposal to establish a new independent infrastructure body (the **Consultation**). We support this body to help the Government, local government and the private sector coordinate better and focus future investment on the right infrastructure, in the right place, at the right time.

In our view, it is important for Cabinet to 'ensure the body's mandate is complementary and does not duplicate the mandate of other agencies or workflows'. We also reiterate the importance of policy cohesion in the context of planning New Zealand's transition to a low emissions economy, as noted in other recent submissions made by Genesis¹.

The framework agreed by the Government to guide the transition involves an extensive programme of work and initiatives running in parallel. It is crucial the work of the infrastructure body supports this broader work programme and avoids duplication of resources. We also welcome independent oversight to ensure all government agencies tasked with the transition are working efficiently and effectively towards this shared goal.

One area where the infrastructure body can deliver real benefits is in working to 'publicly identify and socialise regulatory market barriers to better infrastructure outcomes'. In our submission to the Productivity Commission on its Low emissions economy inquiry² we commented that current resource planning legislation is a barrier to further development of renewable energy and the continued operation of existing infrastructure. In our view, strengthening the National Policy Statement on Renewable Electricity Generation should be a matter of priority for the Government and we see a role for the infrastructure body in providing robust advice to officials on how best to proceed with this.

It will also be useful for the infrastructure body to play a role in providing 'advice to the Minister for Infrastructure on New Zealand's highest priority infrastructure investment needs.' Current stress in the wholesale electricity market resulting from a combination of lower than average hydro storage levels and supply side constraints in the gas market, and the storm event earlier this year

¹ Genesis Energy submissions on [Improvements to the New Zealand Emissions Trading Scheme](#) and [Crown Minerals \(Petroleum\) Amendment Bill](#).

² Genesis Energy submission on [Low emissions economy – Draft report](#).

that resulted in widespread power outages in New Zealand's largest city are timely reminders of the importance of fuel diversity, asset resilience and redundancy in a national security of supply context. The national importance of secure, reliable and affordable supply of utilities such as electricity (and water, broadband etc) should be within the line of sight of the infrastructure body when considering high priority infrastructure.

We do not wish to comment on the other questions or proposals in the Consultation at this time but look forward to further engagement with Treasury moving forward. If you would like to discuss any of these matters please contact me by email: [1] or by phone [1]

Yours sincerely

[1]

Margie McCrone
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