

The Treasury

Submissions on a New Independent Infrastructure Body Information Release

February 2019

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Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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[1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;

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A New Independent Infrastructure Body

New Zealand Treasury

October 2018

A New Independent Infrastructure Body

Your responses

Please write your responses into the template following this introductory page.

Please note:

- ▶ You do not need to answer all sections – just the ones for which you have information or comments you would like to contribute.
- ▶ Please submit your response to infrastructure@treasury.govt.nz by **5pm on Friday 26 October 2018**.

The information provided in submissions will be used to inform the Treasury's policy development process, and will inform advice to Ministers in relation to this matter. We may contact submitters directly if we require clarification of any matters in submissions.

Thank you for your time and effort on making your submission.

For further information

Website: <https://infrastructure.govt.nz> (redirects to the Treasury's Infrastructure pages)

Email: infrastructure@treasury.govt.nz

Submissions and the Official Information Act 1982

Submissions received by the Treasury are subject to the Official Information Act 1982 (OIA). Please set out clearly with your submission if you have any objection to any information in the submission being released under the OIA. In particular, clearly state which part(s) you consider we should withhold, and the reason(s) for doing so.

The OIA sets out reasons for withholding information. Reasons could include that the information is commercially sensitive or that you wish us to withhold personal information, such as names or contact details. An automatic confidentiality disclaimer from your IT system is not a reason to withhold information.

We will consider your objections when responding to requests under the OIA.

Private Information and inclusion of names with published submissions

We will use any personal information you supply while making a submission **only** for matters covered by this document. **Please clearly indicate in your submission if you do not want your name included in any submission or summary of submissions that we may publish.**

Your contact details

For individuals

Your name:	
	Indicate here if you do not wish your name to be included in any summary of submissions that we may publish.

Email address:	
Phone number:	

For organisations

Organisation name:	Infrastructure Sustainability Council of Australia (ISCA)
Nature of your business:	ISCA is Australasia’s peak body for sustainable infrastructure – a member-based industry association committed to the delivery of more sustainable outcomes from the planning design, construction and operation of infrastructure assets.
	Indicate here if you do not wish your name to be included in any summary of submissions that we may publish.

Contact person name:	Ainsley Simpson
Position:	CEO
Phone number:	[1]
Email address:	[1]

Questions for Submitters

1 What do you think are essential features of the new independent infrastructure body, so it can deliver on its core purpose to strengthen infrastructure strategy, planning, investment and delivery (note functions are discussed below)?

Response:

We see the essential features of the proposed i-body are to provide:

- investment and market certainty over sufficient duration for efficient infrastructure delivery in NZ
- bipartisan infrastructure planning that is enduring beyond political cycles
- clarity of what 'good' infrastructure means for New Zealand and appropriate requirements to ensure 'good' infrastructure is delivered (see Question 4 for our views on the role of the i-body in defining 'good' infrastructure)
- efficiency and prioritisation of infrastructure delivery across New Zealand.

2 What relationship should the independent infrastructure body have with the government?

Response:

We believe it is very important for the i-body to be independent from government. Even more than this, it must be bipartisan.

The rules of engagement for the i-body must include the process for refreshing the strategy to allow for adaptation and new ideas to come into the process. We would suggest that this should not ~10-year cycles to ensure the strategy meets the criteria of providing certainty. This timeframe will also mean the strategy will not be subject to political cycles.

i In particular, what level and form of independence does the body need to be credible and influential from your perspective?

Response:

ii Should the level and form of independence vary according to each different function? *If yes, please elaborate*

Response:

3 Thinking about the possible functions proposed in this document (listed below), how important is each function on a scale of 1 (not very important) to 5 (essential)?

Functions to consider and comment on:

- ▶ Assess the condition of New Zealand's infrastructure assets

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- ▶ Develop a shared understanding of New Zealand's long-term infrastructure strategy

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- ▶ Identify New Zealand's highest priority infrastructure needs

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- ▶ Identify and comment on the barriers to delivering good infrastructure outcomes

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- ▶ Publish long-term capital intentions

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- ▶ Act as a 'shop front' for the market including publish a pipeline of infrastructure projects

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

▶ Provide project procurement and delivery support

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

▶ Provide best practice guidance on project procurement and delivery

Not very important				Essential
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

4 Are there any other functions, in addition to the proposed list above, which you think the independent infrastructure body should carry out?

If so, please rate the importance of each additional function on a scale of 1 (not very important) to 5 (essential).

Response:

We believe that an essential function of the proposed i-body is to define what 'good' infrastructure means for New Zealand.

A definition and approach to delivering 'good' infrastructure will ensure that projects meet not only financial outcomes, but broader value will be tied into infrastructure decision making from early development, to maximise the value that can be achieved.

Providing clarity on 'good' infrastructure will allow for greater consistency across projects, sharing of learning, and enable the i-body to mandate minimum performance measures beyond financial.

We believe that 'good' infrastructure is sustainable and focused on outcomes. For example, an outcomes focus would place value on resilience such as to earthquake and climate change, social value, and retaining, protecting, and enhancing our natural environment.

The definition and approach should align with national measures on environmental, social, cultural, and broader economic value to provide clear drivers and demonstration of performance.

5 Thinking about each possible function individually (including any additional functions you have listed above) how could the new independent infrastructure body best achieve each function?

Functions to consider and comment on

- ▶ Assess the condition of New Zealand's infrastructure assets

Response:

It is important to understand the baseline of existing infrastructure and infrastructure needs across New Zealand in order to achieve a meaningful and enduring strategy. We view this task as an input to the strategy formation.

The assessment should consider the broader value that is, or is not, being delivered by the assets, such as environmental, social, cultural, and wider-economic. It should also consider the resilience of the infrastructure to future demographic and climate impacts, the broader value that is enabled through the infrastructure, and alternative (including non-infrastructure) solutions that could deliver the required outcomes.

- ▶ Develop a shared understanding of New Zealand's long-term infrastructure strategy

Response:

The strategy developed should be bipartisan and take a 30 or 50 year view. The first 10 year period must provide clarity and certainty to allow efficient delivery of infrastructure.

- ▶ Identify New Zealand's highest priority infrastructure needs

Response:

The prioritisation of infrastructure needs should reflect the definition developed of 'good' infrastructure, and align with wellbeing outcome measures. This would include environmental, social, cultural, and broader economic costs and benefits. These should not be considered secondarily to the financial assessment of infrastructure needs. This will support the strategy to be enduring, as priority infrastructure needs will clearly be connected to a national understanding of the benefits of the infrastructure.

- ▶ Identify and comment on the barriers to delivering good infrastructure outcomes

Response:

We believe that the principle of balancing environmental, social, cultural and wider-economic value, with direct economic costs and benefits is inherent to delivering 'good' infrastructure.

In our experience working with Australian i-bodies (see Question 11 for specific engagement with Australian i-bodies), the Infrastructure Sustainability (IS) framework, developed and managed by ISCA, is an effective way of supporting the delivery of positive non-financial outcomes. It allows standardisation and comparison from project to project, and can be easily mandated during the planning phase.

▶ Publish long-term capital intentions

Response:

▶ Act as a 'shop front' for the market including publish a pipeline of infrastructure projects

Response:

▶ Provide project procurement and delivery support

Response:

▶ Provide best practice guidance on project procurement and delivery

Response:

▶ Any additional functions you have proposed

Response:

6 How could the new independent infrastructure body best work with local government and the market to help them plan long-term infrastructure?

Response:

7 How could the new independent infrastructure body best engage with the market?

Response:

We view market engagement as one of the mechanisms that the i-body should use to create certainty in the market, which we strongly support. However this is an activity, the outcome that is important is certainty in the market.

8 What information should a published pipeline of infrastructure projects include?

Response:

We see publishing the pipeline as one of the mechanisms that the i-body should use to create certainty in the market, which we strongly support. However this is an activity, the outcome that is important is certainty in the market.

9 What type of support could the new independent infrastructure body provide to the market in order to act as a 'shop front' (Function 6)?

Response:

We see a 'shop front' as one of the mechanisms that the i-body should use to create certainty in the market, which we strongly support. However this is an activity, the outcome that is important is certainty in the market.

10 How could the new independent infrastructure body best assist local government to support and deliver infrastructure projects?

Response:

We see the i-body (at a minimum) setting a national, long-term, infrastructure plan, which would include assets which would be delivered by local governments and CCOs.

In order to make sure that 'good' infrastructure, which realises non-financial environmental, social, cultural and wider-economic benefits, is delivered, we would recommend that projects above a material (financial or impact) threshold are required to use the i-body planning and procurement process/guidance, which would include specifically planning for non-financial benefits, potentially measured through the use of the Infrastructure Sustainability (IS) framework (see Question 11 for more information on the IS framework).

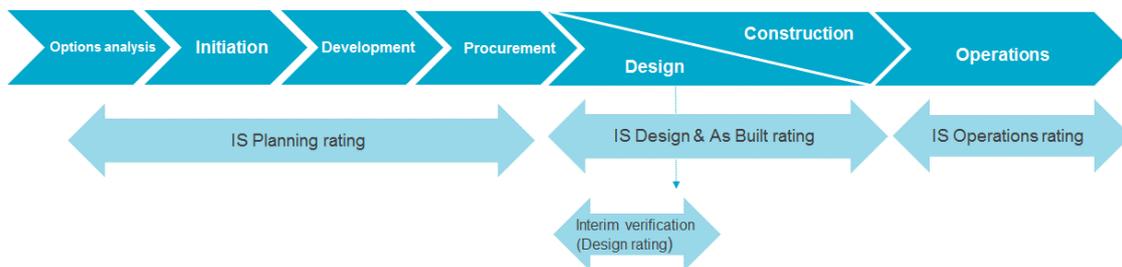
Projects below the materiality threshold would be able to leverage i-body support, but processes and outcomes would not necessarily be mandatory.

11 Are there any other comments you wish to make?

This could include comments on the form and governance of the new independent infrastructure body.

Response:

The Infrastructure Sustainability (IS) rating scheme, developed and administered by ISCA, is a comprehensive rating system for evaluating environmental, social, cultural, and governance impacts associated with the planning, design, construction and operation of infrastructure assets. The IS framework rewards the reduction of negative impacts, and creation of positive impacts or restorative actions across each of these asset lifecycle stages.



The IS framework has been leveraged by a number of i-bodies across Australia to support the delivery of non-financial, sustainable outcomes:

- The rating scheme approach is reflected in the Building Queensland [Frameworks; Detailed Business Case](#)
- Victorian government make specific mention of ISCA in their intergovernmental social procurement framework <https://buyingfor.vic.gov.au/social-procurement-framework>
- NSW Department of Planning make legal the requirement for sustainability performance measurement through the planning process as part of Critical State Significant Infrastructure Standard Secretary's Environmental Assessment Requirements. https://www.planning.nsw.gov.au/~/_media/Files/DPE/Other/critical-state-significant-infrastructure-standard-secretarys-environmental-assessment-requirements-SEARs-2015-12.ashx
- Planning rating (and economic theme) alignment with Infrastructure Australia <http://infrastructureaustralia.gov.au/policy-publications/publications/infrastructure-decision-making-principles.aspx>

In addition we are also currently reviewing the handbooks for the INSW gateway process to provide input on alignment.