

The Treasury

Submissions on a New Independent Infrastructure Body Information Release

February 2019

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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:	Whangarei District Council
Nature of your business:	Water, wastewater, stormwater, transport parks and facilities asset planning, provision and management.
	Indicate here if you do not wish your name to be included in any summary of submissions that we may publish.

Contact person name:	Simon Weston
Position:	General Manager, Infrastructure
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:

Essential features of the Independent Infrastructure Body (IIB):

- Providing integration amongst infrastructure areas.
- Not just prioritising and finding barriers to but also assists in how to overcome the barriers
- Provision of procurement guidance and support – the actual delivery of projects of could compromise its independence.
- Provision of an effective prioritisation framework that doesn't just cater for the larger providers and projects.
- Understanding the interrelationships between infrastructure providers and local drivers
- Ensuring other factors are also considered such as community drivers, climate change (sea level rise and flooding)
- Potentially to bring work together such as climate change impacts on infrastructure – currently there is the Ministry for Climate Change, Ministry for Civil Defence, Ministry for LG, Ministry of Transport, LGNZ, Lifelines, Water NZ, plus other groups all doing work in this space, but it looks uncoordinated. The IIB could bring this all together.

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

Response:

The IIB needs to be able to make recommendations independent of the government.

This is required to ensure that all infrastructure providers and assets are considered irrespective of the government's view on priorities.

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

Response:

The level of expertise on the body will be key in ensuring the IIB is credible.

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

Response:

No

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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- ▶ Publish long-term capital intentions

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"/>

- ▶ 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

▶ Provide best practice guidance on project procurement and delivery

Not very important					Essential
1	2	3	4	5	
<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

No further functions are identified

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:

Most assessments will have been undertaken by the responsible authorities under current requirements for long term asset management planning within the Local Government Act and other infrastructure Acts. The IIB will need to be able to compile and analyse these differing assessments from a multitude of platforms and methodologies.

NZ should use the information it currently has on its infrastructure rather than reinvent the wheel. It will be important to work with the Council to ensure the assessment of its assets is in line with its own understanding. The body could work with Council potentially providing resourcing to help undertake assessments or compiling information where required. This is especially pertinent for small TA's where resourcing is a key barrier.

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

Response:

The long term strategy needs to be consistent with the current 30yr timeframes in place under current plans.

The strategy should investigate multiple investment scenarios and be cognisant of local priorities and wider issues such as climate change.

The strategy should contain the prioritisation framework and methodologies of how priorities are set.

This framework and the overarching strategy will need to be consulted on by the infrastructure community.

Where anomalies lie between the local and IIB strategies, the decision making process of the long-term infrastructure strategy (where priorities are being realigned in light of the wider NZ context) will need to be easily explained to individual Councils and Boards.

- ▶ Identify New Zealand's highest priority infrastructure needs

Response:

The IIB will need to have a clear process of how priorities are set and all the influencing factors such as condition, criticality, government directives, National Policy statements, current local priority setting.

A methodology also needs to be developed to determine priority assets and areas. The impact on smaller providers where there are smaller and lower asset bases to be prioritised against larger and more critical assets may mean that they are never seen as

critical in the wider NZ sense but to their communities of interest they are highly critical.

The Unit could also look for projects requiring special (additional) funding – example would be Waste Water projects in areas that can't fund them (similar to the sanitary works subsidy scheme that operated in the early 2000's).

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

Response:

Many barriers to the provision of good infrastructure is well known – the focus should be on how the IIB can identify potential solutions to overcoming these barriers.

▶ Publish long-term capital intentions

Response:

Agencies will need to supply capital intentions (new as well as renewal programmes) to enable the publication of a NZ wide capital intentions programme.

Questions would be, is there a scale of project that would make this list? – smaller agencies may not reach this thresh hold but it would be valuable for the local markets to know what was occurring. The level of detail required would also need to be determined.

What is the timeframe for the capital intentions? Yr 1-3, 10 yrs 30 yrs? There is a need to establish how intentions can be managed through the electoral cycles where priorities and funding are uncertain.

An online searchable publication would be an appropriate mechanism for this to presented as.

The IIB should be responsible for promoting the capital intentions and pipeline projects especially for the very large multi agency initiatives.

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

Response:

See answer to function above – the distinction between capital intentions and a pipeline of projects is not clear.

▶ Provide project procurement and delivery support

Response:

This function would only practicable for projects of the highest complexity and scale. Thresholds should be established for when such support could be used, being mindful that if not provided on a regular basis, the skill base for such a function can be easily lost.

▶ Provide best practice guidance on project procurement and delivery

Response:

This is a key function where direction could be given for larger projects direction on contract form and/or methodology could be directed from the IIB. For small projects and TA's this would not be practical.

▶ Any additional functions you have proposed

Response:

N/A

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

Response:

The IIB could support local government by making it easier to be involved, costs of attending meetings and providing comments on documents can be prohibitive for smaller and more distant TA's.

Development of a prioritisation framework that addresses not just the large programmes of work but smaller projects that are still critical to the local communities.

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

Response:

This is not identified as a priority function for WDC and have no specific comments.

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

Response:

Information that could be included in a pipeline:

- Location
- Authority
- Year proposed to be designed / constructed
- Length of project
- Ball park cost of project
- Potential services required.

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:

This is not identified as a priority function for WDC and have no specific comments.

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

Response:

Whangarei District Council believes the new IIB can assist local government in the following ways:

- Helping TA's to identify solutions to overcome barriers to delivery – whether this is having a prioritisation framework that can be applied at the local level or petitioning government to provide different funding mechanisms to provide infrastructure.
- Enabling a pipeline of decisions and plans that can provide greater planning certainty and coordination of projects

Assist TA's where local priorities are not aligned to the national strategy through provision of funding especially around the issues of responding to climate change.

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: