

The Treasury

Submissions on a New Independent Infrastructure Body Information Release

February 2019

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25 October 2018

Gabriel Makhoul
Chief Executive
The Treasury
PO Box 3714
Wellington 6140



RANGITIKEI
DISTRICT COUNCIL

By email infrastructure@treasury.govt.nz

Dear Gabriel

Proposed new Independent Infrastructure Body

Thank you for the opportunity to comment on this important proposal. Below are our answers to the questions posed in the Consultation Document.

Overall – what do you think?

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)? –

One of the more important features of the new independent infrastructure body will be to focus on the long term national view of Infrastructure planning and investment to allow and promote growth of the economy and improvement of the social environment and wellbeing. The new body should avoid getting too involved in the more routine regional or local government Infrastructure projects. It should be mindful of differing needs for infrastructure across the country, areas with static or declining population as well as those anticipating growth.

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

The independent infrastructure body should be independent of the government in its governance, decision making processes and in the way it collects, analyses and manages Infrastructure related data and information. It should however be affiliated to central Government to act as a valuable resource for the government of the day, to guide them in infrastructure investments to achieve the goals set by that Government. The goals and views of today's Government will differ from the direction of the next, but they both need the correct Infrastructure advice to allow spending to contribute to achieving their desired outcomes without losing sight of the overall Infrastructure investment priorities.

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

Credibility and Influence in the Infrastructure sector and credibility in the body's views and advice will depend on the credentials, knowledge and experience of the people employed by the body, rather than its relationship

Making this place home.

with Government. Infrastructure Victoria offers a useful approach, with its independence underpinned by legislation.

- b. Should the level and form of independence vary according to the different functions? If yes, please elaborate. –

No

Possible functions – what do you think?

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)?

The Treasury has proposed the new body would have the following functions:

- *Assess the condition of New Zealand's infrastructure assets - 4*
- *Develop a shared understanding of New Zealand's long-term infrastructure strategy - 4*
- *Identify New Zealand's highest priority infrastructure needs - 5*
- *Identify and comment on the barriers to delivering good infrastructure outcomes - 4*
- *Publish long-term capital intentions - 3*
- *Act as a 'shop front' for the market including publish a pipeline of infrastructure projects - 3*
- *Provide project procurement and delivery support - 4*
- *Provide best practice guidance on project procurement and delivery - 3*

4. Are there any other functions, in addition to the proposed list above, the new 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).

No

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? –

- *Assess the condition of New Zealand's infrastructure assets –*

The new independent infrastructure body will be in the unique position of being able to collect and analyse existing information on Infrastructure asset condition and performance of buildings and networks covering transport, water, energy, communications and social assets. These assets are owned and operated by the private sector, central government, regional councils and district councils. This could be done by simply requesting the required data from the different sectors, or it could be done in more detail by creating custom asset information questionnaires custom made to fit each activity. The body will need powers to obtain this information.

It is important to note that the asset information held by some sectors will be basic and minimal, and will not give a full and accurate picture of what condition the assets are actually in. There will have to be a balance check to determine how accurate and complete the collected information is.

- *Develop a shared understanding of New Zealand's long-term infrastructure strategy*
Workshops and discussion forums will be a good start. The more input and involvement the different service providers in the different sectors have in the strategy, the better the ownership of the final strategy will be.
- *Identify New Zealand's highest priority infrastructure needs –*
Firstly there needs to be a discussion at a national level to determine the long term direction and growth opportunities for the country, and then the new independent infrastructure body can determine what Infrastructure investments needs to be made at what time to allow the country to always move in the desired direction and be in a position to seize the identified opportunities. The long term view for the country will also dictate where growth will be expected and where growth should be encouraged and how that could be done. We should be in a position where all necessary infrastructure is installed to facilitate growth or minimise the impact of decline, rather than just reacting to it.
- *Identify and comment on the barriers to delivering good infrastructure outcomes –*
Barriers identified by Infrastructure service providers and network owners will be different to the barriers identified by contractors and business proposals that will construct and deliver this infrastructure. Both the owners of large infrastructure networks and the contractors and business development community that will develop and construction these networks could be asked to identify the top 5 barriers currently existing in the industry. The new independent infrastructure body can then compile a list of the most common barriers identified in the different Infrastructure sectors, and with that supply the solutions to overcome these barriers.
- *Publish long-term capital intentions*
- *Act as a 'shop front' for the market including publish a pipeline of infrastructure projects*
- *Provide project procurement and delivery support –*
It would be helpful to procuring agencies to have access to expertise in tender processes, procurement options and standard contract documentation. Some form of central library of previous examples of successful tender documents and contracts will be a valuable resource. Specialised project management and contract management support will also ensure better construction outcomes for more complex infrastructure projects.
- *Provide best practice guidance on project procurement and delivery –*
As above

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

Long-term Infrastructure planning has been a requirement for local government for some time. The challenge for Infrastructure investment and service provision in local government is not in the long-term planning skills, but rather in the funding of the required projects. It would be useful to be able to align local government

Infrastructure strategies with a national Infrastructure strategy to align and support funding to achieve common goals.

Project delivery and support – what do you think?

7. How could the new independent infrastructure body best engage with the market?
8. What information should a published pipeline of infrastructure projects include? -
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)?

The new independent infrastructure body should be set up to be the first point of contact for large projects and business development proposals for internal and international service providers and contractors.

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

By providing resources to assist Local Government with tendering of large or complex Infrastructure projects, assisting in the choice of procurement options to be used and in supplying standard contract documentation. Specialised project management and contract management support for large and complex contracts will also be useful to Local Government.

Other comments

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.

Not being subject to Ministerial direction or control (as is the case with Infrastructure Victoria) would be helpful in developing and publishing long-term, expert advice.

From the Consultation Paper we understand (and agree) that this new independent body will not have regulatory or enforcement powers.

We hope our comments are helpful.

Yours sincerely

[1]

Andy Watson
Mayor of the Rangitikei District