



Infrastructure
New Zealand

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7 November 2023

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Getting New Zealand's infrastructure back on track – proposal for a government-hosted Uplift New Zealand Forum

Kei te rangatira, tēnā koe Mr Luxon,

On behalf of the infrastructure sector, we congratulate you on the recent election results. We look forward to the formation of the new government and the roll-out of your policy program, both for infrastructure and in wider policy areas.

With respect to making progress in the critical area of infrastructure, Infrastructure New Zealand proposes that we work with your government to host a forum with the infrastructure sector, to identify quick wins, and medium-to-long-term priorities.

Given the urgency of addressing New Zealand's infrastructure issues, we propose that this forum is held prior to Christmas.

The week before last, twenty-five senior leaders from across infrastructure delivery, planning, funding and advisory, met for two days to consider the key challenges facing New Zealand. Like the incoming Government, we are eager to see an uplift in the funding and quality delivery of more projects that build New Zealand's economic, social and environmental capabilities.

We are also keen to hear more from you about your vision for New Zealand and the infrastructure sector's role in helping to deliver that. We were pleased to note National's *Infrastructure for the Future* policy document and are keen watch the roll-out of these policies from your government, recognising that you will be in partnership with other political parties.

Infrastructure provides the platform to improve our nation and make it a competitive and dynamic first world economy. We want to support your government to be bold and demonstrate leadership in this area right from the start. We want you to know that you have the backing of the sector to instruct officials, confirm a future-focused legislative



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agenda, and send positive messages to the wider sector and New Zealand communities, that you are hitting the road running.

Supporting you to make sure the administrative arms of government deliver

The infrastructure sector requires more certainty of pipeline, not just for a couple of years, but for the decades ahead. This will allow the private sector to plan, partner and prepare for the projects that are coming. For your administration to be successful in infrastructure delivery, the public sector needs to deliver.

- *We recommend a careful examination of the public sector infrastructure advisory and delivery eco-system in the first 100 days. Speeding up the process, avoiding siloes and injecting independence into the system will be key.*

Infrastructure will be the delivery agent of your long-term vision for our nation. We believe that a single, focused delivery agent for infrastructure is the best way forward, to speed up your government's influence on the system.

Funding and financing infrastructure

We recognise the fiscal and economic challenges the new Government has, and how these could limit investment in critical infrastructure. However, alternative funding and financing mechanisms are readily available to widen the opportunities for government to deliver projects swiftly.

- *We recommend elevating the wider economic and social benefits delivered by such projects at the business case stage.*
- *We recommend the Government draws on funding beyond its own balance sheet to deliver projects, and better utilises the market to drive efficiency and productivity so New Zealanders receive value for money.*

Climate

We urge the government to not lose sight of the agenda to reduce emissions, decarbonise our economy and adapt to our increasingly extreme weather events. There is a critical role for government to play in the energy transition space, particularly in setting up the operating environment and legislative framework to provide confidence to private sector investors. The resilience of our key infrastructure cannot be overlooked, and it is vital that this long-term work to improve these assets and safeguard communities continues.



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- *We recommend faster consenting for renewable energy infrastructure, including on-shore and off-shore wind generation as well as solar energy infrastructure.*

Local government funding and three waters

The funding structure of local government is broken, and the pressure that this creates is being felt by councils and communities across the country. These serious challenges offer an opportunity to enliven your City and Regional Deals policy. Greater revenue can flow to local government through a combination of direct central government subsidies and by allowing local government to more easily access alternative funding tools such as road pricing or value capture.

While it is true that much of the sector is now too small to be economic, this does not mean that localism should be sacrificed, but rather that a stronger regional government structure could be established to operate larger network services and policy. Hyper-localism could be adopted at a grassroots level. Such a system would see central government better able to partner with regional government and devolve transport and land use, supported by the new spatial planning framework.

- *We recommend a “system reboot” for local government, and the way central government relates to it.*

We are concerned with the lack of certainty that exists around three waters and believe that certainty is needed for local government as it commences Long Term Plan preparation. We are encouraged by public statements from the incoming government around the need for balance sheet separation from councils and three water assets, however the lack of clarity and the apparent lack of uniformity in the model will see uneven outcomes over time. Small scale entities will struggle to attract and maintain the critical specialist skills needed to deliver the quality water services required to meet the new water standards and establish a long-term sustainable asset management and renewal programme.

- *We recommend the government continue with a modified reform program as set out broadly in the Affordable Water Act 2023.*

The system

New Zealand requires a long-term vision for its infrastructure and the system to deliver on it. We want to support your government to deliver change while in office, which



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means developing a revised infrastructure delivery system that works for decades, beyond the life of your government.

We want to partner with you to bring about this change. We may not agree with every decision, but we want you to succeed in establishing a successful planning and funding system which includes faster consenting and delivery processes that will provide for a more productive New Zealand economy.

Build better, faster. A public commitment between key infrastructure players and government

- *We recommend a government-hosted forum, Uplift New Zealand, held before Christmas 2023 to demonstrate a public commitment to faster and better delivery of infrastructure projects. The purpose of the event would be to name and frame the key issues that can be dealt with at pace, while setting a medium-to-long term timeline for the changes and improvements required.*

The above issues raised with you are not exhaustive. We will be providing more detailed briefings to your Ministers once they are sworn in, however we welcome the opportunity to discuss these ideas with you and your team as soon as possible.

Ngā mihi,

Tracey Ryan
Chair

Nick Leggett
Chief Executive