

## Memorandum

**To:** His Worship the Mayor, Councillors, Local Board Members, Independent Māori Statutory Board Members, the Executive Leadership Team and Chief Executive Officers of council-controlled organisations

**From:** Jacques Victor, General Manager, Auckland Plan, Strategy & Research

**Date:** 7 March 2019

**Subject:** Update on the New Zealand Infrastructure Commission – Te Waihanga

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### Purpose

1. This memo provides an update on the government's decision to establish an independent infrastructure body, the New Zealand Infrastructure Commission – Te Waihanga.

### Summary

- The purpose of the commission is to ensure New Zealand gets the quality infrastructure investment needed to improve our long-term economic performance and social wellbeing.
- The commission will be an independent Crown entity that will be governed by a board of directors.
- The government intends to have the commission operational by 1 October 2019.
- Legislation will be needed to establish the commission. A bill is likely to be introduced to Parliament as early as April 2019.
- The commission will serve an advisory function only.
- A key output of the commission will be the development of a 30-year long-term infrastructure strategy.
- The development of the infrastructure strategy will be supported by four strategy and planning functions.
- The commission will also have three procurement and delivery support functions.

### Background

2. In August 2018, Cabinet agreed in principle to establish a new independent infrastructure body.
3. A discussion document on the proposal was released for consultation in October 2018. The Treasury received nearly 130 submissions - no submission opposed the proposal to establish an infrastructure body.
4. Auckland Council's submission supported the proposal, but we sought clarification on how infrastructure prioritisation would be undertaken and expressed views around how the new body could best support project delivery. A copy of the council's submission can be accessed [here](#).
5. The Treasury released a Cabinet paper titled *Establishing a New Independent Infrastructure Body* on 20 February 2019. The paper outlines the government's final proposal for the new entity. The Cabinet paper can be accessed [here](#).

6. This memo focuses on the government's final proposal regarding the New Zealand Infrastructure Commission - Te Waihanga.

## **Discussion**

1. The government is establishing the commission to ensure New Zealand gets the quality infrastructure investment needed to improve long-term economic performance and wellbeing.
2. The commission will seek to improve how New Zealand coordinates and plans infrastructure, make the most of the infrastructure we already have, and plan long-term to ensure investment delivers what we need, where and when we need it.
3. The Cabinet paper defines infrastructure as:

“The fixed, long-lived structures that facilitate the production of goods and services, and underpin many aspects of our quality of life. Infrastructure includes buildings and physical networks, principally transport, water, energy, social assets and digital infrastructure such as mobile and broadband infrastructure”.
4. Key to achieving these will be the development of a 30-year long-term infrastructure strategy by the commission at least every five years. The development of a long-term infrastructure strategy in-turn will be supported by the following four strategy and planning functions:
  - assessing the condition of New Zealand's current infrastructure
  - identifying New Zealand's priority infrastructure needs, over and above those already committed
  - identifying barriers to good infrastructure outcomes
  - publishing a long-term capital intentions plan to present a picture of investment intentions over a 10-year horizon (includes drawing on central and local government long-term plans and private sector data).
5. The commission will also have three procurement and delivery support functions:
  - publishing a pipeline of infrastructure projects and being a 'shop front' for the market
  - producing best practice guidance on infrastructure procurement and delivery
  - supporting infrastructure project procurement and delivery, for example, assisting with the preparation of business cases or providing comments and feedback to a ministry/department.
6. The commission will be an independent Crown entity that will be governed by a board of five to seven members.
7. The commission will serve an advisory function only. It will not fund infrastructure.

## **Next steps**

8. The government intends to have the commission operational by 1 October 2019.
9. Legislation is needed to establish the commission. A bill is likely to be introduced in Parliament as early as April 2019.
10. The process of identifying a chair and directors has already begun.
11. If you have any queries, please feel free to contact Luke Carey at [luke.carey@aucklandcouncil.govt.nz](mailto:luke.carey@aucklandcouncil.govt.nz).