



**University of the Third Age**

**“The Infrastructure Challenge”**

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Tuesday 25 February 2020

# The Infrastructure Challenge

- The role of infrastructure
- The state of infrastructure
- Some challenges ahead
- Difficulties with our investment
- This is exposing some
- Who is going to pay?
- Using our existing assets
- What Infracom will be doing



# The Role of Infrastructure

- good infrastructure spend is important for economic growth
- it is also a key to community life
- i.e. it has both economic and social drivers



Photo credit: Fletcher Building

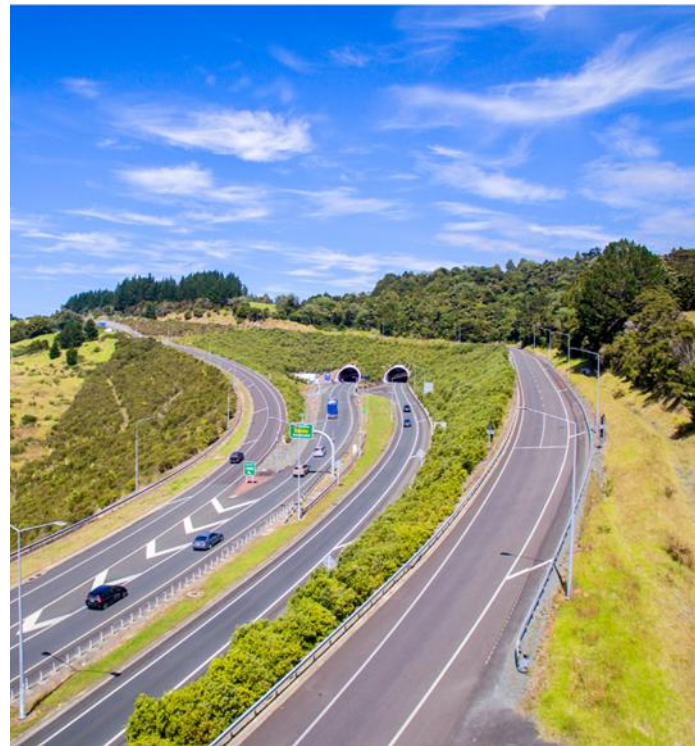
# The State of Infrastructure in New Zealand

- roads, bridges, tunnels, 3 waters piping, electricity, gas, telco
- social infrastructure including schools, hospitals, prisons
- mainly owned by central or local government
- constituting a large part of the Crown's balance sheet
- some of it old & under-maintained



# Some Challenges Ahead

- NZ is growing and changing
- Our infrastructure expectations are high
- Auckland growth is dominating
- there appear to be significant gaps



# Difficulties with our Infrastructure Investment

- our record has been slow and expensive
- (but countries like Australia report the same)
- NZ is a costly topography with a spread-out population
- we have political cycles of spending
- we have expectations of private default rights





# This is Exposing some Tensions

- we insist on big roles for tiny local authorities
- our investments are driven by different objectives
- we have wide consenting rights
- there are impending tensions between Auckland growth and the rest of NZ
- there is an urban tension between densification and spread



# Who is Going to Pay?

- there are huge fairness issues with long term investments
- there is room for innovative funding and financing
- but “value capture” is important for fairness
- should old or young generations pay?





# Using Existing Assets Better

- room for saving on some expenditure
- technical possibilities to improve usage
- demand management, eg through congestion pricing



Photo Credit: Auckland Transport

# What Infracom will be Doing

- 30 year infrastructure strategy
- 3 - 5 year project pipeline
- helping with procurement and project management
- advising on some big projects



# NZ Infrastructure Commission/Te Waihanga

Role: to lift the quality of NZ's infrastructure planning, procurement and delivery.

Autonomous Crown Entity. Independent board

Advisory only, with information gathering powers. Decisions with Ministers

4 key outputs:

- 30-year infrastructure strategy
- Quarterly pipeline
- Procurement support
- Advice to Government on specific initiatives



Photo credit: Wynyard Edge Alliance

# Our mandated deliverables

## Strategy and Planning

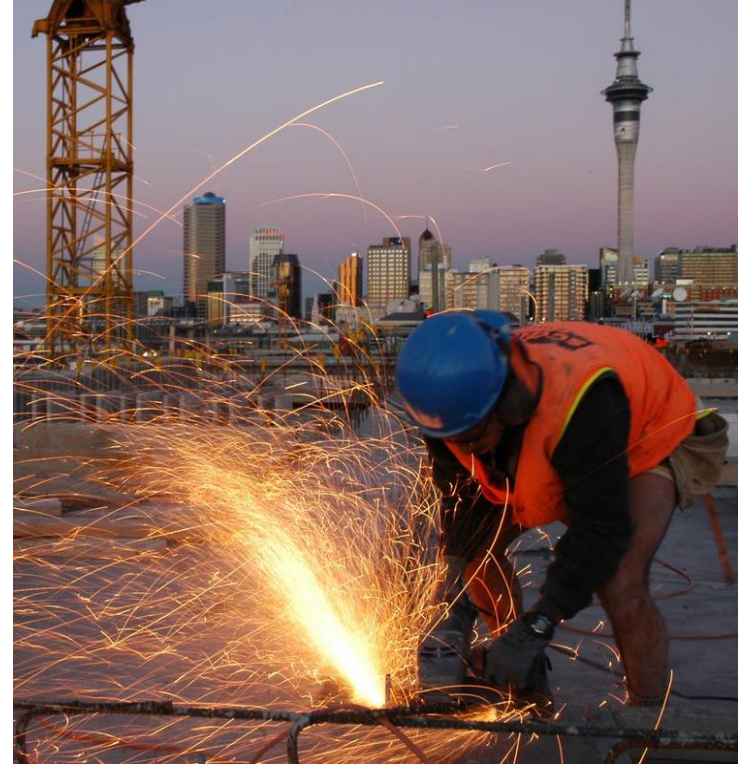
Infracom will develop a 30-year infrastructure strategy. Broad consensus. Report to Government by end 2021, then 5 yearly.

## Major Projects Advisory

Best practice guidance on infrastructure procurement & delivery. Guardian of the NZ public private partnership programme.

## Infrastructure Pipeline

Market 'shop front'. Iterative process. Should inform the strategy and vice-versa.





# Current focus and major opportunities

## Ministerial direction to review:

- Upper North Island Supply Chain management
- Opportunities for use of public private partnerships (PPPs)
- Future of NZ port sector

## Also taking an interest in the system settings around:

- Auckland Light Rail
- Review of Resource Management Act
- Infrastructure Funding & Financing legislation
- Three waters review

These will inform our 30-year strategy and consideration of systemic issues arising.



Photo credit: Fletcher Building