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New Zealand Infrastructure Commission, Te Waihangā  
Via email: [info@infracom.govt.nz](mailto:info@infracom.govt.nz)

Infrastructure New Zealand is the peak industry body for the infrastructure sector and promotes best practice in national infrastructure development through research, advocacy and public and private sector collaboration. Infrastructure New Zealand members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and owners.

This submission represents the views of Infrastructure New Zealand as a collective whole and may not necessarily represent the views of individual member organisations.

## **Infrastructure New Zealand submission on Infracom's discussion document: *Infrastructure Under One Roof***

Infrastructure New Zealand supports the discussion document by the New Zealand Infrastructure Commission, Te Waihangā (Infracom): *Infrastructure Under One Roof* as a guiding document for understanding and assessing our nation's infrastructure.

### **A definition based on sectors is appropriate**

Infrastructure New Zealand has no opposition to Infracom's definition of infrastructure as "A system of inter-connected physical structures that employ capital to provide shared services to enhance wellbeing."

By describing infrastructure as *a* system, rather than *the* system of inter-connected physical structures, Infracom appears to be avoiding an excessively broad definition which could otherwise encompass all manner of physical structures such as houses, commercial and industrial properties, and even trees or other flora.

However, we understand from this definition that public housing will not be included in the definition of infrastructure. Public housing is a direct service, not a shared service, and is not helpfully described as "interconnected". We do not oppose this exclusion, but do note that such an approach would differ from the past.



We do not support the inclusion of housing generally as infrastructure. Although infrastructure and housing (and other private businesses) are highly inter-dependent, the fact that private homes are not shared (and that the profits and losses from such assets are not distributed) means that they ought not be included as infrastructure.

The relative scale of housing further complicates its inclusion. The New Zealand housing stock is most recently valued at over \$1.2 trillion.<sup>1</sup> This number, from a single sector, dwarfs our calculations of the value of all other infrastructure in our nation which is just over \$300 billion. If private properties were part of a definition of infrastructure, there could be a concern that Infracom would be obliged to place the majority of its emphasis on the housing system, to the detriment of other infrastructure.

We agree that a precise definition of infrastructure is difficult to construct, and that it is simpler to enumerate sub-sectors of infrastructure which all parties confidently agree are considered infrastructure.

The discussion document notes that Infracom will focus on a particular set of infrastructure sectors in its first 30-Year Strategy: transport, three waters, energy, telecommunications, waste and resource recovery, health and education. While this list may not be comprehensive, we believe looking at infrastructure through the lens of its subsectors is more useful than focusing on a prescribed definition. We encourage Infracom to continue to look at infrastructure in this way.

We broadly agree with the six sub-sectors of infrastructure identified in Figure 4: energy, transport, telecommunications, water, social, and waste and resource recovery infrastructure. Infrastructure New Zealand categorises infrastructure along similar lines.

The priority for us, as an organisation which will use Infracom's definition, is that this definition is enduring and not influenced by the electoral cycle.

We look forward to reading Infracom's forthcoming State of Play reports which may better describe what is included in each infrastructure sub-sector.

## Defining the role of infrastructure, Infracom and the Strategy

What we consider would be of real value to support the defining of infrastructure would be to define the role that Infracom considers infrastructure policy should play in New Zealand.

Is infrastructure a response to land use or is land use a response to infrastructure?

Is infrastructure an end or a means to an end? If infrastructure is a means to an end, as Infracom's definition suggests, what does wellbeing mean? Different infrastructure may be required for a New Zealand with 100 per cent of freshwater bodies swimmable rather than wadable.

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<sup>1</sup> June 2020 data as per the Reserve Bank of New Zealand: <https://www.rbnz.govt.nz/statistics/m10>



Clarity as to the role that Infracom considers it plays in supporting infrastructure would also be useful.

What does Infracom consider is its role in ensuring that New Zealand’s “system of inter-connected physical structures that employ capital to provide shared services to enhance wellbeing” is up to standard? What is that standard and does Infracom consider it part of its role to determine that standard? Clarifying the role and purpose of the strategy would also be helpful.

Considerable scope exists in the New Zealand Infrastructure Commission/Te Waihanga Act 2019 for the strategy. What does Infracom consider is the role of the strategy and how will we know whether the strategy is successful?

### Frameworks are useful but may also evolve over time

The frameworks provided by Infracom to support its definition include its Integrated Infrastructure Management Framework, its eight-step Infrastructure Investment Process description, as well as its Diagnostic Tool for Identifying Strategic Priorities.

We support these frameworks and tools and believe them to be useful and largely accurate descriptions of the work needed to fairly assess and understand our nation’s infrastructure.

We in particular support the inclusion of *Visioning* as the first step in the Infrastructure Investment Process. We observe that investment decisions are sometimes made with implicit assumptions about the future state of the nation and believe that explicitly considering and discussing these is necessary to guide strong decision-making. Setting a benchmark for success can be useful for not only achieving success, but also being held accountable for it.

We believe the proof of these frameworks and tools will be in how effective they are when used on real-world scenarios. To this end, we encourage the Infracom to consider these frameworks as good foundational documents that may evolve over time if weaknesses or gaps are found.

### Summary

We believe Infracom’s *Infrastructure Under One Roof* is a useful contribution to our shared understanding of New Zealand’s infrastructure.

We have no opposition to the definition of infrastructure but emphasise the importance of an enduring and consistent definition. We encourage Infracom to continue to focus on the key sectors while acknowledging their interconnectedness and overlap.

We encourage Infracom to avoid the inclusion of private residential and commercial property in its definition of infrastructure.



We would support an additional discussion document which clarified Infracom’s thinking on the role of infrastructure policy, Infracom itself and the strategy play in improving wellbeing.

We support the frameworks included in the discussion document, but also encourage Infracom to develop them over time if their real-world application reveals challenges.

We thank Infracom for this opportunity to provide feedback.

If you have any questions regarding this submission, please contact Infrastructure New Zealand’s Policy Director, Hamish Glenn, at [hamish.glenn@infrastructure.org.nz](mailto:hamish.glenn@infrastructure.org.nz).