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New Zealand Transport Agency

Per email: idmfconsultation@nzta.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 operators.

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 the NZ Transport Agency's Investment Decision-Making Framework Draft Design

Infrastructure New Zealand supports the draft design of the NZ Transport Agency (NZTA) Investment Decision-Making Framework (IDMF).

Adjusting the discount rates used in cost-benefit analysis is a very significant and positive change. Not only does a lower discount rate better reflect the true current cost of capital in a low interest rate environment, but it also better reflects the long-term impacts of transport investment.

Transportation has always had dramatic impacts on not only economic but also social and environmental factors. The change in the IDMF to better recognise these non-economic impacts is crucial to making smart investment decisions.

In particular, the land value uplift from building a new road or public transport corridor is substantial and creates significant amenity for local residents. Factoring this consideration into investment decisions is critical to understanding the broader system that transportation is a part of.

It is vital that NZTA's investments are fully coordinated with the other land uses and infrastructure investments. Transport investments affect and are equally affected by other investments such as three waters infrastructure (drinking water, wastewater, stormwater), electricity and telecommunications



infrastructure, municipal zoning, resilience infrastructure (flood barriers, etc.), parks and recreation facilities, etc.

NZTA should not only explicitly consider these factors in its IDMF as much as possible, but should also be required to spatially plan its investments with these other land uses and infrastructure. Without proper coordination and collaboration, our land use system will continue to be disintegrated, reactive, and a drag on our national outcomes.

The inclusion of wider land use impacts through the proposed IDMF is a positive step towards broader spatial planning.

We thank NZTA for the opportunity to comment and we welcome the opportunity to be heard.

Yours sincerely,

Paul Blair
CEO, Infrastructure New Zealand