

Report To: UDS Implementation Committee (UDSIC)
Subject: National Infrastructure Plan
Report Author(s): Independent Chair & Implementation Manager
Report Date: 19 April, 2010
Reference to UDS: Effective Governance and Leadership

1. PURPOSE OF REPORT

This report advises the Committee on the National Infrastructure Plan recently released by the Government.

2. INTRODUCTION

The National Infrastructure Plan was released on 2 March 2010. The Plan developed by the Government's newly established National Infrastructure Unit which sits within Treasury.

The Infrastructure Plan is intended to provide a snapshot of public and private infrastructure, planned investment and Government priorities.

A Facts and Issues paper was released last year as a precursor to this work. The National Infrastructure Plan takes that initial paper further and is much more comprehensive.

3. OVERVIEW

The key findings of the National Infrastructure Plan are as follows:

- New Zealand's infrastructure is generally sound.
- There are bottlenecks in roading and electricity, but these are being addressed by increased investment and changes to regulation.
- There are no obvious looming crises in the near term (five years), but there are some gaps in knowledge about the country's infrastructure needs 10-20 years out. Identifying these gaps will be a major focus of the next report.
- The Government holds about \$110 billion in physical assets and is spending about \$6 billion a year on expansion or maintenance of these assets.

- The plan sets out the Government's **five key infrastructure priorities** as follows:
 - Broadband (\$1.5 billion over 10 years with an expectation of matched private sector investment)
 - Electricity transmission
 - Regulatory reform (specifically mentioning the LGA and other reforms enabling greater private sector involvement in asset management, such as PPPs for water services and prison management)
 - Roads of National Significance (which include the Christchurch Motorways)
 - Rugby World Cup 2011 (stadia, associated transport upgrades, and the Auckland Queens Wharf project)
- An additional three emerging priorities are: reviewing the electricity market, agricultural irrigation and getting better procurement and management of the Government's physical assets.
- There is currently a large amount of planning across a range of sectors, but it is variable. Sectors covered include transport, energy, telecommunications, water, education, health and corrections.
- There are some long-term issues that may require action, including:
 - An additional Auckland Harbour crossing in the next 10-20 years.
 - Better alignment between central and local government in the future to ensure priorities match up. The report says this is happening in Auckland, but there may need to be greater alignment in other regions.
 - A need to replace some of the rail fleet to boost revenue growth on some routes. There is also likely to be increased demand for further investment in the Auckland and Wellington metro rail systems.

4. THINGS TO NOTE

The Plan identifies the following as nationally important issues over the longer term:

- Transport linkages across the harbour in Auckland
- The **relationship between infrastructure and land use planning** in cities
- **Alignment between national infrastructure planning and regional and local planning**
- Undertaking more work on **transport pricing** as a way of managing demand, getting the best modal choice and creating resilience in the transport system

In the discussion on the relationship between infrastructure and land use, the Plan notes that thought should be given to transport projects that will produce the most desired pattern of household and firm location, reduce aggregate travel times, facilitate connectivity, and offer long-term economic, environmental and population health benefits.

Importantly the Infrastructure Plan states that if the Auckland local government reforms are successful, consideration might be given to applying these more widely across other regions.

At page 71 of the Plan it mentions the UDS as one of three well-developed strategies aimed at managing where growth occurs and reducing pressure for additional infrastructure.

5. PROJECTS

The Plan identifies the following projects relevant to Greater Christchurch:

Transport

RoNS: Christchurch Motorway Projects	\$660-800M
TranzScenic ¹ Carriage Upgrades	\$39M
Christchurch Airport Projects	\$230M

Roading projects beyond 2012 for investigation:

Woodend Bypass	\$80-90M
Lyttleton Tunnel Improvements	\$75-90M

Education

Halswell (designation)	
Pegasus (designation and site costs)	

Health

Burwood Hospital /Rehab facilities	\$70M
Christchurch Hospital (Riverside Stage 1)	\$400M
Christchurch Hospital (Riverside Stage 2)	\$250M
Canterbury Mental Health	\$60M

Commuter Rail is mentioned in the document, however there is no investment for this outside Auckland and Wellington.

Note that all of the projects identified in the Infrastructure Plan are planned investments.

6. RECOMMENDATION

3.1 *That the report on the National Infrastructure Plan be received.*

James Caygill - Implementation Manager

¹ TranzAlpine and TranzCoastal routes