

Infrastructure Delivery during COVID Recovery Webinar

13 May 2020 at 10 am

Questions and Answers

1. How would you manage those alliance members that fall out the bottom of the TOC due to poor performance? 2) those large providers that underperform and the impact of not paying the full potential revenue further impacts on current project outcomes – **Answered Live**
2. Hi Paul - What type of skills and systems do you think our public sector infrastructure providers need to develop to help bridge the funding / financing nexus? – **Answered Live**
3. If we doubled the water/wastewater rates in Auckland we would raise \$250m. What sort of debt would that finance? \$5b? Does this just solve the cash problem? – **Answered Live**
4. John you very briefly mentioned a limit of capacity to deliver - how does that relate to possibly 5 - 10 Billion additional investment? – **Answered Live**
5. What is the basis for the funding/financing traffic light system– **Answered Live**
6. Paul, any comment on the capability and capacity to be able to carry out this work? – **Answered Live**
7. What about helping Councils to deliver 100% of their annual capital works projects? Many do not even achieve 50%. Also addressing lost revenue for unaccounted water.

Answer: *The regional alliances and programme management offices could well assist existing local authorities with the delivery of their core infrastructure programme, much as SCIRT did during the rebuild where they undertook both earthquake repairs and renewals within the same programme – in SCIRT it required some sophisticated cost management processes and systems that tracked projects costs, allocated overheads, renewals benefits and level of service betterment – as well as tracking the Limb 3 pain/gain allocation. It could equally achieved in the new delivery environment.*

Unaccounted for water can be better managed through universal metering and providing consumers the tools to manage their own demand (using smart metering techniques). While that might be classified as a “shovel ready” project, a whole bunch of community consultation would be required to gain the mandate.

8. What is the panellist's view on the relative funding of renewals of ageing infrastructure versus new build.? Where should the funding go? and do they believe that the budget tomorrow will signal an intention to invest in renewals.

Answer: *Big supporter of renewals. Renewals are the definition of 'no regrets' spending we talk about in guidelines 1 & 2 of our media release - <https://infrastructure.org.nz/media/8933903>*

9. Would prefer to see local/regional alliances rather than NZ wide with just the Big 3 contractors. Those previous alliances were very geographically contained.

Answer: *We agree – see item 5 re social procurement in our media release linked - <https://infrastructure.org.nz/media/8933903>*

10. What's Water NZ / Infrastructure NZ stand on Kiwi businesses supporting kiwi businesses with these shovel ready projects? We all know a lot of main contractors use offshore materials & products as they may be cost effective opposed to buying local made products from kiwis.

Answer: *See social procurement comment again. I support buy Kiwi made, however we all need to do a better job of highlighting the value of Kiwi-made vs 'cheaper' offshore product. We need to understand the whole impact of local jobs, taxes paid, apprenticeships etc*

11. After the first financing to a higher debt level, and funding is utilised to service that finance, doesn't that limit our potential for future financing? And so how does extra debt assist with long term sustainability of our infrastructure?

Answer: *The extra debt should only be taken on for long term sustainable assets – there are renewals and new capex required to meet environmental and customer service standards. Debt is only one part of the financial sustainability question – opex savings through scale, innovation etc also important as is charging the 'right' price for water services (regulation whether environmental and/or economic)*

Please send any further questions or comments to

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