



# On the road again

Set to lead economic growth, the infrastructure sector is still working to tell its story

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# REBUILDING A COUNTRY

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**WHEN THE Roxburgh dam was opened on the Clutha in July 1956, crowds of sightseers lined the river's banks. For some, it was a day out. But it was also a moment of genuine national pride and, say engineers connected with the project, a reminder of how major new infrastructure projects were once welcomed in New Zealand.**

Today the need is arguably as great. But by comparison with their grandparents, current generations are less keen on investment. The country faces serious catching up. Official estimates put the infrastructure bill over the next 30 years at \$75 billion, plus another \$120 billion to \$185 billion for water services alone.

But if the need is high, meeting it is another question. The sector is confident in its abilities and keen to do more. Yet a clear pipeline of future projects is described by many as a still-elusive goal. Margaret Devlin, Chair of Watercare, Aurora Energy and Lyttelton Port, says the key challenges turn on capability and capacity.

The World Economic Forum ranks New Zealand 46th for infrastructure quality. New Zealanders experience this deficit daily in jammed roads, sewage overflows, and unaffordable housing and cities.

Says Hamish Glenn, who is the former Infrastructure New Zealand Policy Director: "The priority is to fix our country before it suffocates under the weight of combined housing, transport, equity and environmental challenges all resulting from poor infrastructure planning and investment."

Against this background, the question of how well infrastructure tells its story and connects with New Zealanders could seem less pressing. But for this report, we spoke to a cross section of sector leaders and found wide agreement on the vital importance of building a constituency. There is also widespread agreement that this is one priority the sector is struggling to address.

The gap between promise and reality is linked by many to the lack of a clearly defined vision. From the time of the first lock-down, the government has pitched infrastructure as a driver of economic recovery. Interviewees credit the government with significant steps forward, citing its desire to use infrastructure to create

jobs and leadership with the Infrastructure Commission, Construction Sector Accord and review of resource management. But many also want to see a much more clearly articulated vision.

This will apply to the new workforce the sector needs to attract, as much as to the general population who will support new initiatives.

Some are optimistic the sector is finding a sense of direction. One consultant planner says the sector is increasingly appreciated for the social benefits it provides, as well as for bridges and tunnels. But most others say a coherent national strategy is still non-existent, or at best only slowly evolving.

The infrastructure story is told in a fragmented way, says the head of a major facility. "It's like our cycleways. There's a piece here, and there's a piece there. But to get from A to B you take your life in your hands."

## Three points stand out:

- 1 Infrastructure will play a vital role in the country's future
- 2 But it needs to build a stronger constituency
- 3 And share a vision based on benefits to New Zealanders rather than on projects or processes.

**“ If people don't understand what you're trying to achieve they can derail projects. To influence political decisions and create momentum you need to build a constituency. ”**

Raveen Jaduram, a board member of Infracom, the Infrastructure Commission, Te Waihenga

Resurrecting the project in April, Michael Wood, the Minister of Transport, admitted Aucklanders had been left out of the process. ***“But today I’m drawing a line under it and including Auckland from the get-go.”***

The first effort to launch Auckland Light Rail is seen as an example of the importance of connecting with your public, and the costs of not getting this right.

One consultant is still mystified by how a project originally aiming at supporting Auckland intensification somehow became all about a faster trip to the airport. Not surprisingly, people along Dominion Road weren’t sure why this burden should fall on them.

Another planner blames failures to address fears about parking. But for whatever reason, no one

championed the initiative and, seeing the gap, its opponents rushed in.

“It was a shame,” one project leader says. “You can get people’s buy-in for specifics but without showing the benefits you can’t get buy-in for change.”

The government appears to have reached the same conclusion. Restarting the project in April, Michael Wood, the Minister of Transport, accepted the public had been left out first time round. “But today I’m drawing a line under it and including Auckland from the get-go.”



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# BUILDING A CONSTITUENCY

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**THERE IS NO DOUBTING the sector’s belief in its expertise or the need it fulfils. Infrastructure New Zealand’s ReBuilding Nations symposium last November attracted a record 800 attendees. A survey it conducted among them found confidence in what the sector can do, but about half had doubts about the country’s ability to deliver its infrastructure pipeline: 40 percent wanted a clearer strategy.**

Concluded Hamish Glenn: “We have no overarching framework to integrate, align and guide public services, policies, investments and wider activities towards shared outcomes.”

Many agencies are driving their own strategies well, says a newcomer to New Zealand and key player in major new projects, “but in terms of a coordinated approach I haven’t seen anything”.

News stories also highlight a seemingly haphazard pattern of investment. Contemplating plans for a third international air terminal in the lower South Island at Tarras, one interviewee says, “possibly you could think our planning has got a bit out of whack”.

Stuff reported on a North Shore roundabout that was built for a cycle route in 2018, only to be demolished and rebuilt not much later for a Kainga Ora project. In the Waikato, a billion-dollar industrial and housing development at Ōhinewai near Huntly was stalled for months by a battle between the province’s district and regional councils – each public agency fighting the other.

One head of a major facility describes the infrastructure story as being told in a fragmented way where nothing is done to show how separate initiatives will join up. “It’s like our cycleways,” he says. “There’s a piece here and there’s a piece there. But to get from A to B you take your life in your hands.”



Chris Perks, Sector Director, Transportation at Tonkin +Taylor, says the government's objectives are fairly clear, "although the picture gets muddled on how and when it's going to happen".

Combined with the myriad demands of resource planning, many cite the Crown Infrastructure Partners' shovel-ready projects scheme as a case in point. In March, Politik reported Dr Alan Bollard, the Chair of Te Waihanga, telling a University of Waikato New Zealand Economics Forum that almost none of the scheme's consented projects had broken ground.

"We have a very complex consenting process, a very time consuming, very legalistic, very costly and sometimes quite unclear process that is leading to a bunch of problems," he said.

A sector project investor says the programme's scattergun approach chased

funds for jobs that had never been anyone's priority. "If they had a clear strategy, they wouldn't have had to ask everyone for shovel ready projects in the first place."

Adds the leader of a major sector company: "There's no such thing as a shovel-ready project. That was a great soundbite. But for me the question is how do you take it and make it work."

And where politics does play a role, it is often of the three-year, short-term electoral variety. Newsroom spoke to Tenby Powell, the former mayor of Tauranga, about being lobbied by the National Party ("they were ringing all the mayors I guess") before the last election about the party's proposal to announce a new Kaimai tunnel. "We are in dire need of a very different approach to infrastructure spending. I don't think it can be left to councillors. We need a higher level collaboration than what we've currently got."

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# SHOWING THE MONEY

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**Many eyes are turned hopefully to Te Waihanga, who are charged with defining a 30-year national strategy.**

This will be a herculean task, says one sector leader: “They need to pick winners, structure planning, not upset the vested interests and yet give a framework – at the moment that is not being done by anyone.”

He doubts the government has articulated the commission’s parameters and objectives clearly, “and without these I’m expecting a hodgepodge of what everyone wants instead of what everyone needs”.

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**CURRENT CHALLENGES:** Current challenges highlight where gains can be made. Our survey found universal agreement on the need for the sector to do more to join up dots.

It’s wasteful to build roundabouts twice. But telling a more joined-up spatial planning story also better conveys the benefits of more liveable suburbs, easier roads and affordable houses.

Infrastructure New Zealand has rated Ireland, Scotland, Singapore and Hong Kong as leaders in articulating national infrastructure plans with clear outcomes that guide economic strategy, and as examples of where a more comprehensive vision can appeal to a broader social purpose.

A new hospital or housing development that is seen as a government project can be easier to oppose. If people see it as a part of urban or regional regeneration that will create jobs, solve transport problems and leave a legacy for future generations, it takes on a different glow.

Without needing to echo the Clutha of 65 years ago, several interviewees cite ongoing projects where winning goodwill has been a vital part of moving forward.

## INFRASTRUCTURE NEW ZEALAND RATED



IRELAND



SCOTLAND



SINGAPORE



HONG KONG

**Leaders in articulating national infrastructure plans with clear outcomes that guide economic strategy.**

An enduring challenge is overcoming entrenched comfort and nimbyism. American infrastructure promoters push a project's benefits in investment, jobs or community facility. Interstate competition also drives more enthusiastic public engagement in Australia. Here, says one commentator, communities can resist change, knowing their basic needs will probably be met anyway. We are not used to thinking about infrastructure as part of our lives, let alone as a transformative force.

Most people have other things on their minds. One planner says, of focus groups run for Auckland's light rail: "People were more apathetic than you'd expect."

When they can see the benefits, however, people will support what infrastructure offers.

Hamish Glenn compares promotion for opening new roadways in New Zealand and Australia. An advertisement for Auckland's Northern Toll Road focused on payment. Melbourne's Eastlink showed a smiling couple in a convertible enjoying a "road that has everyone talking". It was cheesy, but it caught you.

Although it also comes with enduring political challenges and gamesmanship, in the United States President Biden has made a \$4 trillion infrastructure investment a stand-alone crucial policy, embarking on a "Getting America Back on Track" road and train tour.



# JUST CONNECT



Many sources say infrastructure will always enjoy some public mandate. Says Chris Perks: “People just assume investment in infrastructure, there is a conversation about it every election.”

Indeed, an April Colmar Brunton survey of 4000 Aucklanders showed popular support for the city’s 10-year plan despite it entailing higher rates. Te Waihangā gained 23,000 responses to its survey which highlighted water, transport and climate change as key priorities.

The sector faces two upcoming tests of vision and support. Te Waihangā is scheduled to present its draft 30-year strategy to the Minister for Infrastructure in September 2021, with the final document to be tabled in Parliament by early 2022. Auckland’s light rail project has undertaken a new start at building understanding of a new vision for the city.

Neither will draw crowds to riverbanks. But deeper reservoirs of support are available and can be tapped.

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# TIPS FROM THE COAL FACE

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## It's the people

**When a new European Super League football competition collapsed earlier this year, it counted as an outstanding own goal in communication.**

Twelve major clubs were signed. JPMorgan Chase committed US\$4 billion. Yet within 48 hours the venture was dead, as no one seemed to have thought about getting the fans on side.

Infrastructure rarely faces such defining moments. But public opposition can stall or stop projects.

Stakeholder engagement can be a tick-box exercise, but what is needed is a genuine effort to understand how people really feel.

Even when a project proceeds, delays can be expensive. One developer says a current project has incurred \$1.5 million in extra costs over two years in legal and consultancy bills from unexpected levels of opposition, and that is without having made any headlines.

There is also a human toll. Subjecting workers to angry social media is a burden that is best to avoid.



# IT PAYS TO CONNECT

Every project has its distinct challenges. But developers and planners agree some key steps to improve your chances of success.

## START WITH A STRONG BASE

It helps to confirm the support of people who are respected locally in advance and who speak in favour of the project. If this is not possible, consider whether a proposal needs more thought.

## STAY CLOSE

The Super League promoters were blindsided by the passions they stirred. Even once a project is approved, it pays to stay close.

One major infrastructure provider found putting on barbecues to mark milestones resulted in neighbours taking a project on as something they were proud of too.

## TELL A BIGGER STORY

People want to see what a project will offer them. But we all also want a bigger vision for how something will add to our community.

Nicola McArthur, General Manager, Marketing, Communications & Experience for Precinct Properties, says getting Aucklanders excited by the Commercial Bay's rejuvenation of the city's downtown was key to its success.

## ASSUME POOR UNDERSTANDING

Cyclists are well advised to assume car drivers haven't seen them. Project developers should do the same with public understanding.

A purpose-built website and quality visuals are basic. Reporters might not be well informed and will benefit from informative, accurate backgrounders.

## BE READY FOR THINGS TO GO WRONG

Failing to have a contingency plan makes any crisis worse. Where problems have been foreseen, remarkable gains can be made by approaching the people affected in the right way from the start.

You also need to be ready to say sorry.

## DON'T PROMISE WHAT YOU CAN'T DELIVER

One developer says they never publish a completion date if they can help it. That may be too defensive. But failed commitments cost credibility and support.

Delivering on time, and as promised, will help your next proposal – and those that others in the sector want to advance.



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