

New Independent Infrastructure Body
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To whom it may concern

Thank you for the opportunity to comment on the establishment of a new independent infrastructure body. We welcome this investment in the research, planning and advisory functions needed to support New Zealand's infrastructural development.

The Public Service Association represents over 68 000 people working in central and local government, DHBs and the community sector; our members have a professional and personal interest in high quality public services and infrastructure.

We wish to make the following comments on the establishment of the new infrastructure body:

- Greater **co-ordination between local and central government is essential** and we are pleased to see that this is a core aspect of the new agency's mandate.
- Ensuring that any infrastructural development upholds the **principles of Te Tiriti o Waitangi** should be a central consideration of the new agency's advice to government. As new infrastructure will involve the use and governance of public land and resources, Māori representative voices must be central to discussions and decisions on these resources from the outset. We are surprised that the Treasury consultation document on the new infrastructure agency fails to mention Te Tiriti.
- We **recommend** the Government avoid the use of public private partnerships (PPPs) in the development and delivery of new infrastructure and argue instead for increased investment in public service capacity and capability.

Research published in October 2018 by the European Network on Debt and Development (Eurodad) analysed the impact of 10 PPP projects in developing and developed countries. It found that PPPs were associated with: high fiscal costs and risks to the public; inadequate transparency and democratic accountability; and poor social, economic and environmental outcomes. It recommended

that decision makers “resist the encroachment of PPPs and to push instead for high-quality, publicly-funded, democratically-controlled, accountable public services.”¹

- We **recommend** that the new agency promote the principles of social procurement and responsible commissioning in relation to any infrastructure development. Under this approach, public funding can be levered to promote positive social, environmental and economic outcomes. This would be a welcome shift from some recent public procurement processes, which have been driven by cost minimisation goals that have degraded the wages and working conditions of workers delivering services.

We also **recommend** against any presumption that services are best delivered by the private sector and urge increased investment in public service capacity.

It is important that diverse voices are included as part of the infrastructure development process. We are disappointed by the absence of this diversity on the National Infrastructure Advisory Board – which is weighted towards representatives from the private sector and from management and is missing representative voices from both workers and from Māori – and hope that this isn’t replicated in the governance structures of the new body. Many PSA members have considerable experience and expertise in the design and delivery of public infrastructure and will have valuable insights to contribute to future developments. Encouraging and supporting worker voice in all sectors and in all stages of infrastructure development will ensure that these insights contribute to delivering the quality outcomes this Government is seeking. As the union of public service workers, we are very happy to facilitate this engagement with our members and the new agency.

Yours sincerely



Glenn Barclay
National Secretary



Kerry Davies
Acting National Secretary

¹ Eurodad (2018), “History RePPPeated - How public private partnerships are failing”, accessed 24 October 2018 from <https://eurodad.org/historyrePPPeated>.