

## Purpose

The Government has allocated \$1.2 billion over a three-year term for the Regional Infrastructure Fund (RIF). The RIF will invest in regional infrastructure to lift productivity to grow regional economies by investing in infrastructure that increases the performance of businesses. It will also improve New Zealand's resilience by supporting regional businesses and communities to absorb and recover from shocks and adapt to changing conditions.

## Link to Government Priorities

- › The RIF will invest in projects and build infrastructure for growth and resilience in support of the Government's five pillars to rebuild the economy, which includes a commitment to build infrastructure for growth and resilience.
- › The RIF will help to crowd-in private investment for critical projects by providing greater confidence in the project, for example through potential City and Regions Deals, and co-funding arrangements such as Public-Private Partnerships.
- › Greater investment in regional infrastructure through the RIF will also create: new, high-value jobs; enhance access to markets for regional businesses; supporting growth in exports and greater national connections; support the emergence of new innovations and technologies; and help realise the potential of the Māori economy.

## Outcomes

### Short (0-3 years)

- › Invest in regional critical needs and opportunities
- › Identify and respond to potential risks and impacts on regional communities
- › Create more value from existing Crown investments and assets
- › Create employment opportunities in developing infrastructure assets (e.g. through local procurement where practical)
- › Improve access to finance for investors, notably for Māori

### Medium (3-10 years)

- › Minimise fiscal impacts of adverse events for communities and authorities
- › Better prepare regions for climate change risks and impacts
- › Create sustainable employment and upskilled workforce
- › Improve outcomes for Māori through improved economic participation, crowding in of private finance (e.g. increasing capability of financial institutions to work with iwi and invest in whenua Māori)

### Long (10+ years)

- › Improve outcomes for regional New Zealand through addressing of critical infrastructure deficits

## Overall approach



### The RIF will invest in:

**Resilience infrastructure:** infrastructure that improves a regions' ability to absorb, adapt and/or respond to stresses and shocks.

**Enabling infrastructure:** infrastructure that ensures regions are well-connected and productive. These projects will invest in assets that are used by, and/or generate benefits for, multiple businesses or many parts of a community.

**The RIF will invest in** both the building of new infrastructure as well as developing, upgrading, and improving existing infrastructure.



### The RIF will not invest in:

- › Projects already funded through the following central government programmes: social infrastructure (housing and accommodation, schools, hospitals), large-scale national digital connectivity (broadband) initiatives and roads of national significance.
- › Ancillary commercial activity such as marketing or business development.
- › Apprenticeships or vocational education and training.
- › A project in potable water, wastewater, and storm water assets, except for investment in the following that will remain eligible:
  - Rural, community-owned water assets (that aren't on the local authority's water network).
  - Water assets that are not 'business as usual' assets and are directly critically-enabling for eligible RIF projects, for example storm water assets that are typically vital to ensure the success of a floodbank project.
- › Projects that are already underway, unless the applicant can demonstrate why the project would not proceed without RIF support.
- › Purchases of land.

## Initial areas of focus:

**Flood resilience** - Cabinet has agreed to create a dedicated flood resilience funding category under the Resilience Infrastructure component of the RIF that will initially make \$200 million available for eligible projects.

**Māori economic development** – The RIF has the potential to create a significant funding source for Māori businesses and landowners. Unlocking the potential of the Māori economy and whenua Māori through infrastructure development can also boost growth and resilience in regional economies.

## Resilience infrastructure investments will improve resilience in:



### Weather events

An event that is extreme at a particular place and time of year, including heatwaves, droughts, extreme wind or rainfall (including hail and frost), coastal and estuarine flooding, storms and ex-tropical cyclones.



### Energy security

Energy security has two aspects:

1. Long-term energy security mainly deals with timely investments to supply energy in line with economic development and environmental needs.
2. Short-term energy security, which focuses on the ability of the energy systems, particularly electricity, to react promptly to sudden changes in the supply-demand balance. Resilience infrastructure in this area includes any infrastructure involved in the electricity system, including generation, transmission, and distribution of electricity, distributed energy resources such as roof-top solar generation, large- and small-scale battery storage, and small-scale generation (e.g. diesel or petrol generators).



### Water security (water storage)

The capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water sustaining livelihoods, human well-being, and socio-economic development, and for preserving ecosystems for eligible RIF projects.



### Food security

Refers to systems, facilities, and strategies ensuring consistent food production, distribution, and access despite natural challenges. This includes robust agricultural infrastructure like farmland and irrigation/drainage systems to withstand environmental stressors, efficient transport networks and storage facilities, such as warehouses with backup power sources, and diversification in farming practices and investment in resilient crop varieties.



### Connectivity

Transport solutions, digital connectivity for rural communities – digital connection has become an expected part of doing business but it is not reliably available in some regions of New Zealand. Digital connectivity provides a means to overcome some of the challenges faced by small, distant communities. Digital connectivity also enables businesses to make better use of existing and new digital technologies that improve productivity.



### Recovery infrastructure

Infrastructure that is available in instances of regions responding to natural disasters e.g. electricity microgrids.

## Enabling infrastructure investments will invest in:

Assets that are used by, and/or generate benefits for, multiple businesses or many parts of a community.

### Eligible assets will include:

- › shared services such as innovation parks and innovation facilities – infrastructure and complexes that catalyse innovation and growth of specific sectors or value chains that would be unlikely to happen at the same scale without those assets existing
- › supply chain or transport solutions, for example a cold storage warehouse
- › cultural institutions of regional significance, including marae, museums and performing arts venues
- › fixed assets within individual enabling businesses that produce outputs that are beneficial to other businesses in the region.