



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Housing Infrastructure Fund Call for Final Proposals

February 2017

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Quick Reference

Key dates

1 February 2017	Call for Final Proposals released
17 March 2017	Final day for questions
31 March 2017	Proposals must be submitted to MBIE by 2 p.m.
April-June 2017	Final proposals evaluated and territorial authorities advised of outcome

Who can apply?

Territorial authorities that were in, or part of, a high growth urban area¹ as at 2 December 2016 are invited to apply. These are:

- Auckland Council, Hamilton City Council, Tauranga City Council, Christchurch City Council and Queenstown-Lakes District Council; and
- Waikato District Council, Waipa District Council, Western Bay of Plenty District Council, Selwyn District Council and Waimakariri District Council to the extent that proposals relate to a high-growth urban area in, or adjacent to, the neighbouring city council area.

Joint proposals from two or more of the above territorial authorities are also invited.

For full eligibility conditions, please refer to Section Five.

How to apply

To facilitate secure and reliable receipt of proposals, the Ministry of Business, Innovation and Employment (MBIE) is using the [Government Electronic Tenders Service \(GETS\)](#). When submitting proposals for the Housing Infrastructure Fund (HIF), territorial authorities will be required to create a free account on GETS as a Supplier. A guide to register can be found on the [GETS website](#).

Final proposals must only be submitted electronically via GETS. Proposals sent by email, post, fax, hard copy delivered or any other method will not be accepted.

Final proposals must include a Proposal Summary and a Business Case. Refer to Section Four for details.

How to contact us

All enquiries must be directed to our Point of Contact (i.e. HIF Procurement Officer) via GETS. MBIE will manage all external communications through GETS and this Point of Contact. Territorial authorities are able to submit questions and receive answers through GETS.

Further Information

If, after publishing the Call for Final Proposals, anything needs to be changed about the Call for Final Proposals, or the Call for Final Proposals process, or any additional information is to be provided, MBIE will inform all territorial authorities by placing a notice on GETS.

If you have subscribed to the GETS listing and have downloaded the Call for Final Proposals from GETS, you will automatically be sent notifications of any changes through GETS by email, to the email address used when registering for GETS.

¹ As defined by Statistics New Zealand.

Glossary

Term	Definition / Interpretation
BBC	Better Business Case approach – used by the Treasury with the objective of enabling smart investment decisions for public value.
DBC	Detailed business case – provides reporting of economic, financial and commercial aspects of a proposal, in greater detail than in the indicative business case.
FAR	Funding assistance rate – the proportion of approved costs that territorial authorities receive payments from the National Land Transport Fund (NLTF).
Five case model	Used as part of the Better Business Case approach, comprising strategic, economic, commercial, financial, and management cases.
Funding agreement	The written agreement between the Crown and a territorial authority, or between the Crown and the NZTA, detailing the terms and conditions of HIF funding, including repayment arrangements and values.
GETS	Government Electronic Tenders Service (at www.gets.govt.nz)
GPS 2015	Government Policy Statement on Land Transport 2015/16 – 2024/25, available at http://transport.govt.nz/ourwork/keystrategiesandplans/gpsonlandtransportfunding/
HIF	Housing Infrastructure Fund
IAF	Investment Assessment Framework – used by the NZTA to determine how well proposals meet the Government’s investment strategy defined in the GPS 2015, based on strategic fit, effectiveness, and a benefit and cost appraisal. See https://www.pikb.co.nz/home/nzta-investment-policy/2015-18-nltp-investment-assessment-framework-overview/
IBC	Indicative business case – provides a recommended preferred way forward in developing infrastructure. See, for example, NZTA’s overview at https://www.nzta.govt.nz/roads-and-rail/highways-information-portal/processes/project-development/indicative-business-case/
Independent Expert Assessors	This group include technical experts that will be engaged by the MBIE HIF Unit to provide detailed assessments of proposals and advice to the Panel. This could include, but not be limited to include, financial analysis, quantity surveying and engineering expertise
MBIE	Ministry of Business, Innovation and Employment
MBIE Governance Board	MBIE’s internal governance structure which will be overseeing the HIF project activities
MBIE HIF Unit	A dedicated commercial unit responsible for ongoing HIF operations and ensuring delivery of project benefits.
NLTF	National Land Transport Fund. See https://www.nzta.govt.nz/planning-and-investment/2015-18-national-land-transport-programme/the-investment-framework/delivering-the-national-land-transport-programme/
NPS-UDC	National Policy Statement on Urban Development Capacity, available at http://www.mfe.govt.nz/more/towns-and-cities/national-policy-statement-urban-development-capacity
NZTA	New Zealand Transport Agency
Panel	The Independent Assessment Panel – appointed by Government to assess proposals, make recommendations to Ministers, and monitor the progress of HIF-funded projects.
Proposal	A stand-alone application from a territorial authority for infrastructure funding to support a quantifiable level of new housing development.
Project	A component piece of infrastructure for which HIF funding is sought. A HIF proposal will typically constitute one or more water and/or transport projects.
Structure plan	A high-level plan for a large area that shows various land uses (e.g. centres, housing

	and parks) and infrastructure (e.g. transport and stormwater), and how the area connects to adjacent urban areas and wider infrastructure networks. A structure plan guides future development by coordinating and defining the land use patterns and location, distribution and integration of this infrastructure.
Territorial authority	A local government body as defined in the Local Government Act 2002.

Section One: Introduction

Purpose of this document

The purpose of this document is to set out the process for which final proposals for the HIF are being sought and should be developed; how the final proposals should be structured; the information which is required to be included; how proposals will be evaluated; and how successful proposals will be progressed.

Background

A number of urban areas around New Zealand are experiencing sustained population growth. Such growth brings challenges, one of which is ensuring there is sufficient housing to meet the needs of the growing population.

In its report *Using Land for Housing*², the Productivity Commission highlighted issues restricting the supply of residential development. One restriction identified was that infrastructure provision is unresponsive to growth demands.

One of the reasons for the lack of responsiveness is that some high-growth territorial authorities are close to their debt ceilings and cannot borrow sufficient funds to invest in additional infrastructure now, and then wait for payment of development contributions and rates to repay loans.

In July 2016 the Government announced the \$1 billion HIF, a new initiative designed to assist territorial authorities within high-growth urban areas to bring forward infrastructure projects required to open up new housing developments. The key aim of the HIF is to create *'more houses sooner'*.

The HIF is a one-off contestable fund with decisions made by Ministers. An Independent Assessment Panel (the Panel) is being established to evaluate and recommend a programme of proposals to Ministers, and then to act in an advisory capacity over the life of the HIF. Implementation of the HIF will be managed by a new MBIE HIF Unit.

Fund objectives and outcomes

Fund objective

The HIF has the overall objective of accelerating short and medium-term supply of new housing in high-growth urban areas. The HIF provides short-medium term funding whilst territorial authorities work on finding more suitable and sustainable long-term models for financing and funding infrastructure. The HIF is not intended to function as a funding or financing mechanism for a future or potential urban development authority.

The HIF is also designed to assist high-growth territorial authorities to meet their targets under the National Policy Statement on Urban Development Capacity (NPS-UDC). However the HIF does not form part of the NPS-UDC and is not dependent on it, nor does it form part of any possible or proposed urban development legislation.

Priorities and outcomes

Territorial authorities can apply for funding to bring forward specific transport and water infrastructure projects that will enable land to be used for new housing.³ Funding will be prioritised according to specific criteria; the top five of which (in order of importance) are:

- The number of dwellings expected to be built as a proportion of projected demand
- The expected timing of dwelling construction
- Infrastructure spend per dwelling
- Developer commitment to accelerating development, and

² New Zealand Productivity Commission. *Using Land for Housing*. September 2015.

³ Zoned and with all necessary infrastructure to enable housing development to take place.

- Territorial authority commitment to removing barriers to development.

Information on the full set of criteria is provided in Section Five.

The HIF will be invested through two mechanisms

It is the intention that HIF funding for transport infrastructure projects will be managed by the New Zealand Transport Agency (NZTA) through the National Land Transport Fund (NLTF). Having the transport infrastructure managed this way maintains the integrity of the National Land Transport Programme and meets Land Transport Management Act 2003 requirements. It also makes best use of transport expertise within government, ensuring integration in the planning and construction of transport infrastructure in a way that takes into account network effects.

It is the intention that water projects for water supply, wastewater and stormwater infrastructure will be funded through interest-free subordinated debt loans, which will be repayable to the Crown within ten years.

Further information on the currently preferred and intended funding mechanisms can be found in Section Three. Territorial authorities should note that these funding mechanisms have been approved by Cabinet and where alternative funding mechanisms are sought, territorial authorities are to fully demonstrate the costs and benefits of the alternative mechanism (including what the mechanism would be, the benefit of the change to the Crown and territorial authority, impacts on repayment timeframes, as well as how the mechanism meets Cabinet direction). Any requested changes to the funding mechanisms would require Ministerial approval.

A staged process

The application process for HIF funding is taking place in stages:

- (1) *Indicative proposals* (closed 2 December 2016) which were non-binding submissions through which territorial authorities could receive feedback, but were not a prerequisite to submitting a final proposal;
- (2) *Final proposals* (closing on 31 March 2017) which is the subject of this document. In this second stage, all eligible territorial authorities are invited to submit final proposals. These are to be in the form of business cases and signed-off by elected members, as they will be formal proposals to which territorial authorities are expected to commit if successful; and
- (3) *Completion of a detailed business case [July-Dec 2017 indicative]*. A detailed business case must be satisfactorily completed before parties may enter into a funding agreement.

Information and lessons obtained from the indicative proposal stage have been incorporated into this document. Particular note should be made of amendments and/or clarifications of the assessment criteria, and the addition of a tenth assessment criterion relating to lower-cost housing.

Section Two: The Application and Evaluation Process

A breakdown of the funding application milestones is provided below.

Milestone	Date
<i>Call for Indicative Proposals released</i>	<i>22 September 2016</i>
<i>Indicative proposals received</i>	<i>2 December 2016</i>
<i>Feedback provided</i>	<i>21 December 2016</i>
Call for Final Proposals released	1 February 2017
Request for meetings closes	13 February 2017
Meetings completed	24 February
Clarification question period closes	17 March 2017
Final proposals received	31 March 2017
Evaluation of proposals	April 2017 [<i>Indicative</i>]
<i>In-principle</i> recommendations to Ministers	May 2017 [<i>Indicative</i>]
Discussion of funding terms with territorial authorities	May-June 2017 [<i>Indicative</i>]
Final HIF allocation decisions made	end June 2017 [<i>Indicative</i>]
Detailed business cases completed by territorial authorities	July-Dec 2017 [<i>Indicative</i>]
Funding agreements executed	Following completion of the detailed business case

Meetings

Territorial authorities are able to request a single commercial-in-confidence meeting with MBIE to discuss this Call for Final Proposals. Territorial authorities must request this meeting via the [Point of Contact](#) prior to the 13th February and these meetings are to take place prior to the 24th February 2017.

The purpose of these meetings is for territorial authorities to have a general discussion with MBIE around concepts, assumptions or high level designs aspects for proposals in order to provide MBIE with good quality proposals in their submissions. The meetings will be minuted to provide an audit trail for probity purposes, and where MBIE decide that any information discussed within a meeting would be of benefit to all territorial authorities, an update will be provided via GETS. MBIE are not obligated to provide territorial authorities with information which may jeopardise the commercial nature of this call process and these meetings will be controlled to ensure fairness and equal treatment.

Further information regarding these sessions, including the rules of the session, will be distributed prior to any meetings taking place. This process is in addition to the clarification process detailed within the terms of this Call document (see Section Six-C).

Applications

Proposals need to be submitted via GETS by 2 pm 31 March 2017. As per the Terms and Conditions of this Call for Final Proposals, MBIE does not intend to accept any proposal for evaluation that is received after the close date and time other than in exceptional circumstances. In particular (but without limitation), MBIE will not accept a late proposal if it considers that:

- There is any risk of collusion on the part of the applicant;
- The applicant might have knowledge of the content of any other proposal(s); or
- It would be unfair to any other applicants(s) to accept the late proposal.

MBIE does, in accordance with the Terms and Conditions of this Call for Final Proposals, reserve the right to accept any late proposal for evaluation where it considers that there is no material prejudice to other applicants.

For each proposal territorial authorities will need to complete the following:

- Proposal summary
- Business case (using the Better Business Case model).

A proposal will relate to a residential development and consist of either transport and/or water infrastructure projects.

Guidelines for preparing proposals can be found in Section Four. Appendix 3 contains a checklist for compiling and submitting a proposal.

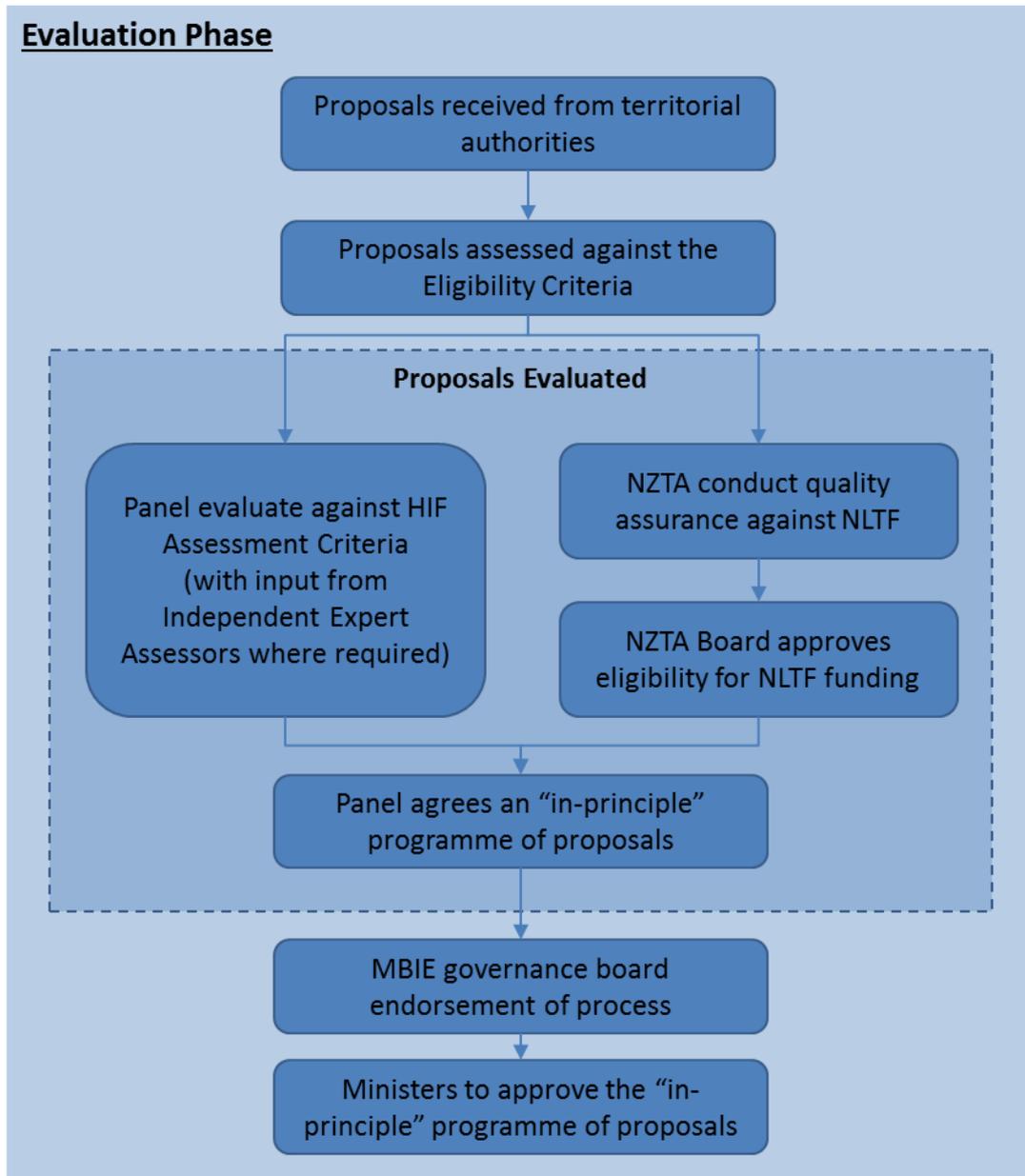
Final proposals must only be submitted electronically via GETS. Proposals sent by email, post, fax, hard copy delivered or any other method will not be accepted.

Evaluation and decision making

Further to the “HIF: Implementation and Structure” Cabinet Paper⁴, the evaluation and implementation of HIF proposals will follow the processes described within this section.

Evaluation Phase

The evaluation will follow the process below:



Eligibility

To be eligible to receive funding, proposals must meet all of the eligibility criteria set out in Section Five. Assessment against the eligibility criteria will initially be undertaken by the MBIE HIF Unit, for confirmation by the Panel. In the event there is doubt over whether the proposal meets eligibility criteria, the Panel may seek clarification from territorial authorities prior to deciding whether the proposal will be evaluated fully.

⁴ Available at <http://www.mbie.govt.nz/info-services/infrastructure-growth/housing-infrastructure-fund?searchterm=housing+infr>

Evaluation

Eligible proposals will then be evaluated by the Panel (with input from Independent Expert Assessors to provide detailed assessment of proposals and advice to the Panel) against the assessment criteria detailed (see Section Five) and on the merits of the business case presented. Business case requirements are detailed in Section Four of this Call. In addition, NZTA will carry out quality assurance checks against NLTF criteria (NZTA Investment Assessment Framework⁵) to ensure projects can be funded through the NLTF. The NZTA Board will be required to approve eligibility for NLTF funding.

The Panel will then recommend an 'in-principle' programme of proposals. In deciding which proposals to recommend, the Panel will consider the merits and risks of each proposal and the portfolio of funding as a whole.

Approvals

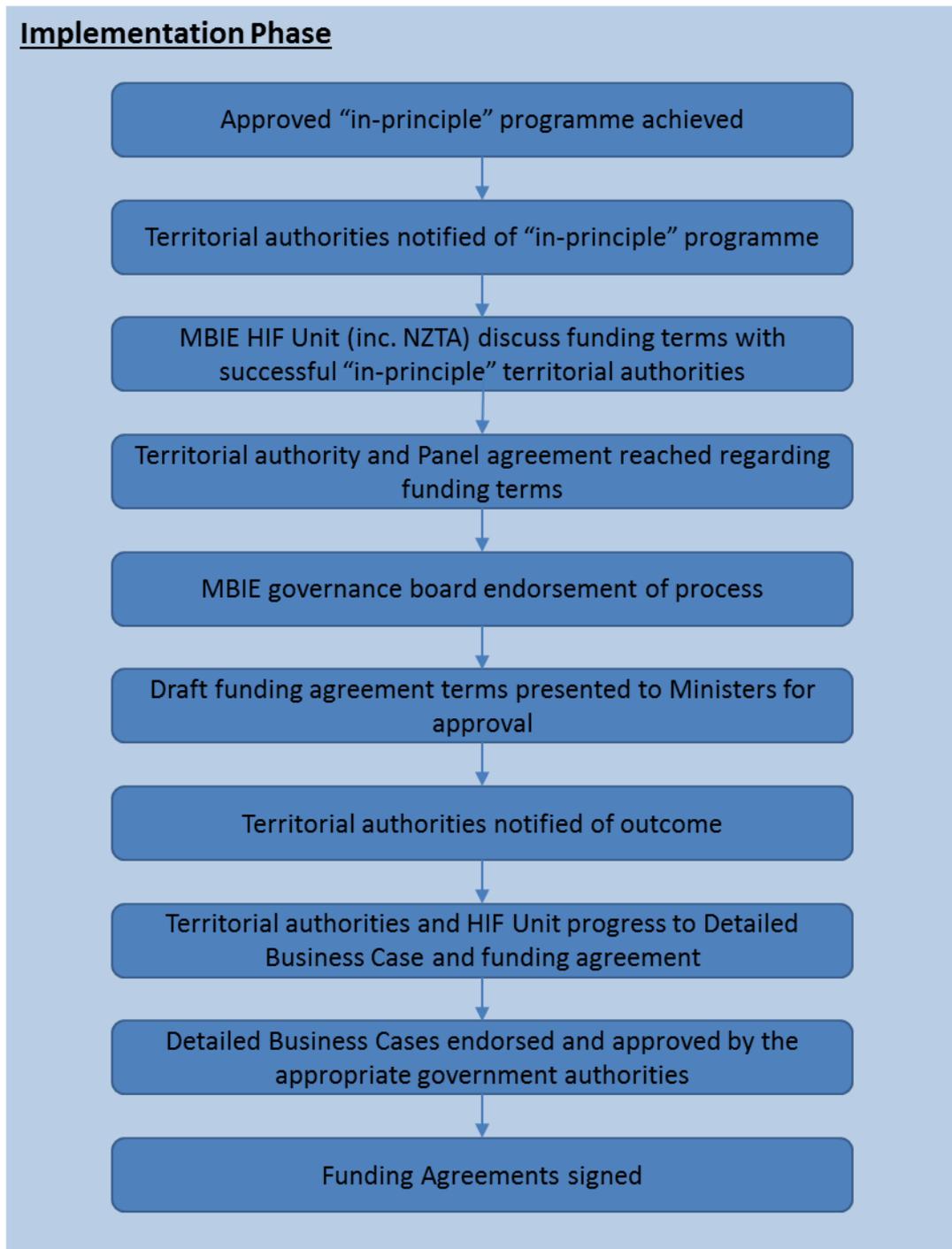
The Panel will seek endorsement of the evaluation process from the appropriate MBIE governance board.

The Panel will then recommend the 'in-principle' programme of proposals to Ministers in order to enter into discussion with the territorial authorities regarding funding terms.

⁵ Further information on the NLTF IAF criteria can be found at <https://www.pikb.co.nz/assessment-framework>

Implementation Phase

Following the evaluation of the proposals, the implementation phase will commence as below:



Once approval is received from Ministers, the territorial authorities will be notified which projects will be progressed. MBIE's HIF Unit, on behalf of the Panel, and with the NZTA, will enter into discussions with the territorial authorities on the 'in-principle' programme of proposals to discuss and seek agreement on funding principles. Upon agreement of the funding agreement principles, the Panel will seek endorsement from the appropriate MBIE governance board, prior to presenting to Ministers for approval.

Decisions on the allocation of funding will be made by the Ministers of Finance, Transport, and Building and Construction. It should be noted that any change to the preferred HIF funding mechanisms are required to be approved by Ministers of Finance, and Building and Construction.

Funding agreement and finalised detailed business case

Following Ministerial approval of the 'in-principle' programme of projects and funding principles, the MBIE HIF Unit and NZTA will work with successful territorial authorities to finalise a Detailed Business Case and the terms and conditions of a funding agreement. Upon completing a Detailed Business Case (in line with Treasury BBC or NZTA guides) to the satisfaction of the Crown, the parties may enter into a funding agreement.

In the event that a proposal becomes unviable during this process, the Panel may decide, with agreement from Ministers, to include the next highest ranked proposal (and within the remaining budgets of the HIF), in the Detailed Business Case process.

Section Three: Funding Mechanisms and Financial Arrangements

It is currently intended that the successful proposals will receive HIF funding through one of two mechanisms. Where a successful proposal is for both transport and water infrastructure projects, then both mechanisms are to be used. This section describes the funding mechanisms already approved by Cabinet. Where alternative funding mechanisms are sought as part of this process, territorial authorities are to fully demonstrate the costs and benefits of the alternative mechanism (including what the mechanism would be, the benefit of the change to the Crown and territorial authority, impacts on repayment timeframes, as well as how the mechanism meets Cabinet direction). Any requested changes to the funding mechanisms would require Ministerial approval.

Transport

Transport infrastructure will be funded through the NLTF. The NZTA will use NLTF funds to pay for all or most of a project/programme upfront ('frontloading' the project). Payment in excess of the usual Funding Assistance Rate (FAR) subsidy will be off-set over the subsequent ten years through reduced NLTF grants on the territorial authorities' transport programmes. The overall result will be that total NLTF/FAR payments over the ten-year period will be equivalent to what would have been received if no front-loading had occurred. *Note: there will be no extension beyond ten years for territorial authorities to co-invest in their share of their transport programmes.*

It is anticipated that territorial authorities will use the proposed FAR approach to directly fund capital transport infrastructure under the HIF, such as individual assets or projects (such as a link road).

Territorial authorities may also consider taking an indirect "financial capacity" approach, under the FAR, which considers a wider set of territorial authority programmes or projects. Under this approach funding is directed to the overall territorial authority transport budget to expand the territorial authority's overall financial capacity to take on and build transport projects specified in agreements with the Crown under the HIF.

Access to the frontloading approach is dependent on territorial authorities formally agreeing to receive the reduced funding assistance on their future transport programmes to the value of the front loaded investment made. In the later years, territorial authorities will need to make up the shortfall in their reduced funding assistance through increased revenue from other sources or reprioritisation of their programmes.

The NZTA will have a written funding agreement with each territorial authority that has successful HIF transport infrastructure projects and will be responsible for ongoing administration and management of transport infrastructure projects. The NZTA will work with the Panel, MBIE, and the relevant territorial authorities in determining suitable funding terms. Each individual territorial authority will be responsible for the cash flow timing adjustments as a result of the HIF and will be responsible for the contracts with partners to ensure the completion of these projects.

Water

For water infrastructure projects (water supply, wastewater and stormwater), HIF funding will be in the form of interest-free subordinated debt loans for a period of up to ten years (from when funding commences), with scheduled repayments. Extensions of loan terms beyond ten years may be considered⁶, and if approved by the Crown, will be expected to incur interest charges at commercial rates for the extended period (unless otherwise agreed by the Crown).

This mechanism is designed to contain the cost to the Crown to the ten-year period following drawdown, while providing short to medium-term funding support to territorial authorities, during which time more sustainable longer-term funding options for infrastructure can be developed. Territorial authorities will be required to recognise the debt obligation, with this being subordinate to other territorial authority debts. For successful proposals a funding agreement with territorial authorities will be developed in consultation with the Treasury Debt Management Office.

⁶ Justification will need to be provided within a territorial authority's business case for any extension.

Section Four: Preparing a Proposal

Introduction

The purpose of this section is to detail what territorial authorities are required to submit in support of their proposals for HIF funding. A proposal will relate to a residential development and will consist of either transport and/or water infrastructure projects.

Territorial authorities should have in mind that the key aim of the HIF is to accelerate development of dwellings (i.e. 'more houses sooner'). Territorial authorities need to demonstrate that infrastructure projects for which funding is being sought enable this and ensure their proposals align with the information provided in the assessment criteria.

For each proposal (i.e. residential development, noting that territorial authorities can submit more than one proposal), territorial authorities need to complete a:

- A. Proposal summary, and
- B. Business case (using the Better Business Case model, as detailed within this document)

Proposals need to be at a minimum of an Indicative Business Case (IBC) stage and be able to quickly progress (i.e. by the end of 2017) to the level of a Detailed Business Case (DBC), the latter being required prior to a funding agreement being executed and funding being released.

A. Proposal Summary

The proposal summary is designed to provide key information and facilitate a high-level comparison of all proposals. A template for territorial authorities to complete is at Appendix 1 and will be available via GETS. Requirements include:

- Brief information on the proposal and project/s for which funding is being sought
- Whether the proposal and/or projects are in existing plans
- Key data, and
- Territorial authority contact information and declaration

The proposal summary is intended to capture key information from the business case and should not contain any additional information that cannot be referenced to in the business case.

B. Business Case

Requirement to use the Better Business Case model

The size and type of investment for which HIF funding is being sought means that territorial authorities are required to submit a business case in line with the Treasury's Better Business Case Five Case model for each proposal. The Better Business Case guidance is mandatory for all capital expenditure proposals undertaken by government departments, or Crown Entities that require Cabinet approval. The NZTA Approved Business Case Model is an adaptation of the Treasury's Better Business Case model.

The Better Business Case model is structured to provide a robust justification that informs decision-making to invest. In the case of the HIF, business cases will be utilised to evaluate which proposals best meet the objectives of the HIF, and are most suitable to invest in.

Point of entry in the planning process

An infrastructure project may already be in existing plans (e.g. a structure plan) and partially through an existing business case process (e.g. as part of the NZTA process). Territorial authorities may attach existing plans or insert information from these where appropriate.

As a number of projects may sit within well-developed growth strategies and planning processes, this may indicate that adequate problem definition and scoping has occurred with full options analysis. If

so, the point of entry for these projects may be towards the end of the business case process and may be ready for the implementation phase. Business cases being submitted for HIF funding may not necessarily satisfy all of the requirements typically expected in an indicative or detailed business case per Treasury or NZTA guidelines (for example, consenting requirements). In this event, territorial authorities must demonstrate how these shortfalls will be achieved during the detailed business case phase.

In preparing their business case, territorial authorities need to indicate:

- Their proposal's status (point of entry) within existing planning and business case processes;
- Any work that has already been completed and is being used to support this proposal; and
- Any further work that is planned to be undertaken in order to satisfy requirements at the indicative or detailed business case stage.

Multiple projects

Where there is more than one infrastructure project within a proposal, parts of the business case such as cost information need to be detailed on a project by project basis. Where there are interdependencies between projects these should be identified.

Where there are both transport and water infrastructure projects within a proposal, territorial authorities should use the NZTA Approved Business Case model in preparing their business case, taking note of the guidance provided below. Where a proposal is for water infrastructure only territorial authorities should use the Treasury's Better Business Case model.

Business Cases for Transport Infrastructure Projects

In preparing their proposals, territorial authorities need to indicate the "point of entry" in the NZTA business case process. Territorial authorities should engage with NZTA as early as possible on the proposed point of entry of proposals which include transport projects. This is important to ensure there is mutual agreement on the relevant work completed to date, strategic links and readiness to proceed at least at the IBC stage in the business case process.

Where a territorial authority does not believe they will have a completed IBC prepared before the 31st March 2017 they should work with their NZTA regional advisors to ensure the most critical elements of the business case are prioritised. Where a requirement for the NZTA IBC stage is not met (e.g. consenting strategy), territorial authorities must indicate their plans and timetable for addressing these requirements.

NZTA has recently made the decision to 'bundle' its indicative and detailed business case stages. The formal decision gateway that existed between the two stages has been replaced with an informal hold point which is expected to reduce time and resourcing, however requirements for both stages have not changed.

It is expected the territorial authorities will work with their NZTA regional transport advisors to produce their business cases where appropriate. Regional transport advisors are independent of the NZTA team advising MBIE and are therefore able to assist in development of business cases as part of normal working practice.

Aligning the Five Cases with the HIF Assessment Criteria

This section provides an overview of the five cases within the Better Business Case model, some of the key requirements for each and how these fit with the HIF assessment criteria (as detailed in Section Five). Links to more detailed guidance and templates are provided at the end of this section.

All business cases are expected to have robust strategic and economic cases (including a high level cost benefit analysis). Whilst the commercial, financial and management cases may be indicative, these will need to be developed to the level of DBC for funding to occur. Funding allocated from the HIF for successful proposals will be up to the amount being requested.

Strategic Case - Is the proposed investment supported by a compelling case for change that fits within the strategic context and meets the objectives of the HIF?

In developing the strategic case the proposal needs to:

- Summarise the strategic context for the proposal (and how it aligns to other strategies, programmes and plans)
- Explain the need for the proposed investment
- Demonstrate alignment to the HIF objectives and outcomes (i.e. creation of more housing faster)
- Provide an analysis of the main benefits of the proposal
- Identify the main risks which could impact achievement of the benefits
- Identify the key constraints and dependencies (and the management thereof)

The following HIF Assessment Criteria should be considered in the strategic case:

Rank	HIF Assessment Criteria
1	Number of dwellings as a proportion of total projected demand
2	Expected timing of dwelling construction
6	Degree to which timing of infrastructure construction will be brought forward
8	Degree to which other investments or economic growth will be supported
9	Level of lower-cost housing
10	Degree proposed infrastructure assists a territorial authority to meet development capacity targets under the NPS-UDC

Economic Case - Does the preferred investment option optimise value for money?

The economic case sets out the key findings of the options analysis, leading onto the recommended way forward to meet the objectives in a value for money manner.

For the HIF proposal, the economic business case should outline:

- Any other developments and infrastructure projects considered
- The rationale for the particular development and infrastructure projects being proposed, and
- Any cost contingencies.

This analysis is usually presented using the following framework:

- Critical success factors
- Options identification, assessment and shortlisting
- Preferred option to take forward
- The benefit cost appraisal/benefit cost ratio of the proposal

The benefit cost ratio for HIF activities which provide access to housing development in high growth areas is to be calculated assuming that the level of housing development that cannot occur without the investment is advanced; the costs and benefits generated by the infrastructure work are brought forward in the benefit cost ratio calculation.

Guidance on frontloading the benefit cost ratio calculation will be sent to territorial authorities via a General Circular and is available on the NZTA Planning and Investment Knowledge Base.

<https://www.pikb.co.nz/assessment-framework/strategic-fit-3/>

<https://www.pikb.co.nz/assessment-framework/benefit-and-cost-appraisal/>

If territorial authorities require further guidance and clarification on this approach they should engage with their NZTA regional advisors to ensure the calculation is made correctly.

The following HIF Assessment Criteria should be considered in the economic case:

Rank	HIF Assessment Criteria
3	Infrastructure spend per dwelling
8	Degree to which other investments or economic growth will be supported (where quantifiable)

Commercial Case - Is the proposed deal commercially viable?

The commercial case considers the commercial elements of the proposal, and the consenting and procurement strategy.

The degree of detail and robustness of the commercial case for the HIF proposal will in part depend on whether the business case is indicative or detailed. It is assumed that the HIF proposal will contain at least an outline commercial case to provide some assurance of the commercial elements of the proposal. In addition the proposal should include where appropriate:

- Description and number of landowners/developers in the area to be served by infrastructure
- Evidence of developer commitment, development risks and actions to mitigate non-construction of housing
- Procurement approaches
- Consenting considerations
- Required services and potential contractual considerations
- Potential areas of risk sharing (in the supply chain)

The following HIF Assessment Criteria should be considered in the commercial case:

Rank	HIF Assessment Criteria
4	Level of developer commitment to accelerating development
5	Council commitment to removing barriers to development

Financial Case - Is the proposed spend affordable and how can it be funded?

The financial case summarises the capital required and overall affordability over the life of the proposal. This case will identify funding gaps, and detail the manner in which funding is repaid for water infrastructure and how territorial authorities will manage reduced funding assistance in their future transport programmes for HIF transport infrastructure. Where alternative funding mechanisms are sought, territorial authorities are to fully demonstrate the benefits and costs of the alternative mechanism (including what the mechanism would be, the benefit of the change to the Crown and territorial authority, impacts on repayment timeframes, as well as how the mechanism meets Cabinet direction).

As a minimum, the HIF requires the following to be considered and presented within this case:

- Impact on financial statements
- Affordability
- Preferred funding arrangements
- Proposed sources of funding to enable repayment
- A schedule of planned drawdowns of funding and repayments

The following HIF Assessment Criteria should be considered in the financial case:

Rank	HIF Assessment Criteria
7	Period within which the Crown is expected to recoup its investment

Management Case - Is the proposal achievable and can it be delivered successfully?

The management case summarises the project management arrangements and key milestones for the proposal. For the purposes of the HIF proposal, the management case can be indicative, with more detail expected to be provided as part of a detailed business case.

The management case would outline the following:

- Project management strategy and framework (see BBC guidance)
- Risk management (noting key risks, mitigations and ratings)
- Governance and reporting
- Stakeholder engagement and Communication Plan

Further Guidance and Templates

Further information on Better Business Cases can be found by following the links below:

Better Business Case guidance – the Treasury BBC Guide:

<http://www.treasury.govt.nz/statesector/investmentmanagement/plan/bbc>

NZTA Business Case guidance, the NZTA guide:

<https://www.nzta.govt.nz/planning-and-investment/planning/planning-process/business-case-approach/>

NZTA Project Development Point of Entry Guide:

<https://www.nzta.govt.nz/roads-and-rail/highways-information-portal/processes/project-development/point-of-entry>

The NZTA's Planning and Investment Knowledge Base:

<https://www.pikb.co.nz/>

Templates for completing the business cases can be found within the guidance, or at the following links:

The Treasury provide a template for completing business cases as per the above link. For indicative business cases, the BBC template can be found at:

<http://www.treasury.govt.nz/statesector/investmentmanagement/plan/bbc/guidance/bbc-indbus-tp.doc>

The NZTA Indicative Business Case guide can be found at:

<https://www.pikb.co.nz/assets/Uploads/InformationGuides/Indicative-Business-Case-Information-Guide.docx>

Note: Territorial authorities are NOT required to complete Part 2 of the NZTA Indicative Business Case guide.

Section Five: Eligibility and Assessment Criteria

A. Eligibility

This section details eligibility and assessment criteria, prescribes how to complete calculations, provides guidance on factors territorial authorities should consider, and information that should be provided when completing their proposals.

Criteria	Description	Explanation
<p>1. Geographic and high-growth urban area status</p>	<p>Applicant territorial authorities must be part of a high-growth urban area as described in the NPS-UDC.</p>	<p>Part of the rationale for the HIF is to assist territorial authorities in high-growth urban areas to meet obligations under the NPS-UDC. Such territorial authorities generally face additional requirements under the NPS-UDC to those that other territorial authorities face, because of their need to ensure a sufficient land supply for rapid growth. Faster growing territorial authorities also tend to operate closer to debt limits prescribed in regulation, in Local Government Funding Agency covenants, or by credit rating agencies.</p> <p>High-growth urban areas are defined as those where Statistics New Zealand projects population growth to be, or will exceed, one per cent per year for the next ten years (to 2026). These areas are:</p> <ul style="list-style-type: none"> • The Auckland urban area comprising Auckland Council (and some parts of Waikato District); • The Hamilton urban area comprising Hamilton City, and parts of neighbouring Waikato and Waipa Districts; • The Tauranga urban area comprising Tauranga City and parts of Western Bay of Plenty District; • The Christchurch urban area, comprising Christchurch City and parts of neighbouring Selwyn and Waimakariri Districts; and • The Queenstown urban area, comprising Queenstown itself and adjoining parts of the Wakatipu Basin. <p>To provide certainty for the purpose of HIF funding, the above urban areas were considered high-growth by Statistics New Zealand as at 2 December 2016, using Statistics’ medium growth projection scenario. No other urban areas will be considered eligible for HIF funding, irrespective of any subsequent Statistics projections.</p> <p><i>Boundaries of urban areas</i></p> <p>For the purpose of the HIF, proposals can also relate to areas that territorial authorities can demonstrate form part of a contiguous urban area or housing market with the territorial area after whom the urban area is named (Auckland, Hamilton, Tauranga, Christchurch and Queenstown). Appendices 2A-2E in this document contain maps providing an indication of the urban areas described above by Statistics New Zealand in 2014 and which have been the basis for urban area population estimates and projections.</p>

Criteria	Description	Explanation
		<p>Examples of possible contiguous areas are shown on the maps as shaded red areas. Where proposed works are not part of a high-growth urban area, territorial authorities will need to provide a compelling case that the proposed development site forms part of a contiguous housing market. Considerations could include:</p> <ul style="list-style-type: none"> • A high proportion of commutes to and from the principal urban area that demonstrate a likely contiguous housing market between the existing urban area and the proposed new development area • Integrated planning that demonstrates that the area is intended to form part of an existing wider urban area following a logical sequencing of land release and development within the short-medium timeframe of the HIF • Impacts on inter-council infrastructure (e.g. a logical extension of services or making more efficient use of existing infrastructure) • Council interdependencies (shared water, public transport, and other services between the existing urban area and the proposed area for development under the HIF). <p>Where the housing market for a high-growth urban area crosses local boundaries the proposal should include details of cross-council support.</p> <p>A map of the location of the infrastructure to be constructed and the housing area/s being enabled should be included as part of the business case.</p>
<p>2. New or upgraded infrastructure</p>	<p>The projects for which applicant territorial authorities are seeking HIF assistance must be for new or upgraded trunk infrastructure in the form of local and State Highway roading (including public transport infrastructure), water supply, wastewater and stormwater</p>	<p>Infrastructure development must be for the primary purpose of supporting residential development.</p> <p>The types of projects for which territorial authorities can apply for HIF assistance must be those that would normally have been provided by the territorial authority themselves, or by NZTA for the benefit of (and in partnership with) the territorial authority. Transport projects must also be consistent with NLTF requirements.</p> <p>The use of the HIF is to assist territorial authorities that would otherwise face financial constraints in bringing forward basic infrastructure required for development. Funding assistance is not to be used for community facilities such as parks, reserves (unless part of a road reserve), stadiums, libraries or swimming pools.</p> <p><i>Water, wastewater and stormwater</i></p> <p>The meaning of <i>trunk infrastructure</i> in relation to water, wastewater and stormwater infrastructure includes pipes and channels, and also assets such as pumping stations, reservoirs, ponding areas, booster stations,</p>

Criteria	Description	Explanation
	infrastructure.	<p>and treatment plants (to the extent they are critical to opening up areas for additional housing).</p> <p><i>Roading</i></p> <p>In respect to transport the HIF is primarily expected to be for new roading or adding capacity to existing roads. The term roading is used in a broad sense and includes bridges and tunnels as well as other ancillary infrastructure normally associated with a roading project (for example, lighting, signage, traffic signals, and stormwater runoff management infrastructure). Cycleways and footpaths may be included to the extent that they form part of a wider roading project and generally use the same road reserve as the carriageway.</p> <p><i>Public transport</i></p> <p>Public transport infrastructure in the form of busways, exchanges and stations may be included; rail track and rolling stock are excluded.</p> <p><i>NZTA projects</i></p> <p>NZTA state highway projects, such as expressways and interchanges (and including any capacity upgrades to these), are eligible if specifically nominated by territorial authorities, and the project can be shown to be critical to unlocking land for residential development.</p> <p><i>Land</i></p> <p>Land is only included where it is wholly required for corridors or the siting of transport, water supply, wastewater or stormwater infrastructure.</p>
3. Supports new dwellings	The infrastructure to which the proposals relate must support the building of new or additional dwellings in the short-medium term.	<p>The infrastructure for which HIF funding will be used must be primarily to support a net increase in dwellings within the boundaries of the eligible area (see eligibility criteria 1 – “geographic and growth status eligibility”). Construction of dwellings is expected to occur in the short-medium term.</p> <p>The term “<i>dwellings</i>” is used, as the HIF can be used to support new apartments and alternative forms of permanent accommodation, as well as traditional stand-alone housing that has characterised New Zealand residential development in the past.</p> <p>The infrastructure for which funding assistance may be sought can be used to support dwellings in both greenfield and brownfield situations. Dwellings may be new or relocated from other areas, but the key outcome sought is a net increase over the number of dwellings in the eligible urban area that exist at the time proposals are submitted.</p>

Criteria	Description	Explanation
		The business case should include a description of the development (including the number and type of dwellings, section size, etc.).
4. Capital expenditure	Funding assistance proposals can only relate to the capital cost of building or procuring infrastructure.	The HIF is to cover the capital costs of designing, tendering and constructing eligible infrastructure projects. Operational costs such as operating and maintaining the infrastructure (including purchase of consumables), depreciation and financing costs associated with council borrowing for infrastructure are not covered by the Fund.
<p>Terms and conditions</p> <p>All proposals need to be complete and compliant with the terms and conditions of the Call for Final Proposals</p>		

B. Assessment Criteria

In assessing final proposals, the criteria and their weightings below will be applied.

Criteria (Weighting)	Description	Explanation									
<p>1. Number of dwellings as a proportion of total projected demand</p> <p>(18%)</p>	<p>The number of dwellings expected to be built as a result of the proposed infrastructure as a proportion of the total projected demand for housing over the construction timeframe of the dwellings</p>	<p>As eligible territorial authorities differ in population size and geographic area, a criterion based on total number of houses expected to be built would favour the largest territorial authorities. Therefore a scaling mechanism is required to assess the relative impact of a proposal, compared to overall demand. This criterion scales construction to territorial authority size by using a “proportion of projected demand” approach.</p> <p>For the purposes of calculating projected demand, use the assumption that each dwelling approximates one household. The most recently available Statistics New Zealand medium growth scenario for household projections should be used. The link to the most recent household projections is:</p> <p>http://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7534</p> <p>It is expected that territorial authorities will supply information on the total projected demand for housing in the relevant urban area over the timeframe houses are expected to be built as set out in the table in Appendix 1. The proposal’s contribution to meeting demand should be expressed in real terms, and as a percentage, for example:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><i>Total new dwellings expected to be built by the proposal in X years</i></td> <td style="text-align: center;">4,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">= 12.5% of future demand</td> </tr> <tr> <td style="text-align: center;"><i>Total housing demand for the urban area over X years</i></td> <td style="text-align: center;">32,000</td> <td></td> </tr> </table>	<i>Total new dwellings expected to be built by the proposal in X years</i>	4,000				= 12.5% of future demand	<i>Total housing demand for the urban area over X years</i>	32,000	
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<i>Total housing demand for the urban area over X years</i>	32,000										
<p>2. Expected timing of dwelling construction</p> <p>(14%)</p>	<p>The expected timing within which dwellings will be built in the area to be served by infrastructure built with HIF assistance.</p>	<p>The intent of the HIF is to bring more dwellings to market at a faster rate. This criterion is intended to provide an indication as to when the effects of HIF assistance on housing supply may be seen.</p> <p>Territorial authorities may meet this criterion by working with developers to estimate when they expect housing would be built, or may choose to model the timing of construction against historical trends and data they have collected on the rates of subdivision, and timeframes for resource and building consents. If choosing to model timeframes, territorial authorities should provide details of their methodology (including assumptions and any sensitivity modelling they have undertaken).</p>									

Criteria (Weighting)	Description	Explanation
		The expected timeframe of dwelling construction should be expressed in table form according to the timeframes set out in the table in Appendix 1.
3. Infrastructure spend per dwelling (13%)	The average infrastructure spend per dwelling expected to be built as a result of the infrastructure provided and for which HIF assistance is sought.	<p>This criterion is designed to highlight proposals that achieve the greatest result for the money spent.</p> <p>For each proposal, the average spend would be the total value of funding assistance applied for, divided by the number of dwellings expected to be built as a result of the infrastructure provided.</p> <p>The business case should detail expenditure including any assumptions and contingencies for each project. If quantity surveying has been used to inform calculation of costs this should be indicated. Any financial risks should also be noted.</p> <p>Where a proposal is interdependent with another, figures should be provided both inclusive and exclusive of the interdependences where possible.</p>
4. Developer commitment to accelerating development (13%)	The degree and nature of developer commitment or interest in accelerating development of the area in which the infrastructure will serve.	<p>This criterion works in concert with the second criterion (timing of dwelling construction).</p> <p>To justify bringing forward infrastructure with HIF assistance, there needs to be a demonstrable indication that developers plan to build housing quickly once infrastructure is in place. Ideally, territorial authorities should supply a written statement or letter of intent from developers that states when developers expect to commence building dwellings. As part of their business case, territorial authorities should include as applicable:</p> <ul style="list-style-type: none"> • Written development agreements • Letters or other expressions of support from developers • Evidence of recently operative or proposed plan changes and resource consent applications applied for by developers • Evidence (submissions, newspaper articles or council minutes, for example) that indicate pressure or strong interest from developers for development in the proposed area
5. Council commitment to removing barriers to development	The degree to which the territorial authority is committed to removing barriers that would	Restrictions on development in an area may not be solely related to a lack of infrastructure. Territorial authorities will be expected to show they have removed, or have committed to removing, other barriers to development that are within their ability to control. Such barriers could include:

Criteria (Weighting)	Description	Explanation								
(12%)	otherwise impede development in the area the infrastructure will serve.	<ul style="list-style-type: none"> • Inappropriate zoning • Lack of other types of infrastructure not covered by the HIF • Restrictive bylaws • Other land use restrictions (for example, lifting reserves status where appropriate) <p>As part of their proposal, territorial authorities need to provide information on the current status of the land to be developed, existing impediments (if any) to development, a schedule of steps, processes and timing of initiatives to be undertaken to remove those impediments and identify the consequences if they cannot be rectified.</p> <p>Note: The requirement for development contributions is not considered a barrier to development under this criterion. HIF funding is not intended to be substituted for development contributions in order to increase developer interest by reducing developer costs.</p>								
6. Degree to which timing of infrastructure construction is brought forward (11%)	The timing of infrastructure construction if provided through HIF assistance, compared to timing if no HIF assistance was provided.	<p>The HIF seeks to bring forward infrastructure projects necessary to unlock housing supply. This criterion is to show the difference in timing of infrastructure construction that assistance under the HIF could make.</p> <p>Where an infrastructure project is already listed in a territorial authority's long-term plan, infrastructure strategy, asset management plan or regional land transport plan, the territorial authority will be expected to show how the timing in that document would be brought forward, for example:</p> <table border="1" data-bbox="741 946 1901 1145"> <thead> <tr> <th data-bbox="741 946 987 1034">Project</th> <th data-bbox="994 946 1272 1034">Plan timing</th> <th data-bbox="1279 946 1597 1034">Timing if brought forward with HIF assistance</th> <th data-bbox="1603 946 1901 1034">Change in timing</th> </tr> </thead> <tbody> <tr> <td data-bbox="741 1038 987 1145">New road</td> <td data-bbox="994 1038 1272 1145">2025-2026 Long-term plan</td> <td data-bbox="1279 1038 1597 1145">2019-2020</td> <td data-bbox="1603 1038 1901 1145">Brought forward 6 years</td> </tr> </tbody> </table> <p>When a proposed project is not in a current plan, it should be listed as a new project and the rationale behind its necessity provided.</p>	Project	Plan timing	Timing if brought forward with HIF assistance	Change in timing	New road	2025-2026 Long-term plan	2019-2020	Brought forward 6 years
Project	Plan timing	Timing if brought forward with HIF assistance	Change in timing							
New road	2025-2026 Long-term plan	2019-2020	Brought forward 6 years							
7. Crown reimbursement period	The period within which a territorial authority expects to reimburse	In providing assistance through the HIF, central government takes on a degree of financial and development risk. That risk increases the longer the government has to wait for reimbursement, particularly if there is a downturn in the property market.								

Criteria (Weighting)	Description	Explanation
(6%)	the Government <u>and/or</u> territorial authority commitment to invest in a ‘further package of related works’ at a higher rate, within a ten-year period, to match the front-loaded transport investment.	From the government’s point of view, recovering its expenses within ten years of incurring the costs is important to minimise negative impacts on Crown accounts. The HIF is intended to provide short to medium-term funding support to territorial authorities, during which time more sustainable longer-term funding options for infrastructure can be developed.
8. Co-benefits and economic growth (6%)	The degree to which the proposed infrastructure will support or complement other investments or economic growth.	<p>It is likely that some infrastructure projects will also have benefits broader than speeding up the supply of housing. In some cases, there may be benefits to businesses and the economic growth of an urban area through improved accessibility or additional water supply, wastewater or stormwater capacity. The ability to provide benefits broader than additional housing supply will be considered favourably in instances where two proposals are otherwise evenly matched.</p> <p>Developments are more likely to be attractive and proceed at pace if other facilities (such as reserves, schools, libraries and pools) already exist, or are planned. Development at pace is considered to be positive as it reduces the financial risk to the territorial authority (they get revenue sooner), the government (faster cost recovery) and other parties that have invested in the development area (for example, utility providers).</p> <p>In some cases the government will have provided, or be proposing to provide, significant investment in an area (for example, a new school or hospital). Territorial authorities may include evidence in their proposals that demonstrates that faster development in an area will support existing or new government investments, and increase the opportunity for these investments to be used more efficiently. Co-benefits should only be included where they are likely to occur (as opposed to being theoretically possible).</p> <p>Where a proposal crosses territorial boundaries, co-benefits should be considered for the wider area and evidence of inter-council or regional support provided.</p> <p>Additionally, proposals may have adverse impacts (e.g. additional stress on existing roading networks) and these should also be identified and addressed as part of the business case.</p>

Criteria (Weighting)	Description	Explanation																																	
9. Level of lower-cost housing (5%)	The number of lower-cost dwellings expected to be built as a result of the funded infrastructure.	<p>An objective of the HIF is to enable more rapid release of serviced, developable land for residential development. This is expected to have a dampening effect on housing prices overall, thereby increasing the number of affordable homes.</p> <p>Where lower-cost housing is expected to be built as a result of HIF-funded works, territorial authorities should provide the number of dwellings that are anticipated to be built and additional information and supporting evidence relating to the types of housing proposed, including typology densities, section sizes, total area of developable land to be enabled for housing development, and housing capacity – the estimated average number of people per dwelling.</p> <p>For the purposes of the HIF, lower-cost housing is defined as the number of dwellings expected to be available at no more than 65 percent of the average sale price for the council area, using the most recent QV figures.⁷ At the time of writing, these figures were:</p> <table border="1"> <thead> <tr> <th>Council</th> <th>Avg. Value - Dec 16</th> <th>65% of Avg. Value</th> </tr> </thead> <tbody> <tr> <td>Auckland Council</td> <td>1,047,179</td> <td>680,666</td> </tr> <tr> <td>Waikato District</td> <td>429,013</td> <td>278,858</td> </tr> <tr> <td>Hamilton City</td> <td>534,860</td> <td>347,659</td> </tr> <tr> <td>Waipa District</td> <td>486,655</td> <td>316,326</td> </tr> <tr> <td>Tauranga City</td> <td>672,197</td> <td>436,928</td> </tr> <tr> <td>WBoP District</td> <td>571,520</td> <td>371,488</td> </tr> <tr> <td>Christchurch City</td> <td>494,247</td> <td>321,261</td> </tr> <tr> <td>Selwyn District</td> <td>544,335</td> <td>353,818</td> </tr> <tr> <td>Waimakariri District</td> <td>431,724</td> <td>280,621</td> </tr> <tr> <td>Q'town-Lakes District</td> <td>1,022,214</td> <td>664,439</td> </tr> </tbody> </table>	Council	Avg. Value - Dec 16	65% of Avg. Value	Auckland Council	1,047,179	680,666	Waikato District	429,013	278,858	Hamilton City	534,860	347,659	Waipa District	486,655	316,326	Tauranga City	672,197	436,928	WBoP District	571,520	371,488	Christchurch City	494,247	321,261	Selwyn District	544,335	353,818	Waimakariri District	431,724	280,621	Q'town-Lakes District	1,022,214	664,439
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⁷ Available at <https://www.qv.co.nz/property-trends/residential-house-values>

Criteria (Weighting)	Description	Explanation
10. Contribution to development capacity under the National Policy Statement (2%)	Degree proposed infrastructure assists a territorial authority to meet development capacity targets under the NPS-UDC.	<p>Use of the HIF can assist territorial authorities to provide infrastructure necessary to open up land to meet the “sufficient development capacity” targets set in the NPS-UDC.⁸</p> <p>Territorial authorities will be expected to estimate how much additional serviced land is required to be supplied in order to meet anticipated ‘sufficient development capacity’ targets under the NPS-UDC. The additional serviced land able to be supplied as a result of HIF assistance should be expressed as a proportion of that figure (where it is intended to contribute to the territorial authority’s anticipated target) as indicated in the table in Appendix 1.</p> <p>More robust estimates of the targets will be required at the DBC stage.</p> <p>Where a territorial authority already has sufficient development capacity under the NPS-UDC, territorial authorities should provide an explanation as to why further infrastructure investment is necessary.</p>

⁸ Ministry for the Environment and Ministry of Business, Innovation and Employment. 2016. *Proposed National Policy Statement on Urban Development Capacity: Consultation Document*. Wellington: Ministry for the Environment.

Section Six: Terms and Conditions of this Call for Final Proposals

A. General

A.1 The terms and conditions are non-negotiable and do not require a response. Each Territorial Authority that submits a proposal will be deemed to have agreed to this Call for Final Proposals (CfFP) terms and conditions without reservation or variation.

B. Investigations and reliance on information

B.1 Each Territorial Authority should satisfy itself as to the interpretation of this CfFP. If you are in doubt as to the meaning of any part of this CfFP, you should set out in your proposal the interpretation and any assumptions you used.

B.2 MBIE will not be liable (in contract or tort, including negligence, or otherwise) to anyone who relies on any information provided by or on behalf of MBIE in or in connection with this CfFP.

C. Territorial Authorities' clarification

C.1 Requests for clarification of any perceived ambiguity or uncertainty in the CfFP, or any other enquiry, must be made through GETS by no later than 17 March 2017. MBIE will respond in a timely manner.

C.2 If MBIE considers a request to be of sufficient importance to all eligible Territorial Authorities it may provide details of the question and answer to other eligible Territorial Authorities. In doing so, MBIE may summarise the Territorial Authority's question and will not disclose the Territorial Authority's identity. The question and answer may be posted on GETS, on MBIE's website and/or emailed to participating Territorial Authorities. A Territorial Authority may withdraw a request at any time.

C.3 In submitting a request for clarification a Territorial Authority is to indicate, in its request, any information that is commercially sensitive. MBIE will not publish such commercially sensitive information. However, MBIE may modify a request to eliminate such commercially sensitive information, and publish this and the answer where MBIE considers it of general significance to all eligible Territorial Authorities. In this case, however, the Territorial Authority will be given an opportunity to withdraw the request or remove the commercially sensitive information.

D. Reliance by Territorial Authorities

D.1 All information contained in this CfFP or given to any Territorial Authority by MBIE is for the purpose of allowing that Territorial Authority to prepare its proposal. MBIE has endeavoured to ensure the integrity of such information. However, it has not been independently verified and may not be updated.

E. Reliance by MBIE

E.1 Each Territorial Authority must use its best endeavours to ensure all information provided to MBIE is true, complete and accurate.

F. MBIE's clarification

F.1 MBIE may, at any time, request from any Territorial Authority clarification of its proposal as well as additional information about any aspect of its proposal. MBIE is not required to request the same clarification or information from each eligible Territorial Authority.

G. Inducements

G.1 Territorial Authorities must not directly or indirectly provide any form of inducement or reward to any officer, employee, advisor, Panel member, or other representative of MBIE in connection with this CfFP process.

G.2 Business-as-usual communications between MBIE and the Territorial Authority will be maintained with the usual contacts. However, during the CFFP process, Territorial Authorities must not use business-as-usual contacts to solicit or discuss details of this CFFP, with any person at MBIE or any other Crown Agency or Crown Entity or its agents, including any Panel members. This paragraph G.2 does not prevent territorial authorities from working on their business case with their regional transport advisors as appropriate and allowed for in Section Four.

H. Ownership and intellectual property

H.1 This CFFP and any other documents supplied by MBIE to any Territorial Authority remain the property of MBIE. All copyright and other intellectual property rights in this CFFP and any documentation and other information provided to any Territorial Authority or any other person by or on behalf of MBIE in connection with this CFFP will remain with, and belong at all times to, MBIE or its licensors. MBIE may request the immediate return of all documents supplied and any copies made of them at any time. Territorial Authorities must comply with any such request in a timely manner.

H.2 Any proposal(s) or information supplied by a Territorial Authority to MBIE will become the property of MBIE and may not be returned. Ownership of the intellectual property rights in a proposal does not pass to MBIE. However, in submitting a proposal, each Territorial Authority grants MBIE a non-exclusive, perpetual licence to use, disclose, and copy its proposal for any purpose related to this CFFP process.

H.3 By submitting a proposal, each Territorial Authority warrants that the provision of that information to MBIE will not breach any third-party intellectual property rights.

I. Confidentiality

I.1 Confidential Information is information that:

- a. is by its nature confidential
- b. is marked by either MBIE or a Territorial Authority as 'confidential', 'commercially sensitive', 'sensitive', 'in confidence', 'top secret', 'secret', 'classified' and/or 'restricted'
- c. is provided by MBIE, a Territorial Authority, or a third party in confidence
- d. MBIE or a Territorial Authority knows, or ought to know, is confidential.

Confidential information does not cover information that is in the public domain through no fault of either MBIE or a Territorial Authority.

I.2 MBIE and the Territorial Authority will each take reasonable steps to protect Confidential Information and, subject to paragraph 1.4 will not disclose Confidential Information to a third party without the other's prior written consent.

I.3 MBIE and the Territorial Authority may each disclose Confidential Information to any person who is directly involved in the CFFP process on its behalf, such as officers, employees, consultants, contractors, professional advisors, Panel members, partners, principals or directors, but only for the purpose of participating in the CFFP.

I.4 The obligations of confidentiality in paragraph 1.2 do not apply to any disclosure of Confidential Information required by parliamentary and constitutional convention and any other obligations imposed by law. Where MBIE receives an *Official Information Act 1982* request or a Territorial Authority receives a *Local Government Official Information and Meetings Act 1987* request that relates to the other party's Confidential Information, the party that has received the request will consult with the other

party and may ask the other party to explain why the information is considered by the other party to be confidential or commercially sensitive.

J. Reserved rights

J.1 You should be aware that the following rights are reserved:

- MBIE may amend, suspend, cancel and/or re-issue the CfFP.
- MBIE may make any material change to the CfFP (including any date) on the condition that you are given a reasonable time within which to respond to the change.
- In exceptional circumstances, MBIE may accept a late proposal where it considers that there is no material prejudice to other applicants.
- MBIE may waive irregularities or requirements in or during the CfFP process where it considers it appropriate and reasonable to do so.
- A proposal may not be approved for funding.
- All or any proposals/s may be rejected.
- A proposal may be accepted in whole, or in part.
- Any information you provide to MBIE with your proposal may be retained or destroyed.
- Clarification may be sought from any Territorial Authority(ies) in relation to any matter in connection with this CfFP process.
- Any Territorial Authority(ies) may be contacted, which may be to the exclusion of any other Territorial Authority(ies), at any time during this CfFP process.
- MBIE may reject, or not consider further, any documentation related to your proposal that may be received from you, unless it is specifically requested.
- This CfFP process may be run in such manner as MBIE may see fit.

K. No contractual obligations created

K.1 In accordance with the purpose of this CfFP process, no contract or other legal obligations arise between MBIE and any Territorial Authority out of, or in relation to, this CfFP process.

K.2 This CfFP does not constitute an offer by MBIE to provide funding or enter into any agreement with any Territorial Authority. The call for and receipt of proposals does not imply any obligation on MBIE to contract for any funding requested in any proposal. MBIE will not be bound in any way under this CfFP process.

K.3 MBIE makes no representations nor gives any warranties in this CfFP.

K.4 Any verbal communications made during the CfFP process will not be binding on MBIE and are subject to the terms of this CfFP.

L. No process contract

L.1 Despite any other provision in this CfFP or any other document relating to this CfFP, the issue of this CfFP does not legally oblige or otherwise commit MBIE to proceed with or follow the process outlined in this CfFP.

L.2 For the avoidance of doubt, this CfFP process does not give rise to a process contract.

M. Exclusion of liability

M.1 Neither MBIE nor any Panel members, officers, employees, advisers or other representatives will be liable (in contract or tort, including negligence, or otherwise) for any direct or indirect damage, expense, loss or cost (including legal costs) incurred or suffered by any Territorial Authority, its affiliates or other person in connection with this CfFP process, including without limitation:

- a) the preparation of any proposal
- b) any investigations of or by any Territorial Authority

- c) the suspension or cancellation of the process contemplated in this CfFP, or
- d) any information given or not given to any Territorial Authority(ies).

M.2 By participating in this CfFP process, each Territorial Authority waives any rights that it may have to make any claim against MBIE. To the extent that legal relations between MBIE and any Territorial Authority cannot be excluded as a matter of law, the liability of MBIE is limited to \$1.

M.3 Nothing contained or implied in or arising out of this CfFP or any other communications to any Territorial Authority shall be construed as legal, financial, or other advice of any kind.

N. Costs and expenses

N.1 MBIE is not responsible for any costs or expenses incurred by a Territorial Authority in the preparation of a proposal.

O. Governing law and jurisdiction

O.1 This CfFP will be construed according to, and governed by New Zealand law and you agree to submit to the exclusive jurisdiction of New Zealand courts in any dispute concerning this CfFP or any proposal.

P. Public Statements

P.1 MBIE may make public the following information:

- the name of any Territorial Authority that submitted a proposal
- the title, description and public statement of the proposal
- the total amount of funding applied for and awarded
- the period of time for which funding has been requested, and
- the fact that the project has been funded from the HIF.
- Please note that any information you provide may be published on the MBIE website.

P.2 MBIE asks Territorial Authorities not to release any media statement or other information relating to the process outlined in this CfFP, or of any proposal to any public medium without providing sufficient advance notice to MBIE.

Appendix 1: Summary of Proposal Template

About this template

- Territorial authorities are required to complete this summary template for each proposal.
- It is important that territorial authorities do not change the structure (section headings or sequence) as this will make it harder for the review and assessment personnel to find relevant information quickly; however territorial authorities may add additional rows or sections if appropriate.
- Before starting to complete this form please make sure that you have read the Call for Final Proposals (CfFP) in full and have understood the material provided. If anything is unclear or you have any questions, please get in touch with our Point of Contact (Quick Reference section of the CfFP) before the deadline for questions (17 March 2017).
- Please submit this completed form with your Business Case ensuring that the Declaration at the end of this document has been signed by the appropriate duly elected member of the territorial authority.

About the declaration

- Territorial authorities are required to complete the Declaration at the end of this document and provide it with their completed Summary of Proposals template.
- Please make sure that every part of the declaration is completed. Sections that require Territorial Authorities to input a response (select either agree or disagree) are in yellow highlight. Please remove the yellow highlighting when finished.
- Where Territorial Authorities are submitting a joint Proposal, each Territorial Authority must complete a separate declaration.
- Arrange for an elected member of the Territorial Authority (such as the Mayor or other person duly authorised to sign on behalf of the Mayor).

Summary Information

Territorial Authority:	
Proposal Title:	
Infrastructure Project/s :	<i>Type of Infrastructure: Water, Transport, Mixed</i>
Location of Project/s:	<i>Location of infrastructure to be built</i>
Location of housing being enabled:	<i>Location of housing infrastructure that will be enabled by the infrastructure, where the location is different to the infrastructure</i>
Is the proposal and/or projects in existing plans	<i>Detail plan and/or business case status. If the proposal and/or project are not on existing plans, provide an explanation for inclusion.</i>

Funding Information

Total Funding Requested:	<i>Total amount of funding being requested</i>
Funding by infrastructure project	<i>Amount of funding by project , e.g. for water and transport components (where mixed)</i>
Estimated drawdown of funding	<i>First drawdown mm/yyyy / Last drawdown mm/yyyy</i>
Estimated repayment period	<i>First instalment mm/yyyy / Last instalment mm/yyyy</i>

Description of the Proposal and Projects:

Briefly describe the proposal and infrastructure projects for which funding is being sought. Where the housing market crosses local boundaries, confirmation of cross-council support for development is required.

Public Statement:

Briefly state, in 30-50 words, a summary of your proposal for public release. Please note that this public statement may be released by MBIE or Ministers.

Dwellings, Yield and Spend

[Note – Details of how the below are defined is provided in Section Five of the ‘Call for Final Proposals’. *Figures are provided to illustrate how to complete the table*]

	2017/18- 2021/22 (5 years)	2022/23- 2026-27 (10 years)	2027/28- 2032/33 (15 years)	2033/34- 2047/48 (30 years)
No. of dwellings to be constructed (within each period)	500	500	500	500
No. of lower cost dwellings to be constructed (included in the number of dwellings)	50	50	50	50
Cumulative no. of dwellings to be constructed	500	1000	1500	2000
Projected demand (cumulative)	2000	3000	3500	4000
No. of dwellings/projected demand	25%	33%	42%	50%
Infrastructure cost (total funding sought)	\$10m	-	-	-
Infrastructure cost per dwelling constructed	\$20,000	\$10,000	\$6,667	\$5,000

Acceleration of infrastructure

Project	Plan	Current timing	Timing if b/f with HIF assistance	Change in timing
New expressway	[Long-term plan Regional land transport plan]	[2025-2026]	[2019-2020]	[6 years]

Contribution to Development Capacity

	2017/18-2019/20 (1-3 years)	2020/21-2027/28 (3-10 years)	2028/29-2047/48 (Up to 30yrs)
Territorial development capacity targets required to meet the NPS-UDC			
Contribution to NPS-UDC targets			

Declaration

Topic	Declaration	Territorial Authorities' declaration
Primary Contact	Enter the contact details for your primary point of contact. Name: [Name] Telephone: [Telephone] Email: [Email]	Not required
Secondary Contact	Enter the contact details for your secondary point of contact. Name: [Name] Telephone: [Telephone] Email: [Email]	Not required
Public Statement	I/we have provided a public statement in this response form, and understand that MBIE or Ministers may make this statement available to the public, in whole or in part.	[agree / disagree]
CffP Process, Terms and Conditions	I/we have read and fully understand this CFFP, including the CFFP Process and Terms and Conditions. I/we confirm that the Territorial Authority agree to be bound by them.	[agree / disagree]
Requirements	I/we have read and fully understand the nature and extent of MBIE's Requirements as described in the Call for Final Proposals. I/we confirm that the Territorial Authority has the necessary ability to meet or exceed the Requirements of the HIF.	[agree / disagree]

Ethics	<p>In submitting this Proposal the Territorial Authority warrants that it:</p> <ul style="list-style-type: none"> a. has not directly or indirectly approached any representative of MBIE (other than the Point of Contact), NZTA (other than regional advisors), or Government to lobby or solicit information in relation to the CfFP; and b. has not attempted to influence, or provide any form of personal inducement, reward or benefit to any representative of MBIE, NZTA, or Government. 	[agree / disagree]
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Conflict of Interest declaration	<p>The Territorial Authority warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Proposal. Where a Conflict of Interest arises during the CfFP process the Territorial Authority will report it immediately to MBIE’s Point of Contact.</p>	[agree / disagree]
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Details of conflict of interest: [if you think you may have a conflict of interest (or one may be present in the proposal) briefly describe the conflict and how you propose to manage it or write ‘not applicable’].

DECLARATION

I/we declare that in submitting the Proposal and this declaration:

- a. the information provided is true, accurate and complete and not misleading in any material respect
- b. I/we have secured all appropriate authorisations to submit this Proposal, to make the statements and to provide the information in the Proposal and I/we am/are not aware of any impediments to enter into an Agreement to deliver a project.

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Proposal may result in the Proposal being eliminated from further participation in the CfFP process and may be grounds for termination of any Agreement awarded as a result of the CfFP.

By signing this declaration the signatory below represents, warrants and agrees that he/she is a duly elected member of the Territorial Authority and authorised to make this declaration on its/their behalf.

Signature: _____

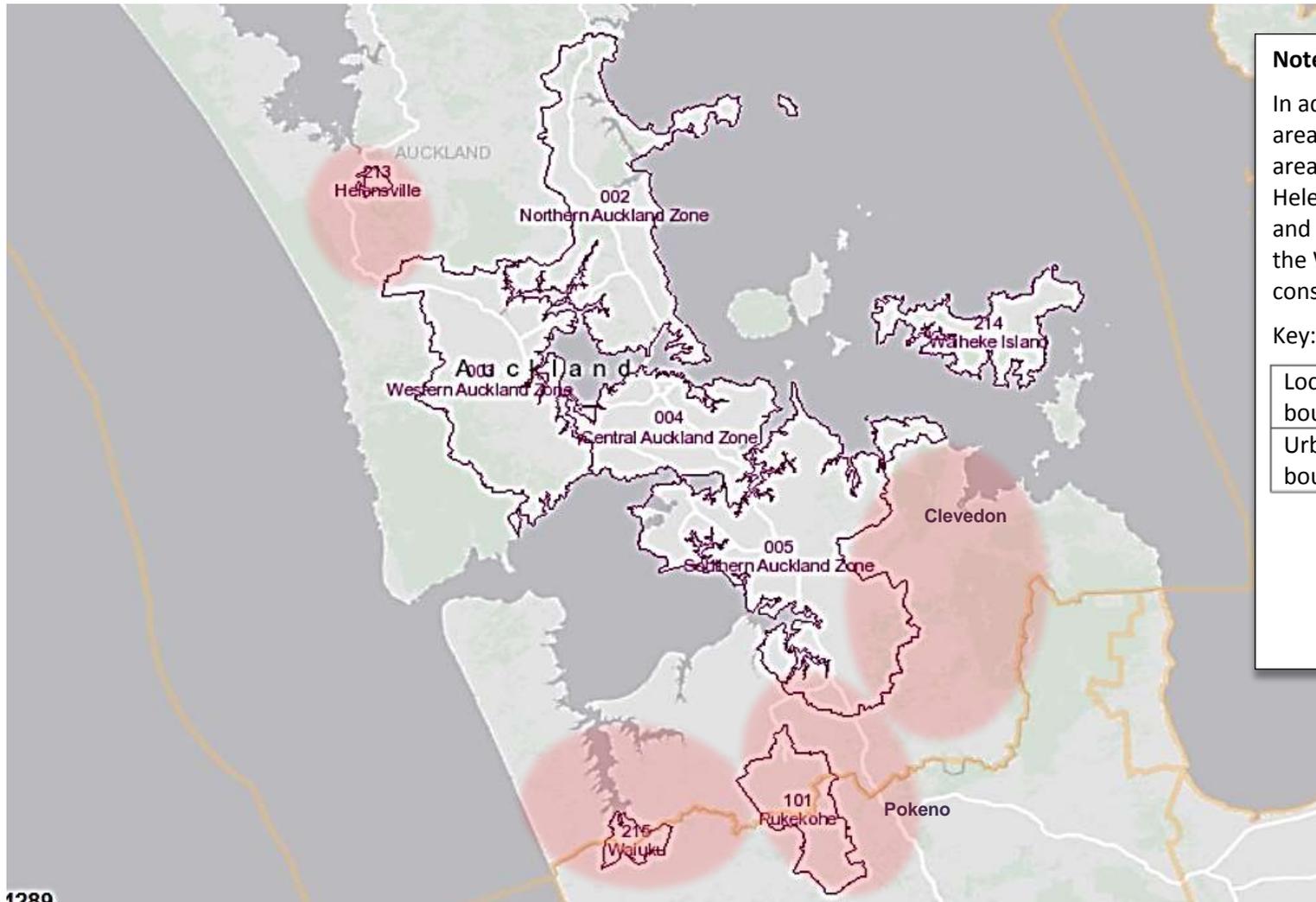
Full name: _____

Title / position: _____

Name of Territorial Authority: _____

Date: _____

Appendix 2A: Auckland Urban Area



Notes:

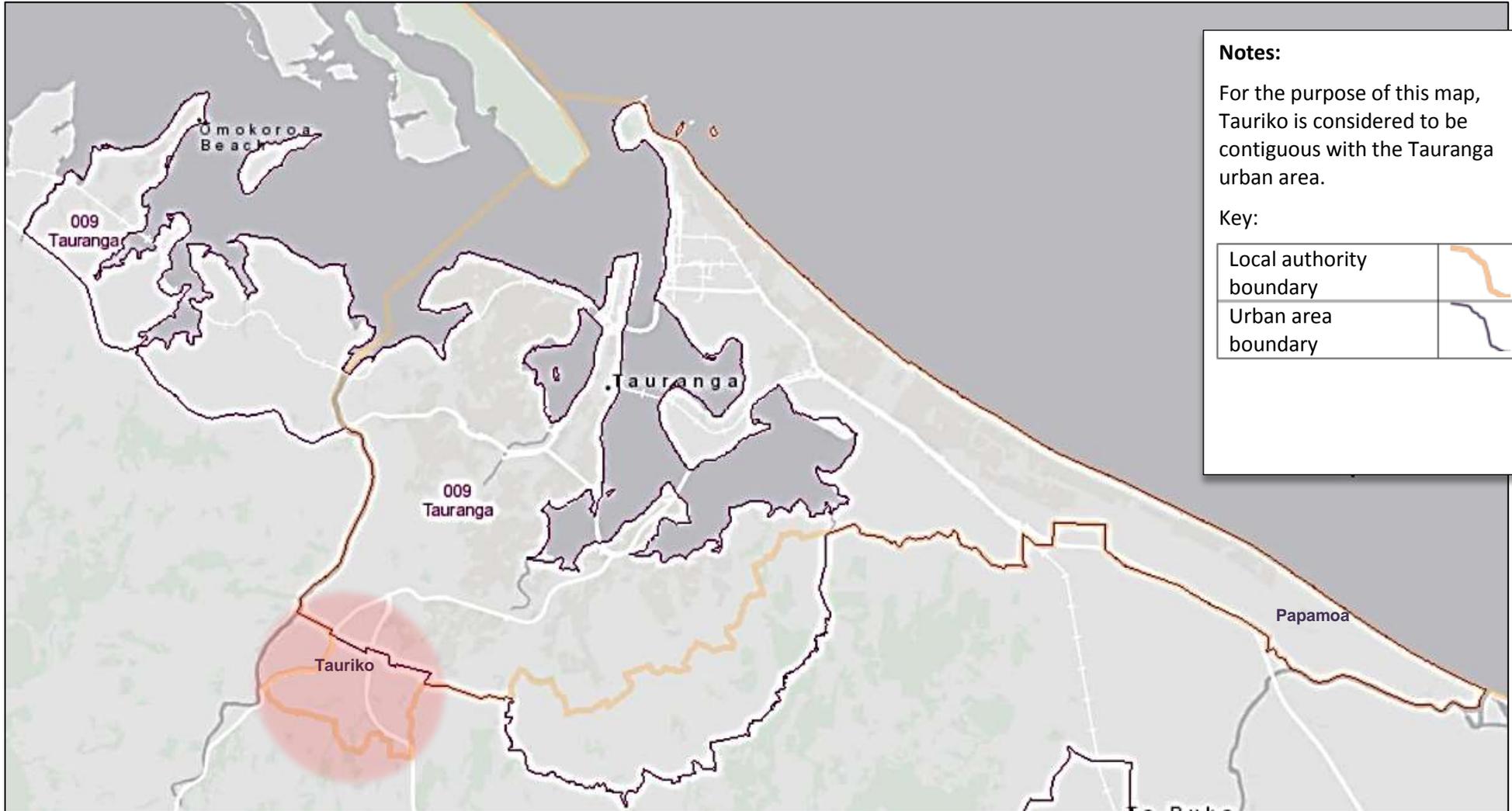
In addition to the Auckland urban area shown on this map, growth areas out to and around Clevedon, Helensville, Waiuku, Pukekohe, and Pokeno (some of which is in the Waikato District) could be considered contiguous.

Key:

Local authority boundary	
Urban area boundary	

1289

Appendix 2B: Tauranga Urban Area

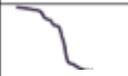


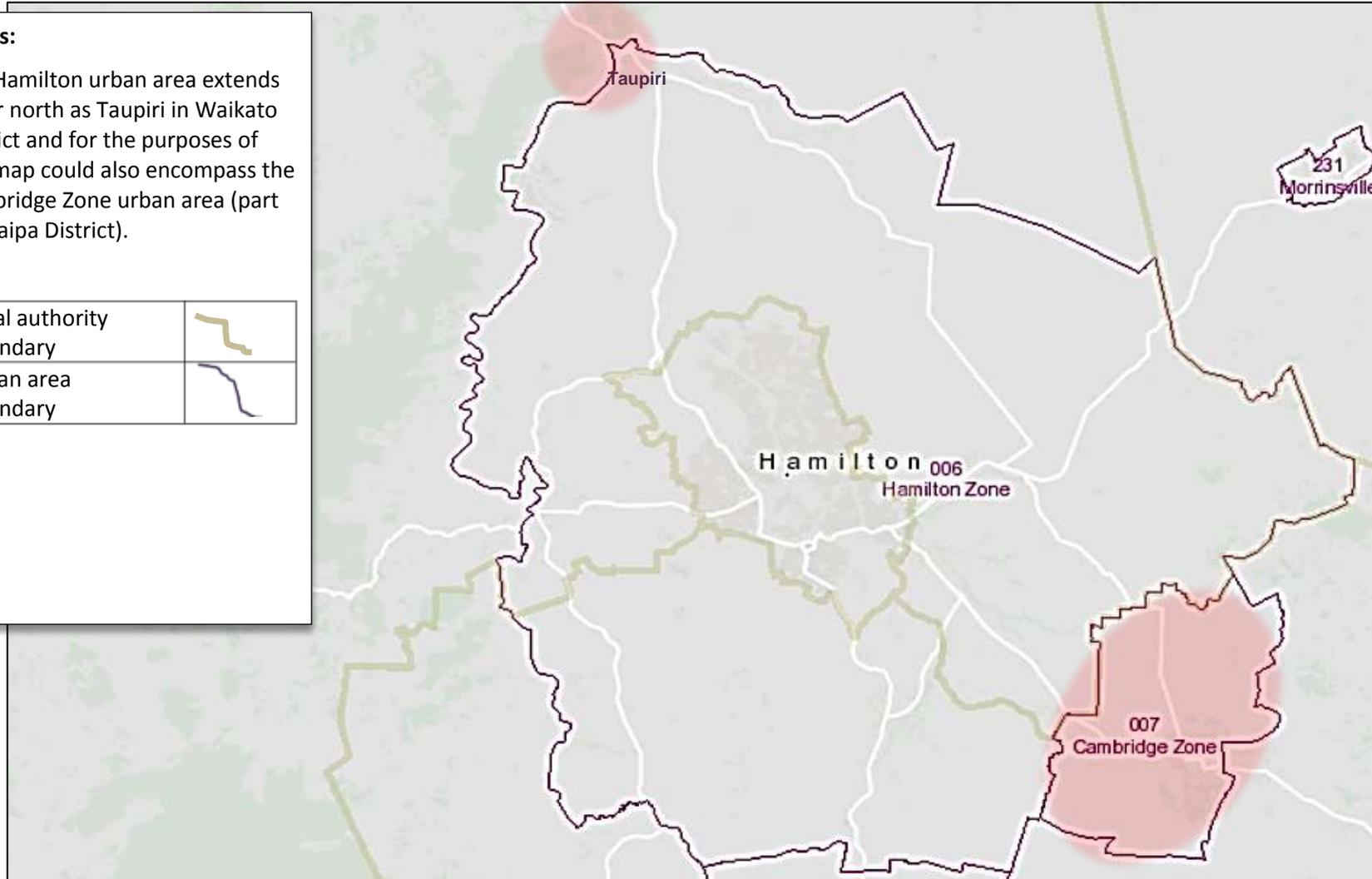
Appendix 2C: Hamilton Urban Area

Notes:

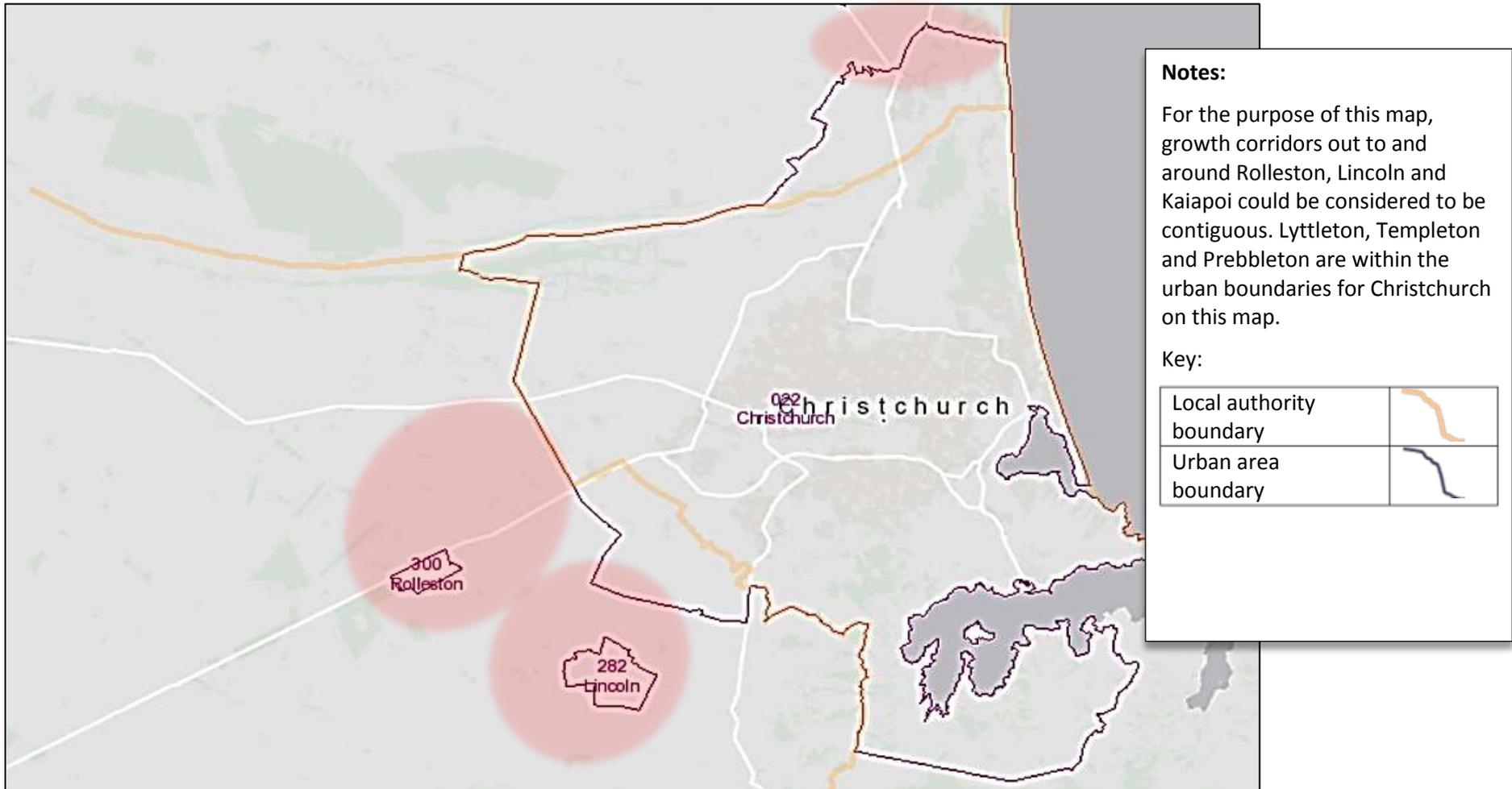
The Hamilton urban area extends as far north as Taupiri in Waikato District and for the purposes of this map could also encompass the Cambridge Zone urban area (part of Waipa District).

Key:

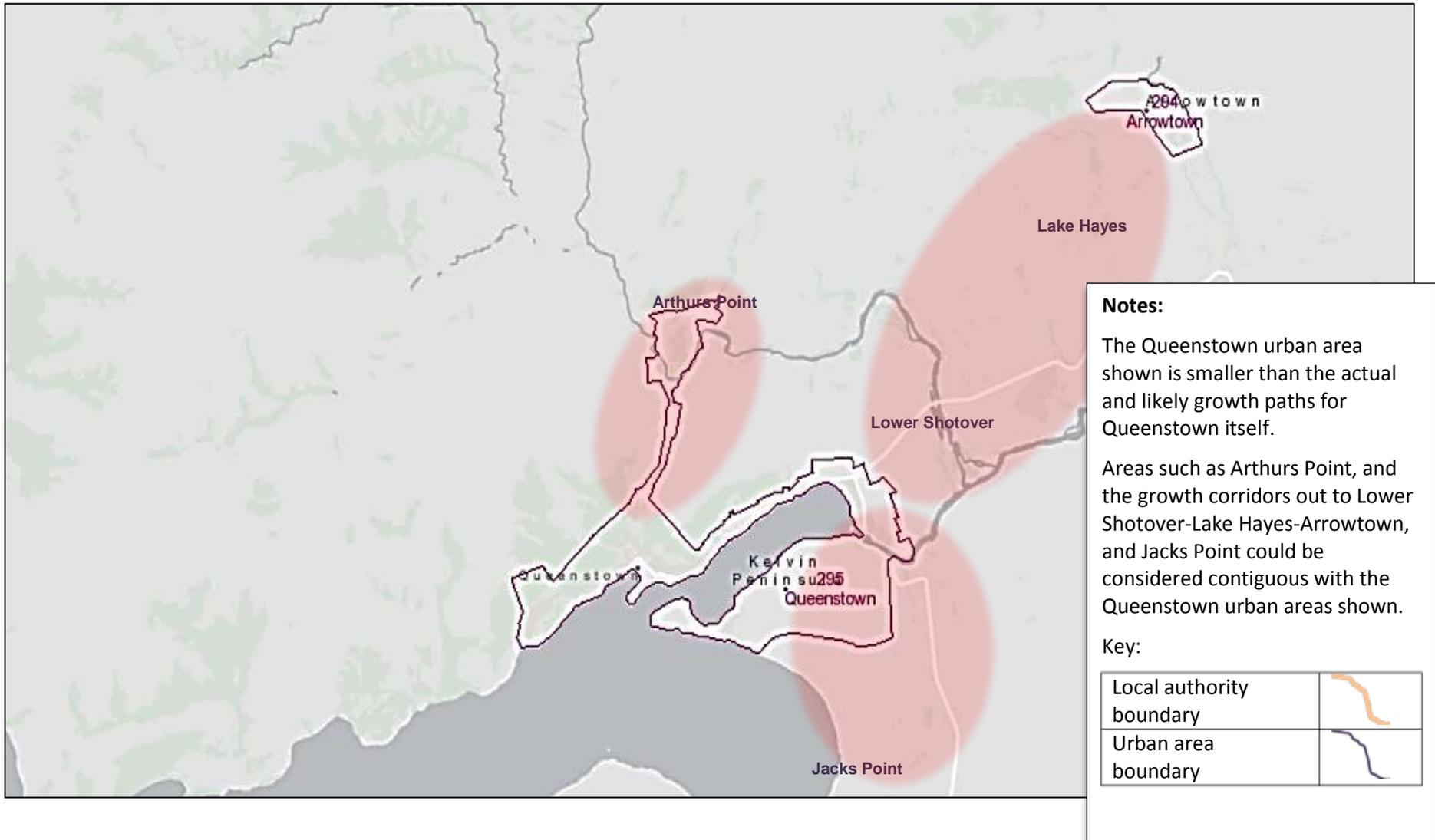
Local authority boundary	
Urban area boundary	



Appendix 2D: Christchurch Urban Area



Appendix 2E: Queenstown Urban Area



Appendix 3: Checklist for Territorial Authorities

This checklist is intended to provide general guidance for territorial authorities when formally submitting their final proposals. It is not an exhaustive list, and territorial authorities are encouraged to refer to the contents of the Call document for guidance, as well as any Questions/Answers, notices or clarifications published on GETS, the MBIE HIF web page or by email.

Task	✓
1. Complete a Proposal Summary (refer to Section Four) using the format prescribed in Appendix 1. Where a territorial authority is proposing more than one project that can proceed independently, prepare a Proposal Summary for each separately.	
2. Complete a Business Case, using the Better Business Case format (refer to Section Four). Where a territorial authority is proposing more than one project that can proceed independently, prepare a Business Case for each separately.	
3. Make sure that you have complied with the following instructions: <ul style="list-style-type: none"> • Ensure that your proposal addresses how the projects comply with the HIF objectives. • Ensure that the way that figures, statistics or evidence in support of the assessment criteria are calculated and presented consistently with the guidance provided under Section Five. • Ensure that the Business Case has incorporated the Treasury’s Five Case model as required under Section Four. 	
4. Arrange for the declaration to be signed by a duly elected member.	
5. Prepare your Proposal for electronic submission on GETS by creating final soft copy files for each document to be submitted.	
6. Arrange for the Proposal to be submitted to MBIE via GETS before the Deadline for Proposals on 2:00 p.m. 31 March 2017.	