



Minister of Finance Minister for Infrastructure

Briefing to
Incoming Ministers

Rau Paenga Limited
Crown Infrastructure
Delivery

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Welcome

A MESSAGE FROM OUR CHIEF EXECUTIVE

Tēnā koe Hon Nicola Willis and Hon Chris Bishop

Congratulations on your appointment and we welcome you as our shareholding Ministers.

As the Crown's infrastructure delivery agency, Rau Paenga looks forward to understanding your objectives and working with you to support the delivery of the Government's infrastructure programme.



**SCAN THE QR CODE
TO WATCH OUR SHORT
VIDEO INTRODUCTION**

A Schedule 4A Company with an independent Board, we help Government entities deliver infrastructure the country needs.

Formally known as Ōtākaro, we were set up in 2016 after the disestablishment of CERA, as the Christchurch post-quake regeneration agency.

Rau Paenga is using lessons learnt during the delivery of the Ōtākaro \$1bn infrastructure programme to more efficiently, effectively and consistently deliver major projects.

We are well underway with our four inaugural projects, and discussions are advanced for us to take on further projects. We expect to sign numerous agreements within the year.

These are challenging times for the construction sector. Rau Paenga is well placed to help the Government navigate the sector, become a smarter client, and ensure the Government gets things built.

We look forward to helping you deliver better infrastructure outcomes for New Zealanders.

John O'Hagan
Chief Executive

A handwritten signature in black ink that reads "John O'Hagan". The signature is written in a cursive, slightly slanted style.

Purpose

A CENTRE OF EXCELLENCE FOR CROWN INFRASTRUCTURE DELIVERY

Being a smart client or purchaser is essential to the successful delivery of infrastructure projects – these capabilities are understandably lacking in some Government agencies, where the core business is delivering services or advice rather than infrastructure.

These agencies are not in the day-to-day business of delivering large construction projects, yet many have looming infrastructure needs.

Rather than bringing in external contractors or asking in-house project teams unfamiliar with construction projects to manage their one-off builds, we support these organisations with end-to-end planning and delivery of their infrastructure needs.

We provide highly skilled and experienced project delivery teams that can specifically tailor support for a project.

We are currently centrally funded so these agencies benefit from our infrastructure delivery expertise, resources, and processes without the burden of added cost.

OTHER CROWN AGENCIES AND LOCAL GOVERNMENT

We do not routinely work with agencies that have existing and mature project management functions but can occasionally provide surge capacity for larger agencies in certain situations, with your agreement.

There is provision in our constitution to work with councils in the future if you agree.

Rau Paenga is delivering a new biosecurity facility in Auckland for the Ministry for Primary Industries.



By the numbers

 **\$1 billion**

of infrastructure delivered

 **\$109m**

of land divestment and public realm regeneration programmes in Christchurch since 2016

 **900+**

Risk workshops conducted to produce quantitative risk assessments for our projects to better understand the probabilities of our cost risks to proactively manage budget and scope.

 **~\$950m**

Worth of new delivery agreements with Crown agencies

 **1,170+**

Contracts

 **261**

Events at Te Pae in first year

 **85**

Employees

 **>\$62m**

The boost that Te Pae provided to the local economy

 **900+**

Contractors' construction schedules reviewed

A history of responding, supporting and delivering

2011



Shallow 6.3 magnitude earthquake near Christchurch. 185 lives lost and extensive damage.



CERA (Canterbury Earthquake Recovery Authority) created to support city recovery.

2022



Ōtākaro neared the end of its regeneration work.

Government saw merit in a Central Crown Infrastructure Delivery agency.

Ōtākaro capability and experience preserved with commitment to grow into nationwide entity.



2016



CERA disestablished. Ōtākaro created, primarily to deliver Crown-led infrastructure projects in central Christchurch.



\$1b portfolio that encompassed seven infrastructure programmes.

2023



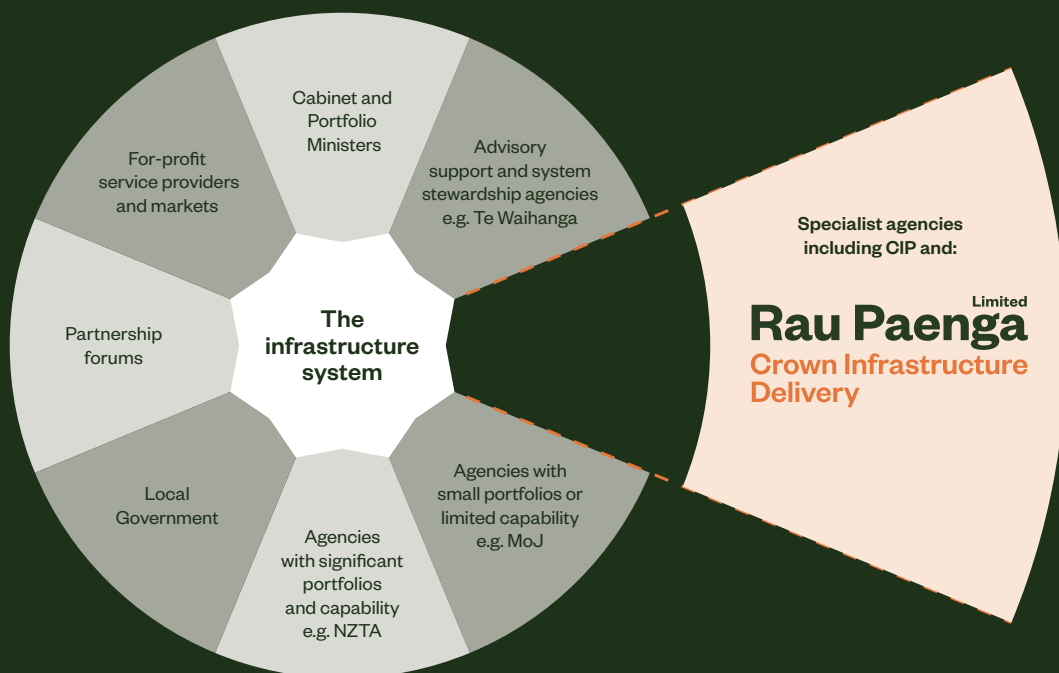
Rau Paenga formally established in April and new offices opened in Auckland and Wellington.

Four inaugural projects confirmed with other Government entities by June, with numerous other projects in development.

Fitting into the infrastructure system

RAU PAENGA IS DOING MORE THAN JUST DELIVERING PROJECTS

Beyond its project portfolio, Rau Paenga is focused on helping the Crown to be a better customer, building delivery capability within the Crown, and supporting the growth of a robust domestic construction sector.



The company aims to help the Crown be a 'smart client' when engaging with the construction sector. We bring lessons learnt and expertise from our experience in Christchurch.

By supporting a diverse set of Crown Project Owners to deliver infrastructure, we have a unique opportunity to become an 'Aggregator of Projects' in a disaggregated system.

We can share learnings across projects, better understand market capability and capacity in key regions, and provide Government with greater insight into the status of its infrastructure investments.

Our practical insights and data help inform infrastructure and procurement policy, and we partner closely with other Government infrastructure entities, particularly Te Waihangā and Crown Infrastructure Partners (CIP).

We also work with New Zealand Government Procurement, the Construction Sector Accord and the Treasury to support and advance their work programmes, and to help tackle systemic issues that span numerous agencies.

Infrastructure investment ecosystem



The Crown's infrastructure delivery agency:

- Provides a centralised, permanent capability and expertise in project delivery, procurement and reporting services to ensure infrastructure projects for Crown agencies throughout NZ are delivered.
- Completed \$1bn of post-earthquake vertical and horizontal infrastructure anchor projects in Christchurch.
- Helping the Crown to be a better informed, more commercially astute client to the construction sector.



Provides strategic leadership and coordination in infrastructure planning and development, main functions include:

- Developing a 30-year infrastructure strategy for New Zealand;
- Coordinating and prioritising infrastructure planning across Government agencies; and
- Providing advice and guidance on infrastructure policy and investment decisions.



Focuses on infrastructure funding financing and delivery to support the Government in achieving its infrastructure objectives by:

- Funding and overseeing the delivery of connectivity infrastructure including the Emergency Services' Public Safety Network;
- Management of Infrastructure Funds including 3 Waters, IRG, Cyclone recovery to fund Councils, private sector, iwi and NGOs; and
- Utilising the Infrastructure Funding and Financing Act to raise private capital to fund public infrastructure and support housing growth.

Funding

Rau Paenga was allocated \$100m of operational funding to help Government agencies deliver infrastructure projects more efficiently, effectively, and consistently throughout the country.

Rau Paenga has also been allocated funding for working capital needs and to bridge the delay between the project incurring costs such as paying builders and those costs being paid for by Government agencies as the project owners.

That means any funding approved for a project that Rau Paenga is involved in will be spent on that project and not on Rau Paenga services.

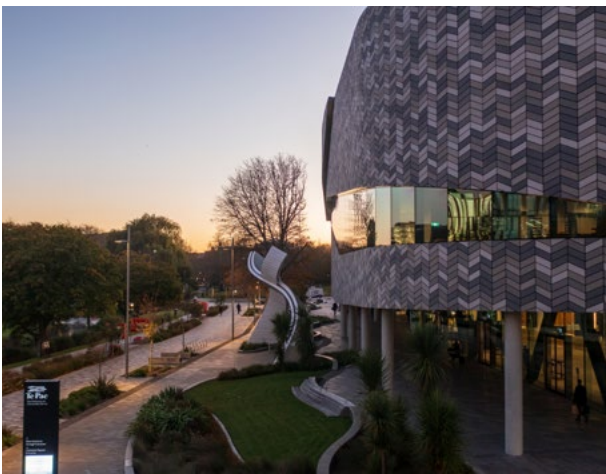
Project-owning Government agencies retain control of project funding and reimburse Rau Paenga as project-related costs are incurred.

The current funding enables our operating model to work efficiently and deliver value for money into the future.



Project delivery

Te Pae Christchurch Convention Centre



\$ **\$450m**

28,000m²

2,000

NEW ZEALAND'S FIRST INTERNATIONAL STANDARD CONVENTION CENTRE

With the ability to host a single 2,000-person conference or simultaneous smaller events, Te Pae is providing an economic and social boost to Christchurch. The 130,000 delegates that attended events in the first year injected >\$62m into the local economy.

Te Papa Ōtākaro/ Avon River Precinct



\$ **\$120m**

48,000m²

9 projects

NEW ZEALAND'S LARGEST PUBLIC REALM REGENERATION PROGRAMME

This popular programme has accentuated the Ōtākaro/Avon River as a key central city feature. It included the City Promenade, Canterbury Earthquake National Memorial, Margaret Mahy Family Playground and Victoria Square restoration projects.

Parakiore Recreation and Sport Centre



11 pools



30,000m²



9 courts

THE LARGEST AQUATIC AND COURT FACILITY OF ITS TYPE IN NEW ZEALAND

Still under construction, Parakiore will be a major asset for Christchurch, with its central location and an array of recreational and competitive water and court sports facilities. It will also provide a regional sports hub, high performance and education amenities.

East Frame Residential Area



473 homes



9,000m² grass



14,000 plants

A MAJOR NEW INNER-CITY NEIGHBOURHOOD

Spanning six city blocks, this significant new residential area has 473 homes completed or under construction and will eventually provide up to 900 homes. Fletcher Living and Williams Corporation are currently delivering the homes.

Our current work programme

PORTFOLIO PHASE 1

These projects were identified in 2022 as part of the process to repurpose Ōtākaro Limited.



Auckland District Court

MINISTRY OF JUSTICE

Seismic strengthening of the 28,000m² Auckland District Court building. The 14-storey building houses 28 courtrooms, one-third of all courtrooms in the Auckland region.



Wellington 'Science City'

MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

Lead delivery of the programme for three co-located Crown Research Institutes campuses. The new hubs will be developed to complement existing infrastructure.



Plant Health and Environment Capability (PHEC) Project, Auckland

MINISTRY FOR PRIMARY INDUSTRIES (MPI)

Delivery of new laboratories and post-entry quarantine facilities that will meet the growing demand for biosecurity services for New Zealand's plant-based sectors. The 12,400m² facility will also promote further development of the sector's export potential.



National Library and Archives Building, Wellington

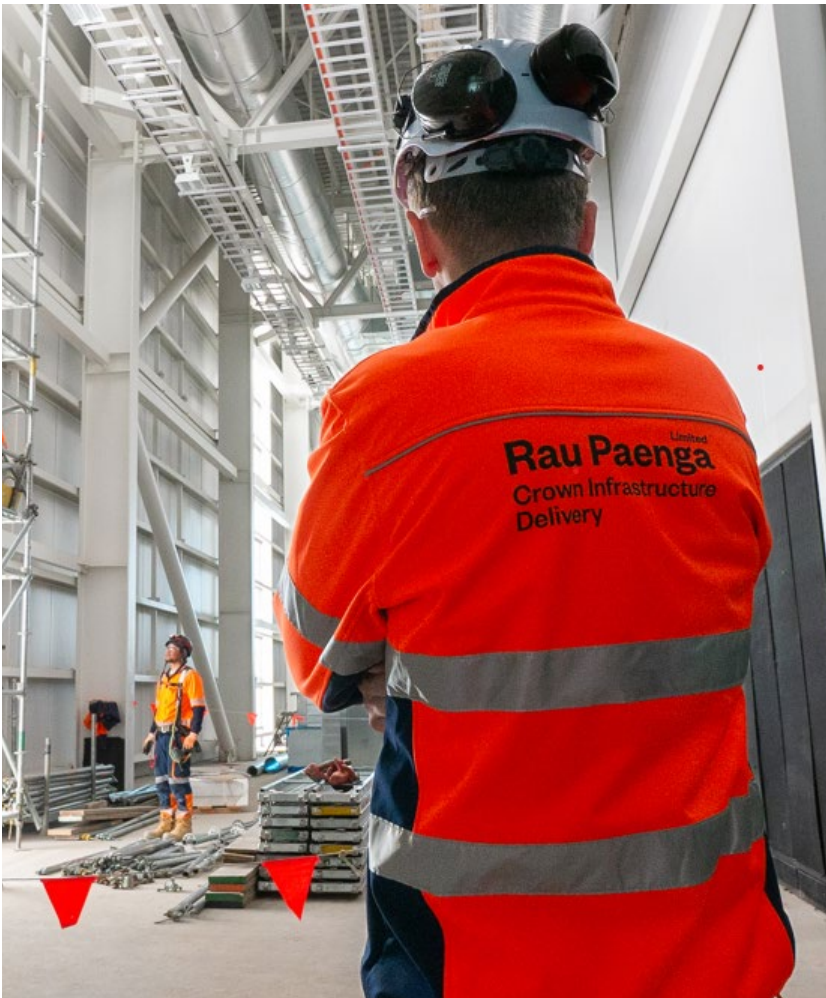
DEPARTMENT OF INTERNAL AFFAIRS

Support the delivery of the National Library and National Archives (Te Ara Tahī) projects and delivery of the enabling structure for a bridge to link the existing National Library building with the new National Archives building.

Future work

PORTFOLIO PHASE 2

There are numerous projects gaining momentum that are likely to become part of our portfolio over the next 12-18 months.



Comprehensive project support

Our project leadership resources are supported by the in-house Project Support Office (PSO), which offers a range of essential services to enable successful project delivery.

The team mitigates the risks associated with managing all the challenges presented by infrastructure delivery and alleviates those pressures. It can do so by providing a ready-to-go project team that can undertake complex, high-value procurement activity, backed by a powerful suite of tools and experiences to manage infrastructure delivery challenges.

The PSO team members come from various professional backgrounds including mechanical engineering, quantity surveying, law, risk consultancy, project delivery, information technology, and project management.

They work in a closely connected system, offering a range of services to enable successful project delivery. This includes change control, quality and assurance, budget and cost management, benefit impact assessments, risk and issues management, schedule management, project and programme reporting, procurement and contract management (legal and commercial).

To achieve consistent and high-quality outcomes they use sophisticated technology platforms.



Andrew Cooper
Head of Project
Support Office

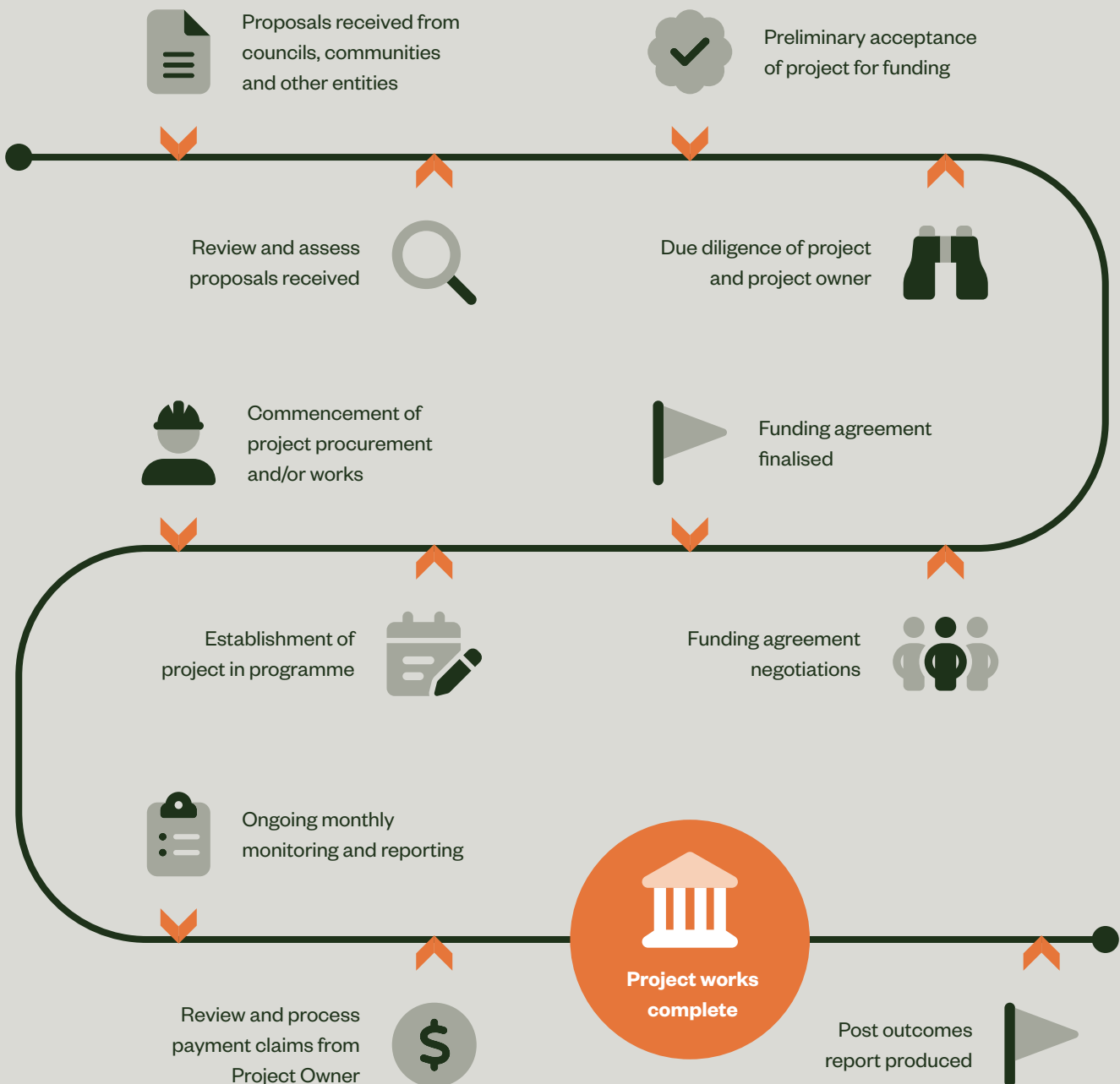
“The origin of Rau Paenga is grounded in civil regeneration through difficult times. This environment created a unique organisational culture of focus on delivery of infrastructure for people, process agility, and innovation.

As a result, the company has grown its team of skilled project leadership resources that are supported by the in-house PSO, which has been building since 2016.”

Shovel ready

Since mid-2020 our shovel ready programme has part-funded 12 Canterbury projects.

These include three new Surf Life Saving Clubs, a new Cancer Society building, library and other community-led projects. We provided monitoring, assurance, and financial oversight for the projects, most of which have been completed.



Meet some of our team

Our team of in-house experts help Crown agencies navigate the complexities of infrastructure delivery.



Tom Hepi
Safety and Wellbeing Manager

Tom is responsible for leading our health, safety and wellbeing functions and has worked on all the delivery projects to date



Rob Ecclestone
Risk and Reporting Manager (PSO)

Rob ensures our programme teams are aware of and monitoring risks effectively. Members also provide timely, accurate reports to support project decision making.



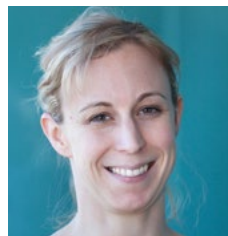
Drew Atkins
Project Finance Manager (PSO)

Drew's role is to oversee budget and cost management across projects and portfolios and communicate financial insights to stakeholders for informed decision-making.



Martin Shelton
Development Director

Martin is responsible for major development projects in the upper North Island, including the seismic strengthening of the Auckland District Court.



Lizzy Pearson
Project Director

Lizzy is responsible for the delivery of major infrastructure projects. She played a considerable role in shaping many of the post-quake anchor projects in Christchurch.



Vy Nguyen
Principal Policy
Advisor

Vy contributes to the development of Rau Paenga policy positions and policy advice led by other agencies. She also provides reports and advice for shareholding Ministers.



Gary Choromanski
Manager Project
Establishment

Gary's role involves managing the transition of new projects, ensuring that agreements, governance and delivery teams, systems, data and relationships are set up successfully.



Sarah Fields
Deputy General
Counsel

Sarah identifies and mitigates legal risk across the company. She is responsible for negotiating and documenting legal agreements for our delivery projects.



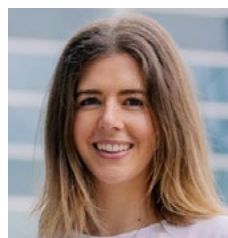
Ayokunle Martins
Scheduling
Manager

Ayokunle (Ayo) is responsible for the technical scheduling of projects, monitoring project timelines and deadlines. He identifies potential project schedule delays and facilitates intervention in a timely manner.



Jana Heasman
Project Case
Manager

Jana leads the monitoring and assurance programmes of work. This includes the 12 projects within the shovel ready programme.



Jenna Serfontein
Senior Procurement
Manager

Jenna oversees our formal engagement with the market and manages the team that facilitates procurement processes across all business units.

Our culture



Sue Squire
General Manager,
People and Safety

“From the inception of Ōtākaro, and now as we have transitioned to Rau Paenga, the organisation continues to have a strong focus on agility and efficient delivery, achieved through the demonstration of the behaviours that underpin our values.

Rau Paenga is both a client- and people-centric organisation. We attract high-calibre employees, who are supported, developed, and provided with the tools necessary to achieve efficient and high-quality delivery of a range of projects for our clients.”

Successive staff survey results have shown we have a positive culture, typified by pride in delivering assets that are valued by locals, a confidence in our ability to overcome challenges, a sense of trust and openness, and a belief that we have a lot to offer Crown infrastructure.

OUR VALUES



Keep it simple.
Kia mārama



Do what's right.
Mahi tika

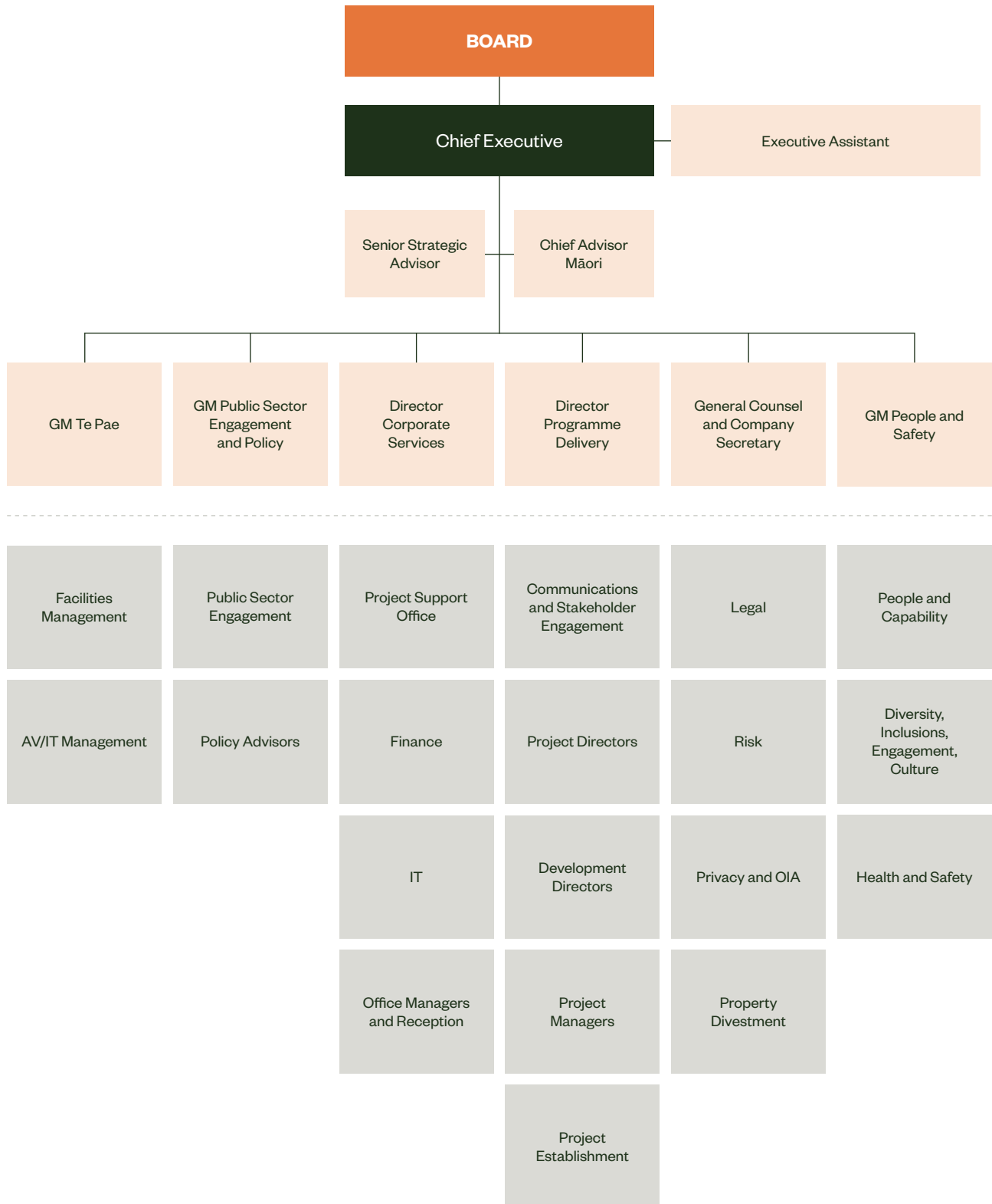


Make it happen.
Mahia



Build lasting relationships.
Whiria kia ita

Our company structure



Our Board of Directors



CORINNE HAINES
CNZM, CHAIRPERSON

With more than 50 years' business experience, Corinne was at the helm of Trimble Navigation New Zealand Limited for nearly 20 years. She has a Bachelor of Commerce in Accounting and Economics, and is currently CEO, City Missioner, at the Christchurch City Mission.



PETER TOWNSEND
CNZM, DIRECTOR

Peter was the Chief Executive of The Canterbury Employers' Chamber of Commerce for 21 years. An experienced company director, he is Chair of Te Papa Hauora, The Health Precinct, and is a Board Member of Warbirds over Wanaka Limited.



MIRIAM DEAN
CNZM KC, DIRECTOR

With 25 years' governance experience, Miriam is the Chair of the Banking Ombudsman Scheme and a Director of the Real Estate Institute of New Zealand. She has 38 years' legal experience as a former Partner of law firm, Russell McVeagh.



PAUL BLACKLER
DIRECTOR

Paul has 38 years' experience in the construction industry and is currently General Manager of Construction New Zealand at Ryman Healthcare. He was Deputy Chairman of the Building Practitioners Board from 2005 to 2012.



BRENDON GREEN
DIRECTOR

Brendon brings 30 years' expertise in delivering large-scale assets in New Zealand, Mexico and the US. He has extensive board experience and a depth of understanding in working with Māori. He holds positions with Scion, Watercare, Tainui Kawhia Incorporation, Waihanga Ara Rau and Hiringa Energy Ltd. He has a degree in Chemical Engineering.



STUART SHEPHERD
DIRECTOR

Stuart is a director of Sustainable Property Investments and is the chair of Home Holdings Ltd Partnership. An economist and chartered accountant, he has worked in the infrastructure and commercial property sectors for most of his career.

The Treaty relationship



OUR STRATEGY HAS A VISION:

“We support the infrastructure aspirations of iwi and Māori communities as we manage Crown Infrastructure delivery.”

Strengthening partnerships with Māori

Partnering with iwi/Māori during our infrastructure delivery is integral to our role leading and supporting the Government's infrastructure delivery.

Building strong, meaningful and enduring relationships with iwi and Māori is one of the foundations of our work. Rau Paenga plays a central role supporting the Crown in its relationship with Māori under te Tiriti o Waitangi.

Our relationships with iwi/Māori will be based on tikanga Māori, recognise that different partnership models will be appropriate for different types of infrastructure, and will be consistent with an all-of-Government approach.

Our partnering approach ensures that Māori values and aspirations are reflected in our infrastructure projects. It's our experience that partnering with Māori can ensure that an infrastructure project has the greatest benefit for the community, unlocking economic, environmental, social and cultural benefits.

Unlocking opportunities for Māori

Infrastructure can have a major impact on wellbeing, whether it's providing access to services, or creating jobs. In our projects we know it's important to Māori that we care for the environment, support iwi to exercise kaitiakitanga of their resources, and identify other positive wellbeing outcomes.

We have systems in place at Rau Paenga to use our procurement mechanism to unlock further opportunities and improved outcomes for Māori.



Sarah Howard
Chief Advisor Māori

Rau Paenga^{Limited}
Crown Infrastructure
Delivery

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