

Hon Grant Robertson

MP for Wellington Central

Minister of Finance

Minister for Sport and Recreation

Minister Responsible for the Earthquake Commission

Associate Minister for Arts, Culture and Heritage



31 AUG 2020

Anon 12345
fyi-request-13275-a3502a43@requests.fyi.org.nz

Dear Anon 12345

Thank you for your Official Information Act request, received on 10 July 2020. You requested:

"I would like to know how much was spent by the government on the 'Shovel Ready' initiative.

If possible, please provide the following information:

- 1) Fees paid to ALL advisors (obviously, split this by advisor) - it is my understanding that CIP utilised a consortium of engineering, finance and other advisors for this project. If fees have not been paid or finalised, please provide estimates of these amounts.*
- 2) The role each advisor had for Shovel Ready;*
- 3) Fees by nature of work - please summarise the total fees above into type of work (i.e. money spent to develop the PIF form, costs to collate the PAPER form, costs to review forms, costs to debate project significance) etc; and*
- 4) How did the final cost compare to the budget cost for the Shovel Ready Initiative and reasons for over/under spend."*

The following information is relevant to your request and I have decided to release it subject to some information being withheld under the Official Information Act.

Fees paid to all advisors

This information is withheld due to

- commercially sensitive information, under section 9(2)(b)(ii) – to protect the commercial position of the person who supplied the information, or who is the subject of the information.

The role of advisors

- The Engineering advisors used by Crown Infrastructure Partners (CIP) are Mott MacDonald, BECA and RCP.
- Legal advice was provided by Bell Gully (Limited).
- Database management and financial advice was provided by KPMG.
- Financial advice was provided by Mafic.

- Economic advice was provided by Infometrics and NZIER.

Existing internal CIP staff were used to manage the process and produce the report.

Each firm carried out reviews on projects (valued at more than \$10m) for construction readiness, reasonableness of cost and scope, and they provided capacity reviews.

Fees by nature of work

CIP were able to provide the following information regarding fees by nature of work:

Cost for PIF form

- Existing internal CIP staff were used to manage the process and produce the form and the associated report.

Paper form

- All information was sent from project owners to CIP electronically.

Cost to review forms

- The review process was completed by the contractors and specialists listed above and in the table below.

Costs to debate project significance

- CIP looked to provide impartial advice based on government criteria, rather than debate the significance of projects.

Final cost compared to budgeted costs

CIP were able to provide the following information regarding actual costs and budgeted costs:

Shovel ready costs v budget	Actual \$m	Budget \$m
Legal / Economic / Database / Financial and Commercial Advice	1.1	
Engineering	1.7	
Total External Costs	2.8	
CIP Internal Costs	0.5	
Total	\$3.3m	\$4.5m

Please note that the difference between the actual spend and budgeted spend was due to less engineering advice being required than was originally anticipated.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Hon Grant Robertson
Minister of Finance