

New Zealand Government

# **COVER SHEET**

# 5.8 Better elevation data infrastructure PGF Application

### Background & context:

### **Applicant Organisation:**

• Land Information New Zealand

### Proposal:

The proposal seeks funding for the coordinated capture of provincial elevation data (in 3D).

NZ's regions face serious challenges such as improving land productivity, smarter infrastructure investment and adaptation to climate change. Elevation data allows for the production of maps and models land in precise 3D.

Options proposed:

- A 3 year option would fund coverage for surge regions and regions ready to enter into cofunding pattnerships.
- A 5 year option would fund coverage over nearly all of provincial NZ
- Under both options, LINZ would seek Commercial Information
   Commercial Information % of
   total costs.
- The data will be accessible to whoever wishes to use it, for any reuse purpose at no cost.

Funding Sought	Option 1 3 Year \$ml	Option 2 5 Year \$ml	
Project Costs Capital Expenditure Operating Expenditure Total Co-funding - Councils - LINZ Total PGF - Capital Funding - Operational Funding Total	Comm ercial Inform ation	Comme rcial Informat ion	

# Discussion

### Recommendation(s):

### Purpose:

Provide a briefing and background information on this enabling infrastructure project for consideration and comment. Is this the type of proposal IAP would support?

# Summary

The benefits identified by LINZ are outlined below, refer 'Alignment to PGF criteria'

The PDU has requested additional information in support of the benefits outlined by LINZ.

- More information regarding the measurable benefits generated by the pilot. What level of take up and by whom?
- A clear understanding as to how the supply of this data will lead to increased productivity – how was the "% savings in overall costs of physical infrastructure planning and investment decisions calculated?
- A <sup>con</sup>% savings in forestry costs is referred to what is the monetary value and how was this assessed?
- How LINZ intends to manage the risks identified.
- Clarification as to the commercial model no fee vs end user fee.

The PDU believes that further clarity on the financial benefits is required. We do note the merit in taking a more holistic approach to the collection of this data rather than separate requests from individual regions.

On the basis that LINZ provides the supporting analysis, option 1 (A three-year term, funding surge

An initial pilot has been undertaken in Northland and Tairawhiti/East Cost – a data elevation improvement programme which has developed a scalable framework for working with councils. regions and those ready with a business case now) would be the preferred approach.

#### Rationale:

- Provides a focus and boost in regions most in need
- Review after 2 years if initial performance and take-up has been supported, then an extension to other regions to be considered.

The purpose of this discussion paper is to: consider approving PGF funds to the Better Evaluation Data Infrastructure project

Alignment to PGF criteria:

Benefits identified by LINZ

Increased Economic Benefit through:

- Better decisions around land use and stocking, leading to increased production and cost savings.
- Increased efficiencies in resource uses such as fertilisers.
- Improved forestry management the modelling of optimal design of forests, enabling cost savings for engineering works and harvesting estimated at 1%. Also target better pruning for increased plantation productivity.
- Supporting environmental sustainability model soil erosion, improved management of fertiliser and effluent runoff.
- Assists Maori freehold landowners in making better decisions to help realise economic returns from different land activities.

# Climate Change:

 Improves understanding of both the short term impacts from intensified extreme weather events and long term trends and predicted impacts from climate change.

# Additionality

- Builds on existing capability, enabling and supporting better, faster, and more confident decision making across a wide range of private and public sector activities.
- Investment through the PGF will open access to data that smaller companies would not have been able to afford. There are only a small percentage of businesses that operate at a scale that makes the data collection viable (e.g. 99%) of forest owners).
- Builds on an initial pilot undertaken in Northland and Tairawhiti/East Cost data elevation improvement programme which has developed a scalable framework for working with councils.

### Alignment with regional plans/ Stakeholder support

- Letters of support from regional councils and other stakeholders including Department of Conservation, Earthquake Commission, Civil Aviation Authority, Ministry for Primary Industries, and Ministry for the Environment.
- MPI and MfE engaged by LINZ (application refers to letters of support these to be provided).
- It provides for a collaborative, managed approach reducing costs, rather than ad-hoc requests from various councils.

Mana	gement a	nd Go	vernance							
<ul> <li>Managed by LINZ with an advisory governance group to be set up.</li> </ul>										
Risks	Issues:									
Data capture delay due to limited supplier capacity.										
	Commercial Information									
•	Uptake by regions and clarification as to how the contribution from Commercial Information									
be agreed – range comme%, expected average comme%.										
<ul> <li>The risk that the data is collected but is not accessed by businesses - potential users are not aware of the availability of the data and do not understand how to derive benefits from its use.</li> </ul>										
	analoo		valiability							10 000.
Consultation undertaken or implications:										
Legal	N/A	HR	N/A	Finance	N/A	MBIE policy N	/A <b>C</b>	Other	MPI	
Supporting proposal:										
Appe	ndices:			R VV	es – Applic	cation attached as a	annex			
Spons	or(s):		$\sim$ (C		I/A					
Mana	ger/Auth	orofp	aper:	N	lick Hough	, Investment Team				
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