

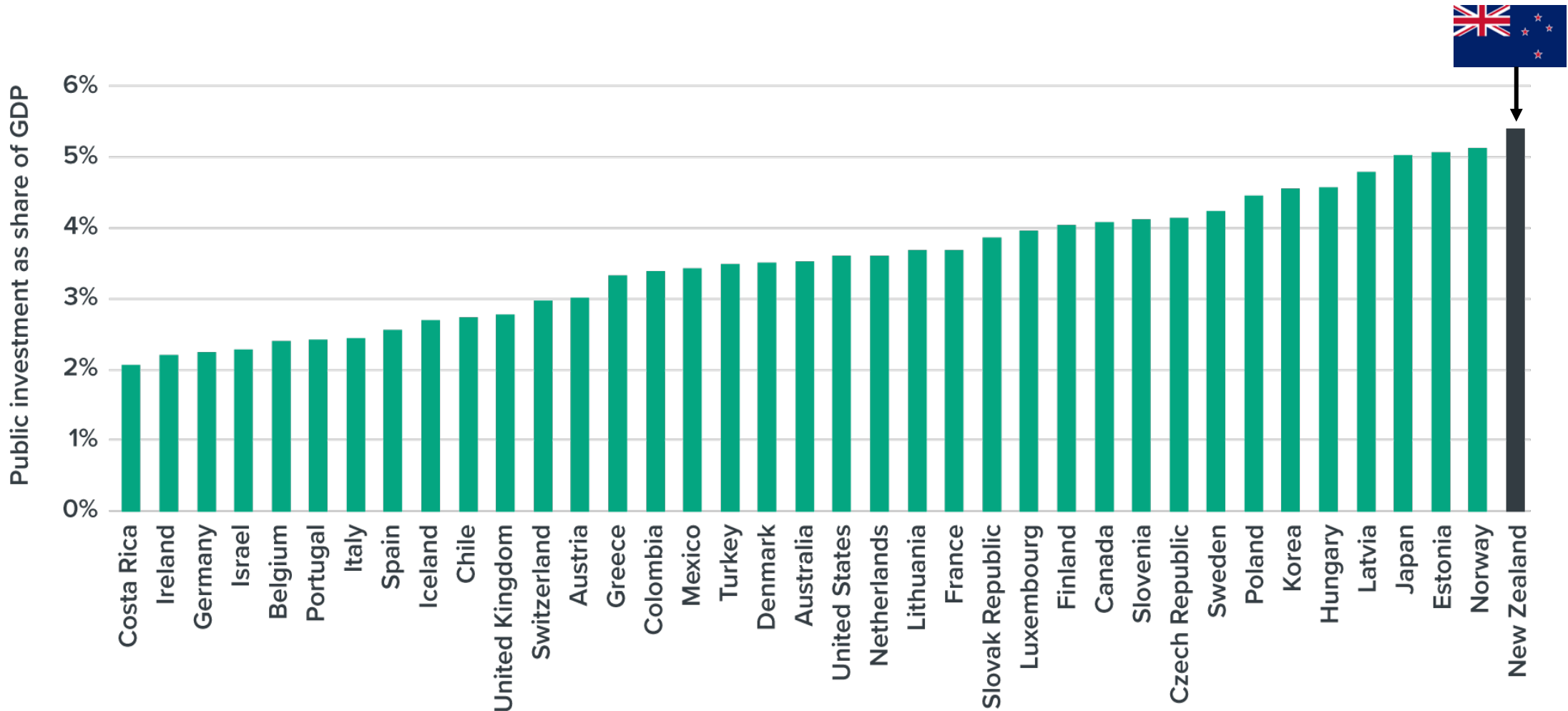


Draft National Infrastructure Plan

Building common ground

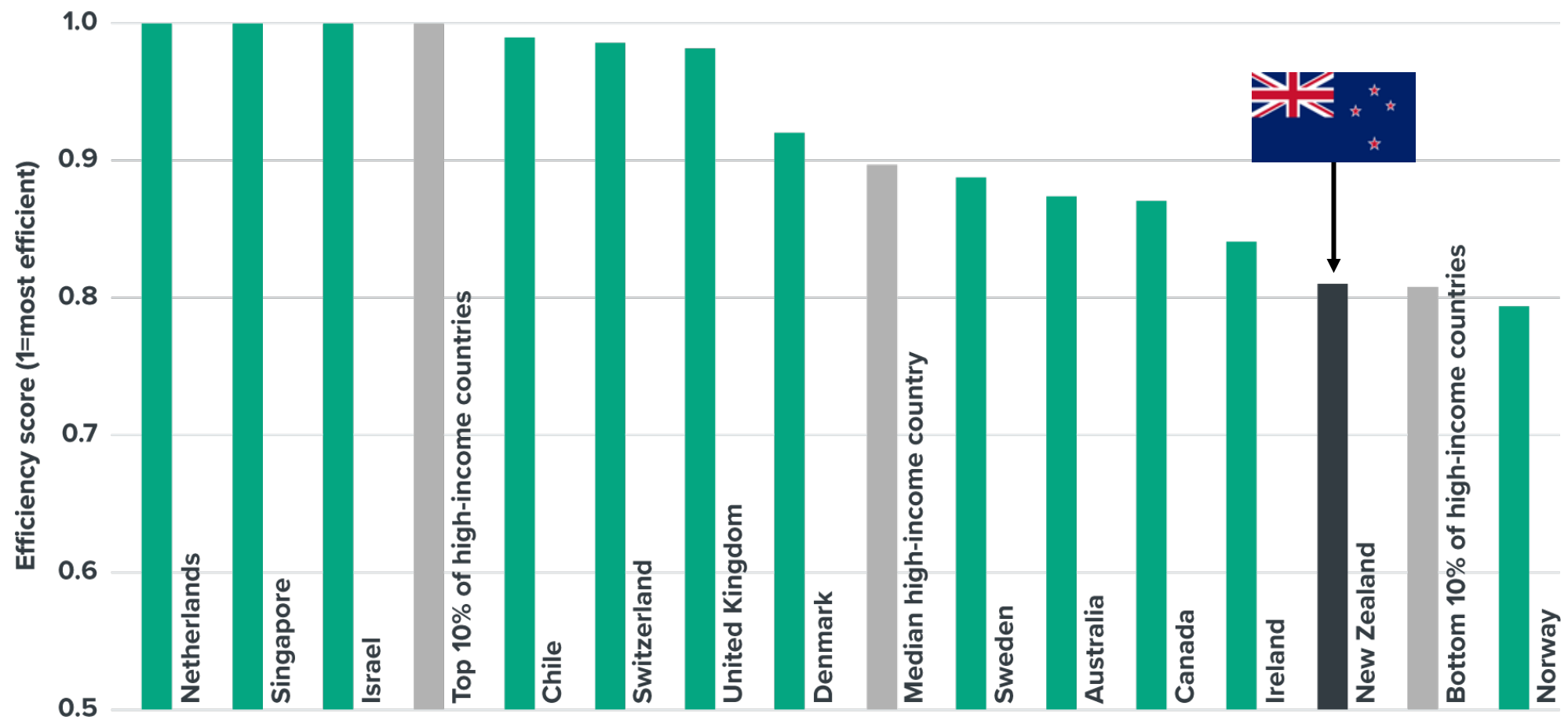
New Zealand is committed to infrastructure

Public infrastructure spend as a share of GDP, 2010–2019



But we're not getting value

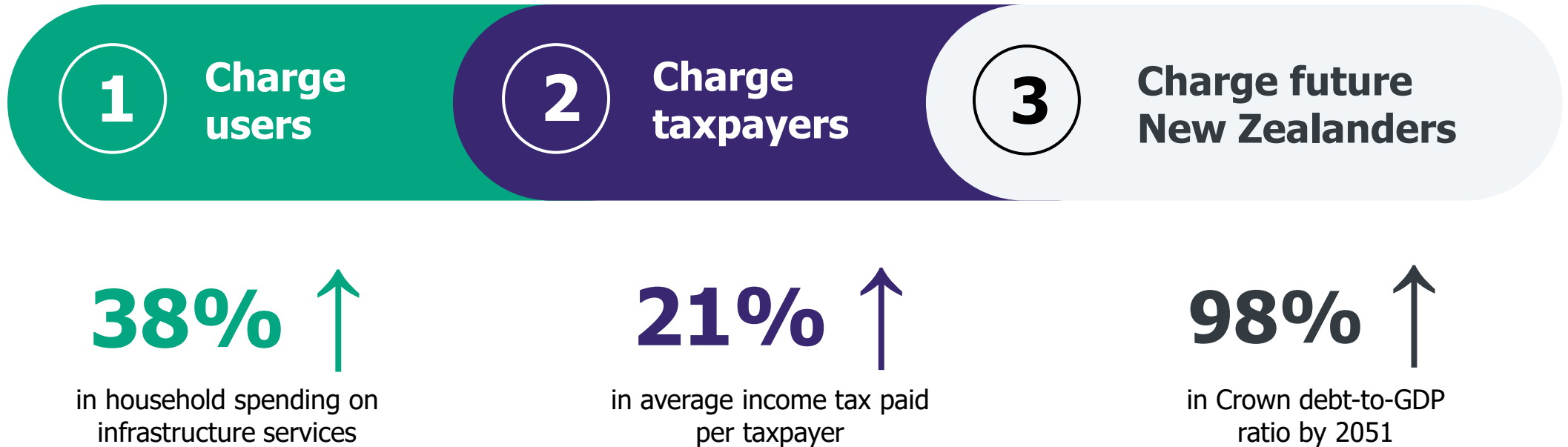
Near the bottom 10% for converting cash to service



Source: Research Insights: 'Investment gap or efficiency gap? Benchmarking New Zealand's investment in infrastructure', New Zealand Infrastructure Commission, December 2021.

Paying for it would be hard

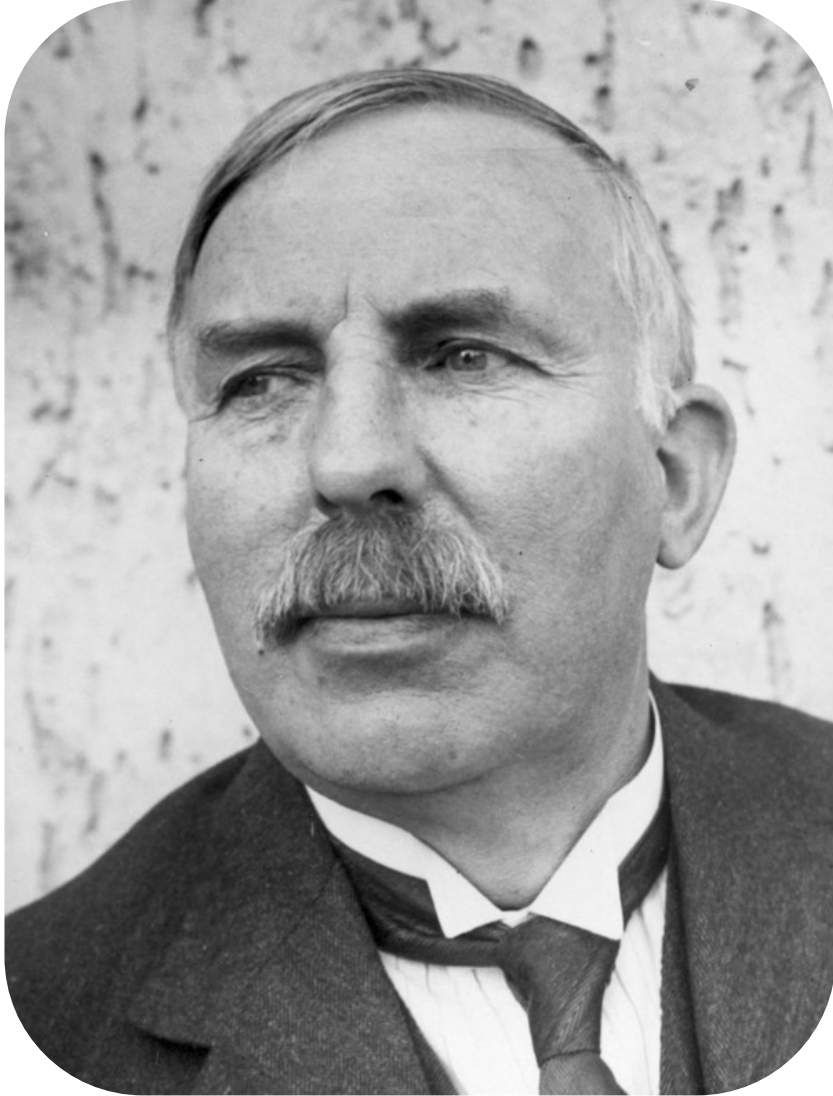
Options for paying for the infrastructure challenge



Note: Te Waihangā analysis of alternative scenarios for funding or financing long-term infrastructure investment trends outlined in New Zealand's Infrastructure Challenge report (Sense Partners 2021).

Investment levels will be contested

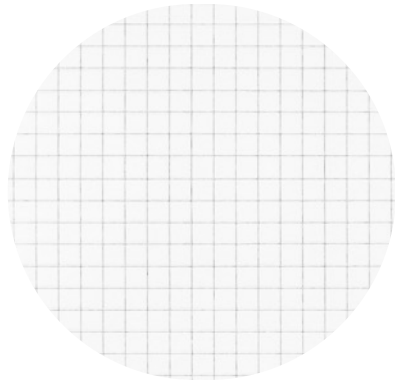
Source: Findings are based on the Global Infrastructure Index (Ipsos & GIIA, 2024). Source: 'Getting what we need: Public agreement and community expectations around infrastructure'. New Zealand Infrastructure Commission. (2025).



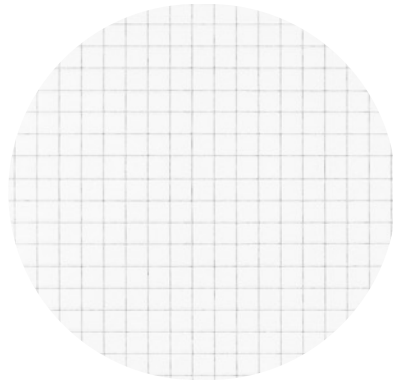
“We haven’t
got the
money, so
we’ve got to
think.”

Ernest Rutherford

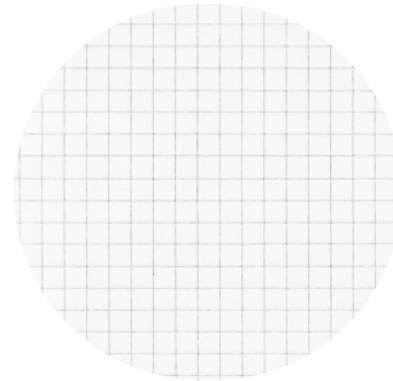
The draft Plan proposes four key changes



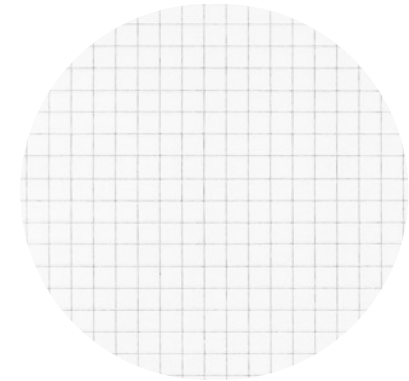
**Establish
affordable and
sustainable
funding**



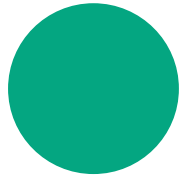
**Clear the way
for
infrastructure**



**Start with
maintenance**



**Right-size new
investment**



1. Establish affordable and sustainable funding

Forward Guidance on infrastructure investment, 2025–2055

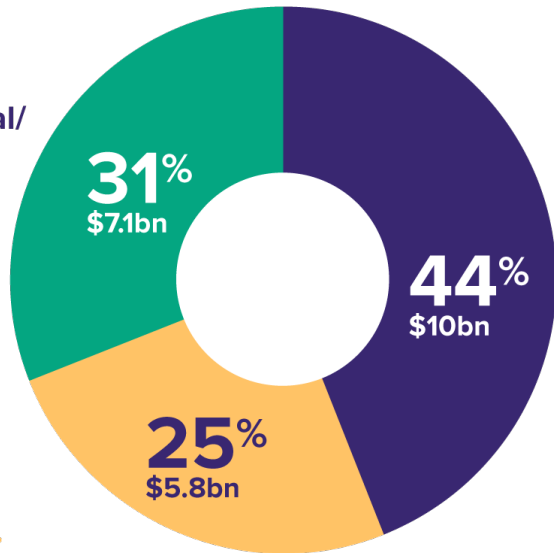
Source: 'Draft Infrastructure Needs Analysis'. New Zealand Infrastructure Commission. (2025).

To enable a proactive portfolio approach

Sectoral investment, 2025–2055



Commercial/
Private



Central
Government



Local
Government



Land transport

Main providers

Central and local government

Forecast future

investment demand, %
of GDP (2024–2054)

0.8%

How to fund investment

User charges and rates

Key drivers of future investment

Decarbonisation, slowing
income and population
growth



Electricity and gas

Main providers

Commercial sector

Forecast future

investment demand, %
of GDP (2024–2054)

1.4%

How to fund investment

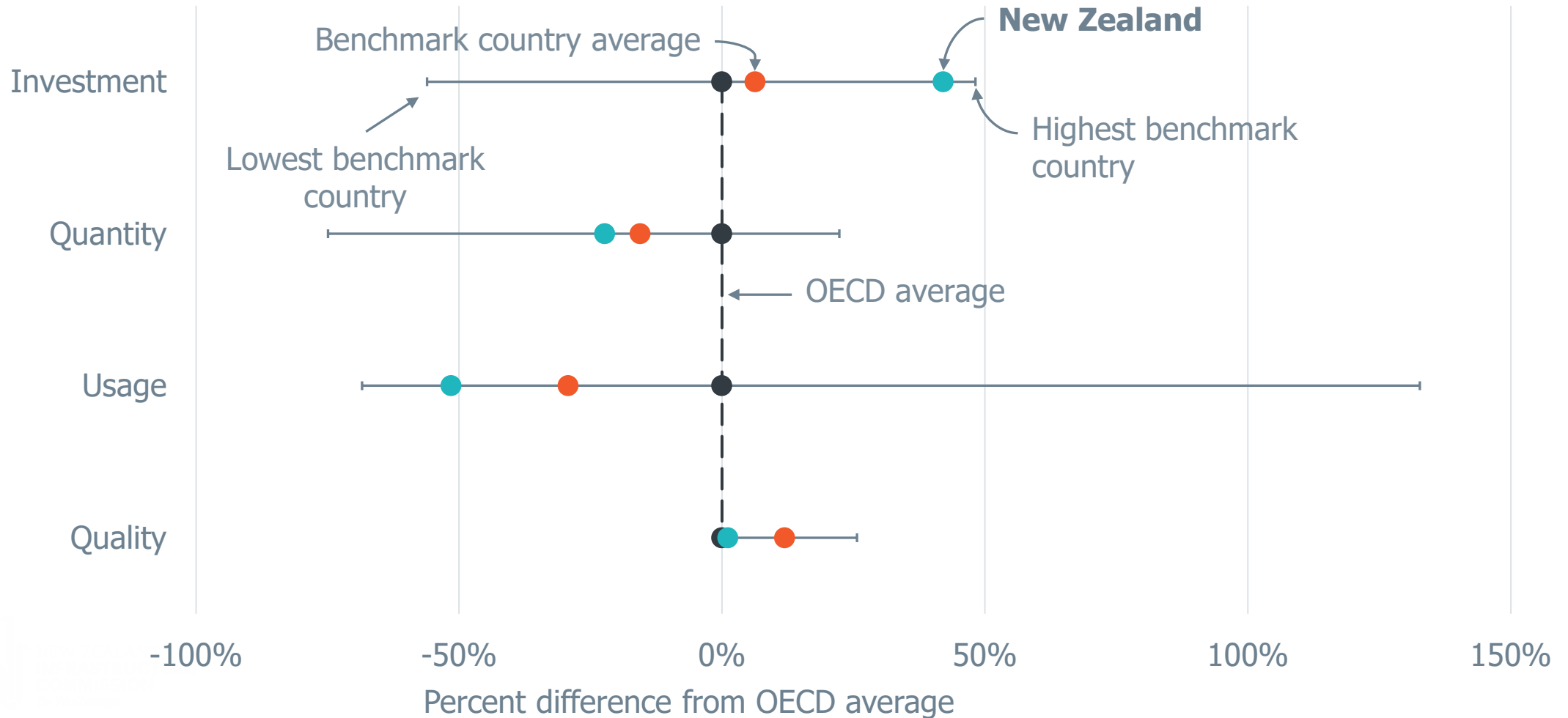
User charges

Key drivers of future investment

Decarbonisation, renewables

Forward guidance for the transport sector

NZ spends a lot on roads, but has modestly below-average quantity, usage, and quality



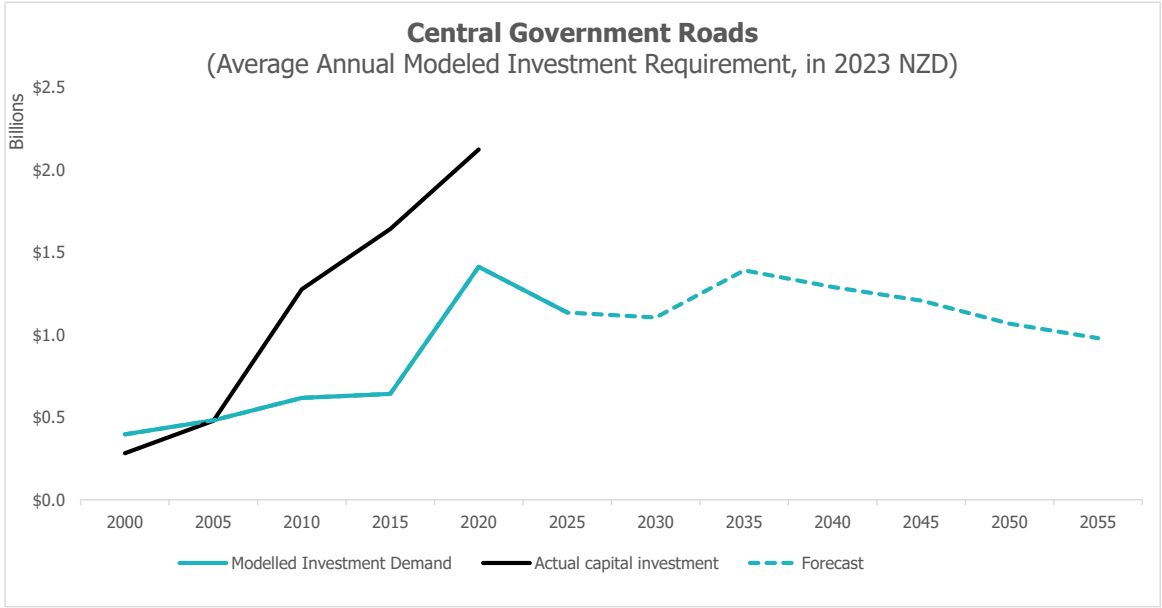
Sustainable funding

Measures are simple averages of multiple variables

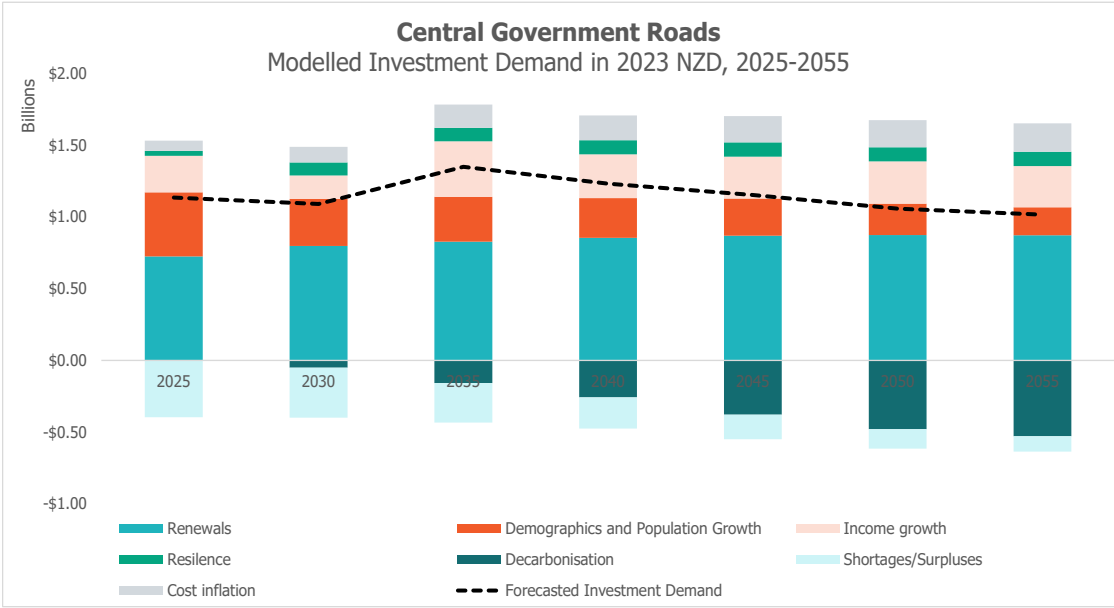
What does this mean for State Highways?

Relatively flat or declining in dollar terms

Overall Forecast

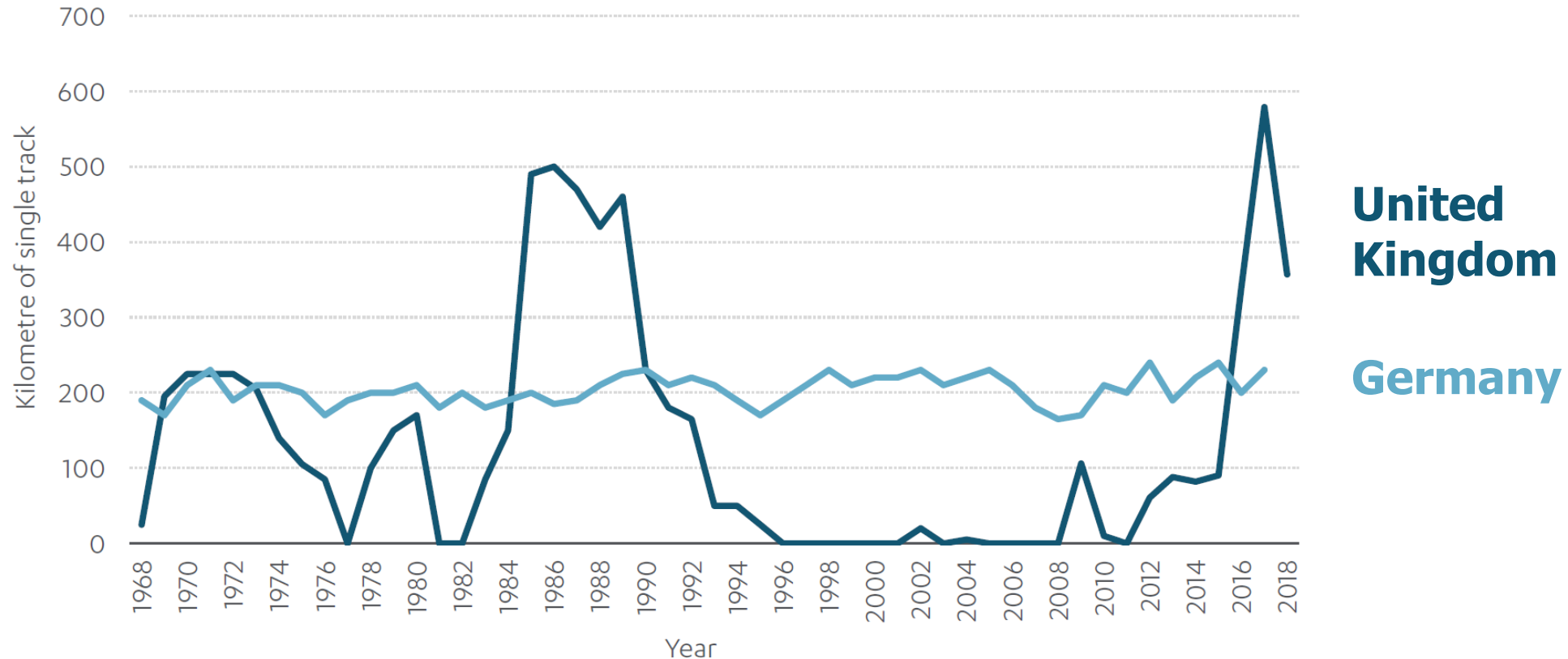


What's driving it

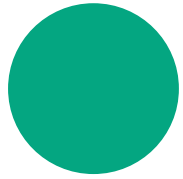


While securing certainty for the workforce

Kilometres of rail electrified per year, UK and Germany

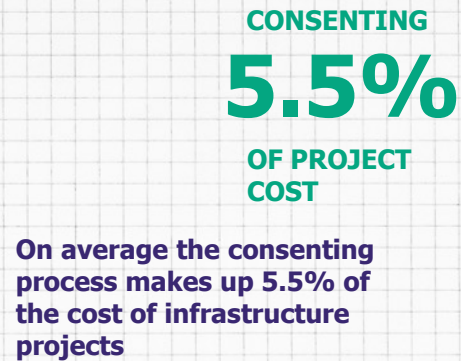
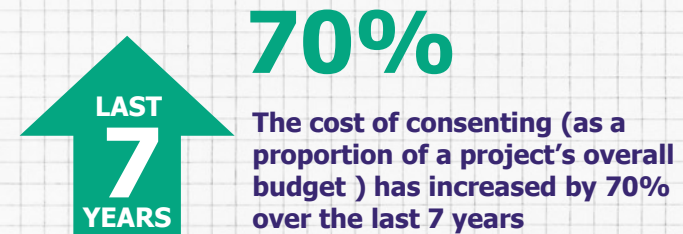


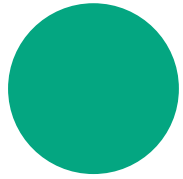
Source: Railway Industry Association, Electrification Cost Challenge, March 2019



2. Clear the way for infrastructure

An easier operating environment means more services





3. Start with maintenance

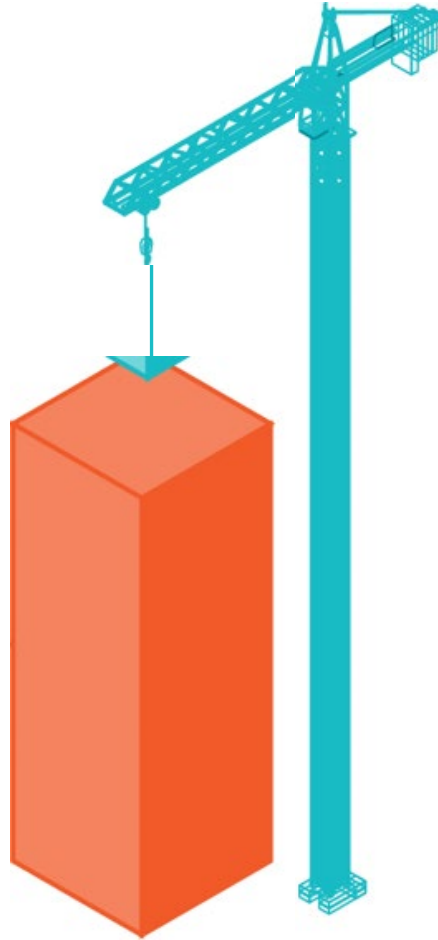
Up to 99% of the infrastructure needed is already around us

1%

The infrastructure
that's being built

99%

The infrastructure
that's being used



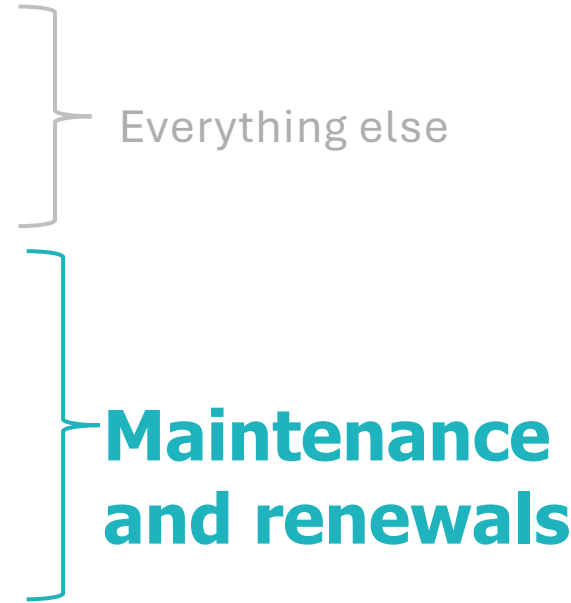
*Our future welfare and livelihoods
depend increasingly on the less
glamorous work of improving our
existing infrastructures.*

Scotland Infrastructure Commission

60 cents in every dollar on maintenance

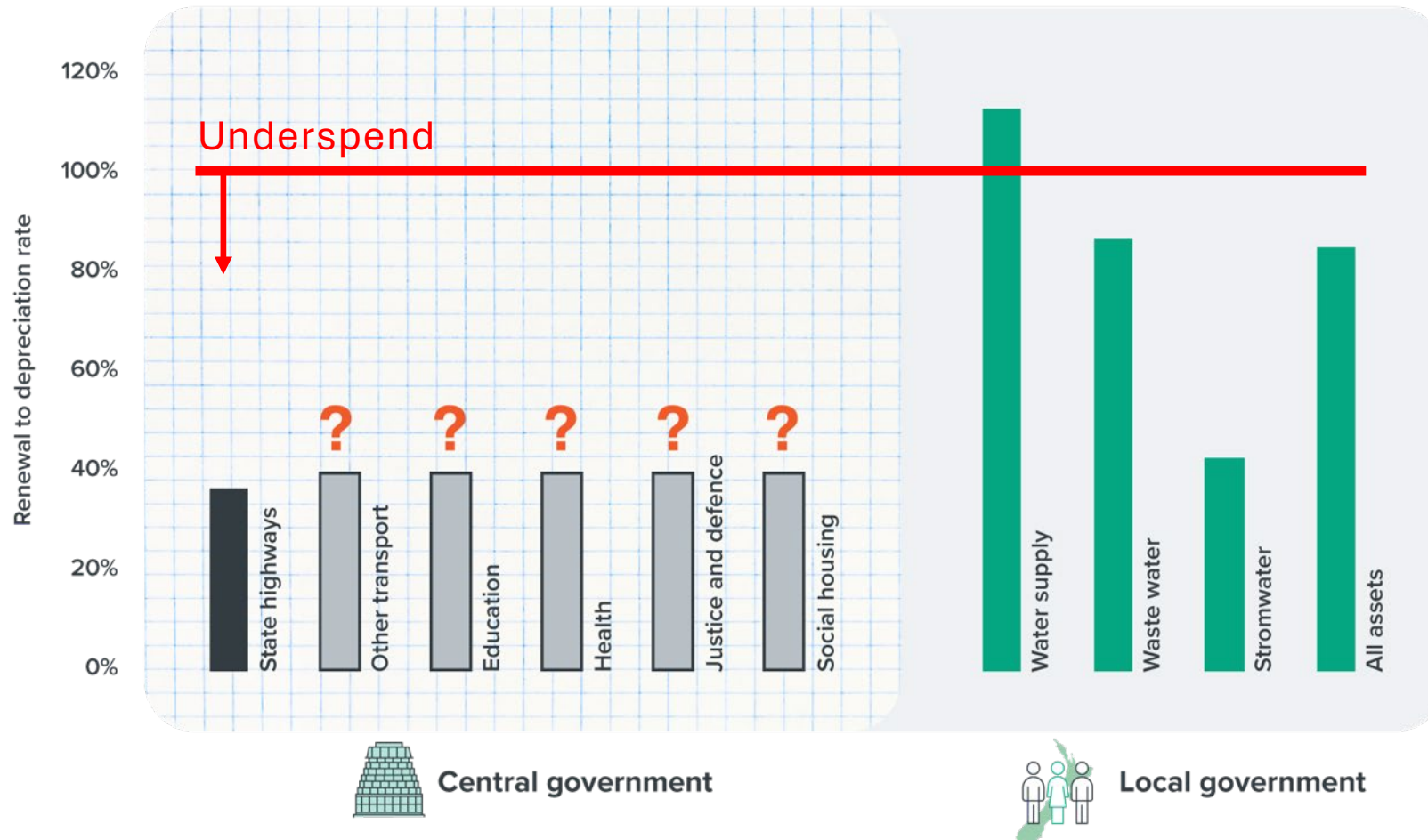
Forward Guidance for infrastructure
investment, 2025–2055

Maintenance



That's a change on current practice

Renewal to depreciation ratios

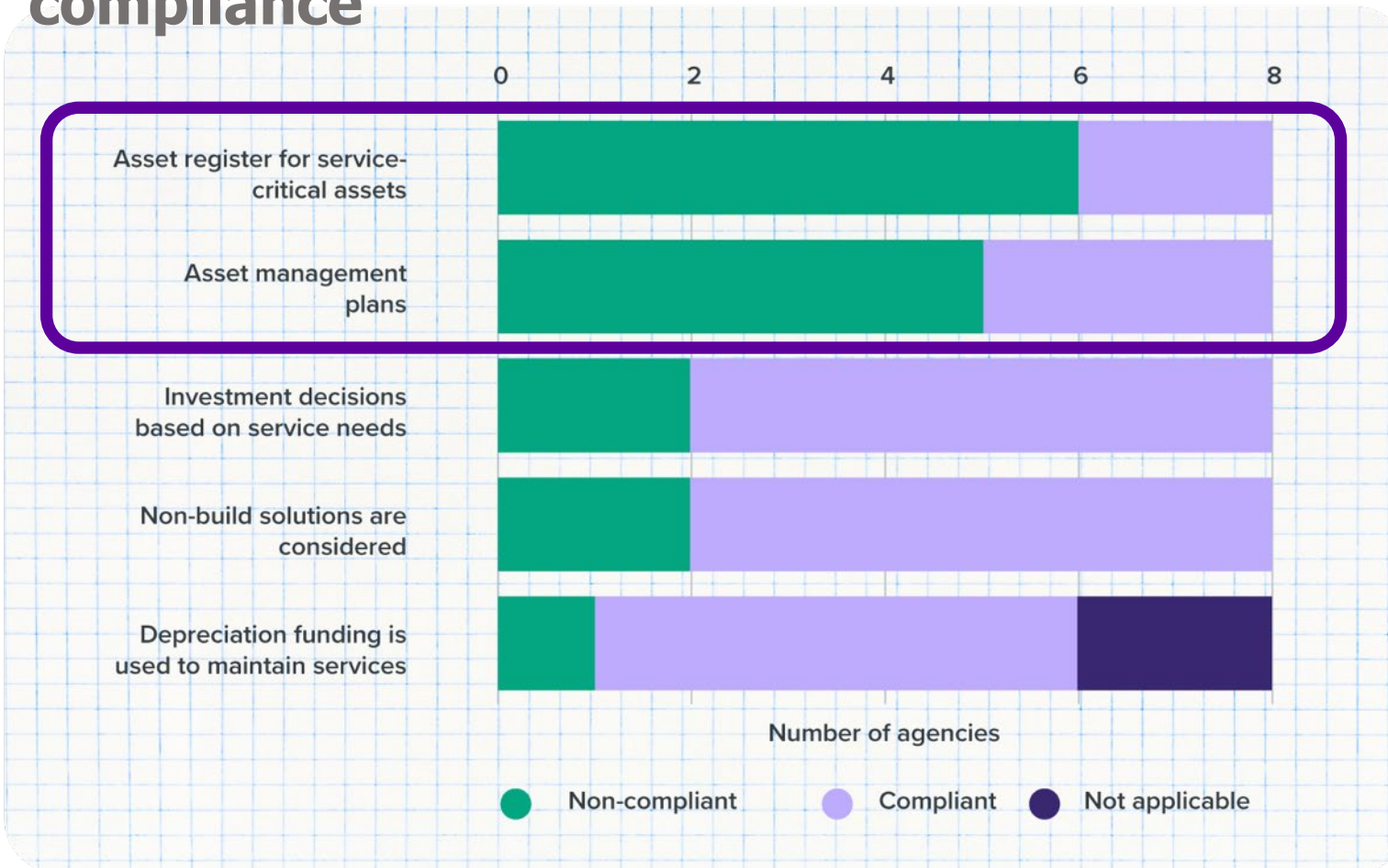


"A flaw in the human character is that everybody wants to build and nobody wants to do maintenance"

Kurt Vonnegut

Improved asset management is critical

Capital intensive agencies' self-reported compliance



5/8 capital intensive agencies do not have adequate asset management plans in place

Central government requirements for long-term investment planning need strengthening

Are they legally required to:	Local councils	Government agencies
...forecast investment over at least ten years?	Yes	No
...forecast investment by infrastructure sector?	Yes	No
...forecast investment for meeting additional demand?	Yes	No
...forecast investment for improving service levels?	Yes	No
...forecast investment for replacing existing assets?	Yes	No

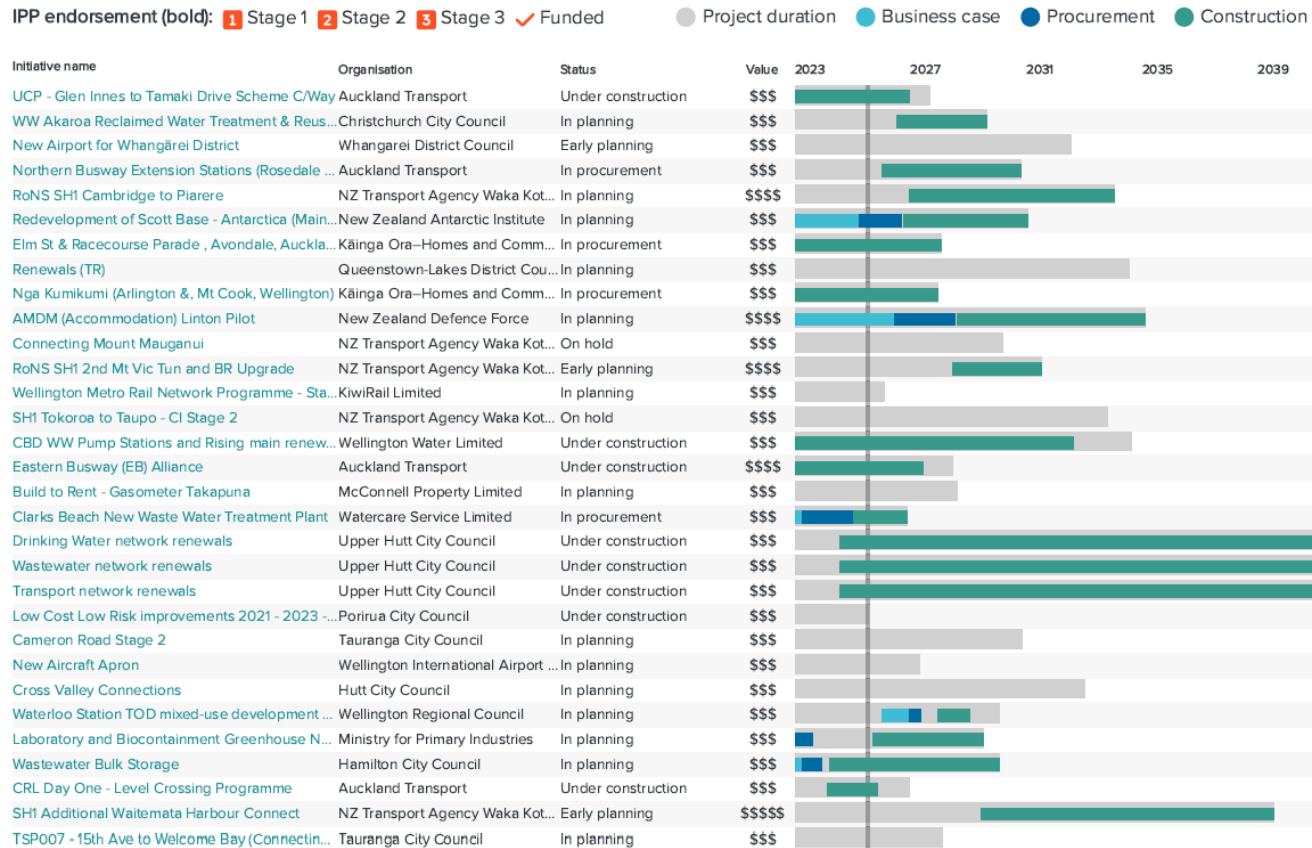


4. Right-size new investment

\$207bn in the draft Plan: Options, not obligations

The National Infrastructure Pipeline signals upcoming choices for decision-makers

Table 5: Large projects in the planning stages



- 8,100 infrastructure initiatives
- \$110bn funded
- 141 initiatives over \$100m in the draft Plan
- More infrastructure projects than we can deliver
- That means we have options

More investment or smarter operation?

Funding our way through poor asset management is expensive



More roads?

30yrs of declining travel speeds in AKL



More landfill?

New Zealand is approximately last in the OECD for recycling

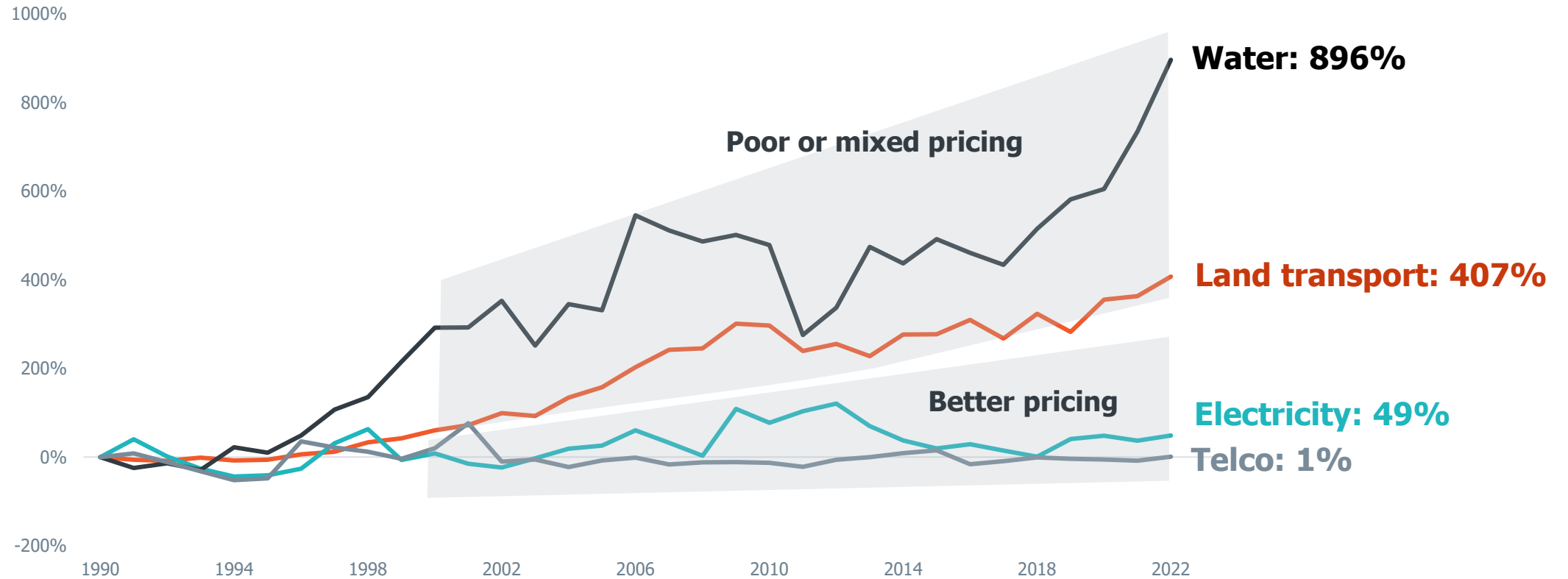


More storage?

Wellington leakage rates of 45%+

What is the right investment level?

Per capita investment by sector (inflation adjusted)

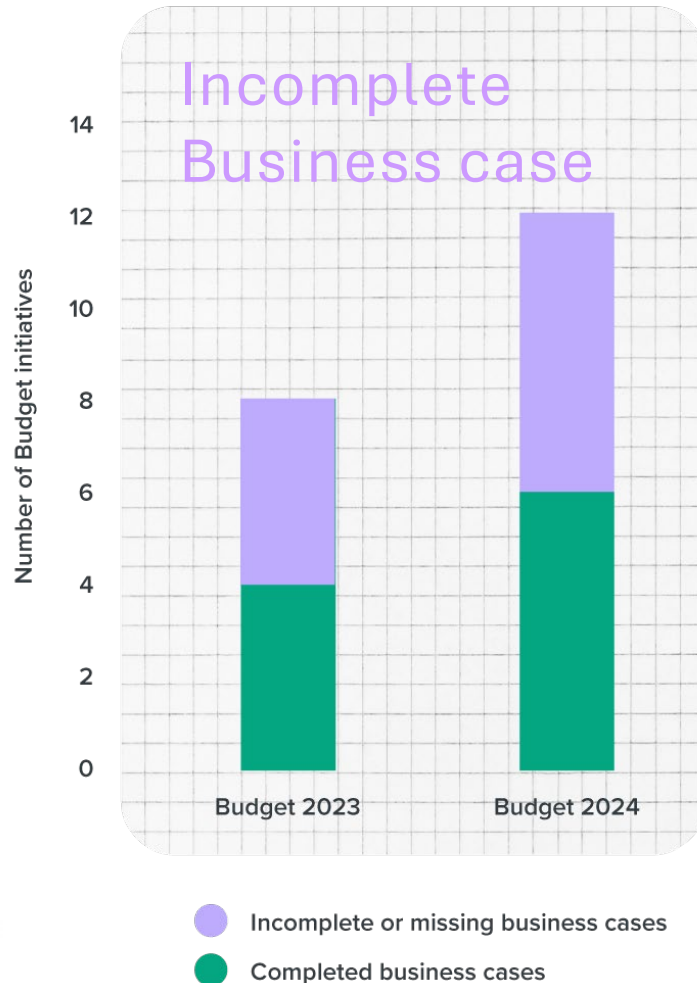


Infrastructure Commission. 2024. Build or Maintain? New Zealand's infrastructure asset value, investment, and depreciation, 1990–2022.

Broad agreement requires information

Half of all budget bids didn't have complete business cases

Business cases received



**Think slow.
Act fast.**

Bent Flyvbjerg, How Big Things Get Done

IPP endorsed proposals

Round one results

National

Application
**Draft Defence Estate
Regeneration Plan
2025–2040**
Applicant
**New Zealand
Defence Force**

Application
**Expanding Fibre
Broadband Coverage**
Applicant
Chorus Limited

Application
**Project Waitoa –
vaulting and
processing
infrastructure**
Applicant
**Reserve Bank of New
Zealand**

Application
Homes for Families
Applicant
**New Zealand
Defence Force**

Application
**Horizontal
Infrastructure
Programme (HIP)**
Applicant
**New Zealand
Defence Force**

Application
**Telecommunications
Network Resilience**
Applicant
**Kordia Group
Limited**

Application
**New Zealand
Underground Asset
Register**
Applicant
**New Zealand
Underground Asset
Register**



The background image shows a vast landscape of rolling hills under a clear blue sky. Numerous wind turbines are scattered across the ridges of the hills. In the foreground, a large, dark metal power line tower stands prominently, with several power lines stretching across the scene. The hills are covered in dry, golden-brown grass, with some patches of green. The overall scene suggests a focus on renewable energy and infrastructure.

A pathway to a 'pipeline'

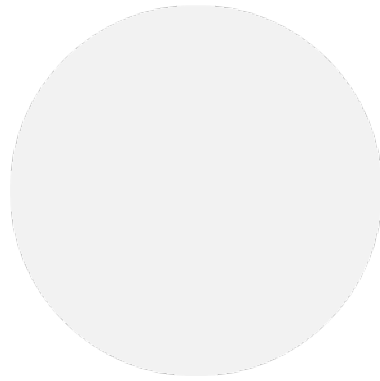
**To meet more needs, more
often.**

Building consensus

Four factors for building an enduring consensus



Affordability



Balance



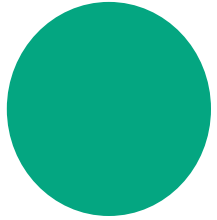
Deliverability



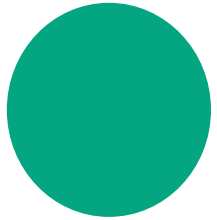
**Transparency and
accountability**

A pathway to a 'pipeline'

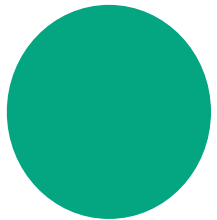
The plan sets out the key building blocks



Forward guidance: to improve stability and confidence on sectoral funding



Improved long-term planning: to build a better picture of sector specific investment priorities



Build consensus: on the low hanging fruit where consensus is achievable



Grow the investment menu: to narrow the swings in more contested areas

Now it's your turn

