Media Statement
22 May 2025

No big bang for infrastructure in Budget 2025

The 2025 Budget further incentivises private sector investment but doesn't deliver the nation-building infrastructure that can lift New Zealand's productivity and deliver the public services New Zealanders need.

"This is a cautious Budget in tight fiscal times. There's no big bang for infrastructure, instead it signals further moves to support private sector capital investment and promises that need to be backed by future investment," says Infrastructure New Zealand's Michelle McCormick.

"The Investment Boost tax incentive, providing businesses with an immediate 20% tax deduction on new asset purchases, will be welcomed by the infrastructure industry and enable it to invest in the plant and machinery necessary to deliver future assets."

"Another useful tweak is the change to capitalisation rules that will allow foreign owned companies to fund a higher proportion of their investment in New Zealand through debt. Again, this sends a signal that New Zealand is a good place to invest in infrastructure."

"We also welcome the funding allocated to establish Invest NZ as the shop front for foreign investment in infrastructure projects."

The headline infrastructure funding commitment is a $1 billion allocation to health facility upgrades and maintenance, including the Nelson Hospital redevelopment and Wellington Regional Hospital Emergency Department refurbishment.

"Asset management and renewal in our health system is overdue, but we know that our health infrastructure requires a lot more investment over the long-term," says McCormick. "Today's allocation is a good start but with no contingency funding allocated to these projects there is a lack of transparency as to where the money will go."

Infrastructure New Zealand also welcomes the following initiatives:

- The $219 million for the recovery of local roads in regions affected by Cyclone Gabrielle.
- The upgrades for Wellington and Auckland commuter rail and the investment in our rail freight network.

- The small allocation of funding to push along regional deals that could be a game changer in how local infrastructure is delivered.

"Budget 2025 confirms the Government is prioritising fiscal restraint and bringing the Government's books back under control. But New Zealanders want to see shovels in the ground and progress towards delivery of the projects that will help grow our economy and enhance their communities."

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Infrastructure New Zealand is Aotearoa's peak membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. We promote public and media discussion on issues of importance to the infrastructure sector. Our membership is comprised of around 140 organisations, including government agencies, consultants, contractors, financiers, utilities, and academics. These organisations employ approximately 150,000 people in infrastructure-related roles and are united in their commitment to creating a better New Zealand through outstanding infrastructure.

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