

**August 2025**

# **Infrastructure New Zealand's Submission on the Draft National Infrastructure Plan**

## **1. Introduction**

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to provide feedback on the New Zealand Infrastructure Commission – Te Waihanga's (InfraCom) Draft National Infrastructure Plan. We have also pleased to have been able to contribute to its development as a member of the member of the Quality Review Panel.
- 1.2 INZ 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. Our membership is comprised of around 150 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.
- 1.3 This submission represents the views of INZ as a collective whole and may not necessarily represent the views of individual member organisations. We have also encouraged members to make their own submissions raising those issues specific to expertise or areas of interest.

## **2. General Comments**

### **Overall Support**

- 2.1 INZ congratulates InfraCom on the development of the Draft National Infrastructure Plan (NIP), particularly the significant work that has gone into the large body of robust research and data that underpins it. It is thorough and thoughtful reflecting years of quality research, consultation, and analysis. The NIP offers a clear diagnosis of our infrastructure challenges and proposes a coherent set of solutions. We appreciate that this has been a significant exercise for the InfraCom in a relatively short period of time. The draft NIP is an excellent articulation of the demand pressures and elements of uncertainty which New Zealand needs to face up to. It is a positive step forward to addressing the significant infrastructure challenges that New Zealand faces and addresses the need to try and avoid further widening the current infrastructure deficit by recommending a smarter approach to our ongoing investment and areas of priority.

- 2.2 While INZ overall supports the draft NIP, we also suggest some changes for the final version to improve its impact and strengthen its role as Aotearoa New Zealand's 30-year plan for infrastructure. We support the NIP's aim to *give New Zealanders greater confidence that the infrastructure we rely on is well planned, provides value for money and meets the needs of both today and tomorrow.*

### Bipartisan Support

- 2.3 INZ recognises that the draft NIP is InfraCom's independent advice to Government. It has been heartening to hear that there has been constructive cross-party consultation as part of its development. A consensus approach to infrastructure and a consistent pipeline is badly needed. Ultimately political will and a positive enduring government response to the NIP will be critical for transforming New Zealand's approach to infrastructure. Without it, this Plan risks becoming another document on the shelf.

### Workforce development

- 2.4 Bipartisan support of an enduring NIP will help to give the infrastructure sector the confidence they need to invest in developing its workforce. We have seen project cancellations and whole programmes put on hold, which has had a significant impact on the construction sector workforce. While there have also been delays in starting and completing projects because of labour and skills shortages. The lack of a clear pipeline of projects meant that, once a major project was completed, workers often felt the need to go overseas to continue working in their chosen occupation. The result was labour shortages in many occupations, and at all skill levels. This has contributed to inefficiencies in our infrastructure development which sees us in the bottom 10% of developed countries, despite our high proportion of GDP spend in this area.
- 2.5 The infrastructure pipeline also needs to be complemented with good information, based on official statistics, on labour and skills trends. Long term pipeline certainty, with confirmed funding, would enable the sector to build and maintain workforce capability and capacity, and avoid the boom burst cycle we continue to experience which is costly to the country and to individuals and their families.

### Lack of an overall vision

- 2.6 INZ see the NIP as a critical opportunity to shape long-term infrastructure outcomes but as it currently stands, we believe that the NIP lacks a vision. Infrastructure is only a means to an end. A strong clearly articulated vision for New Zealand is needed which can then provide direction or act as North Star, around which our infrastructure needs become much clearer and more cohesive. Aligning infrastructure investment with a strong vision rather than a more scattergun approach should also strengthen the value that we consistently obtain from our infrastructure spend.
- 2.7 We applaud that work that InfraCom has undertaken to develop the infrastructure pipeline and the subsequent priorities projects programme. The infrastructure pipeline is hugely valuable in

providing a mechanism to view in one place what is being planned, funded and constructed across both the public sector and increasingly the private sector.

- 2.8 However, it is still a rather uncurated list of unrelated infrastructure projects. There is a lack of coordination across the sector, and even within parts of the sector which sees unnecessary competition for resources and timing clashes or worse still long periods of inaction. A consolidating vision would help to address this piecemeal approach to infrastructure and avoid potential clashes while reinforcing an alignment of approach and ensuring that there are not pulls in different directions. It would also assist in ensuring other key supporting sector like education are also aligned with their current reforms contributing to the overall vision and ensuring learners have the skills necessary to further develop and build a career which contribute to achieving the countries the infrastructure needs.

### Nation Building Projects Needed

- 2.9 There is a view amongst INZ members that the NIP needs to look more like a plan than a strategy. INZ considers that it would be more powerful if the NIP could propose a few large-scale projects of national significance that could boost GDP and drive nation-building. There is an opportunity for the sector to identify and advocate for a list of transformative, strategic projects to lift New Zealand's infrastructure and economic competitiveness, particularly in comparison to Australian cities.
- 2.10 There is a feeling that the NIP could be more ambitious and directive and be a force for galvanising the sector. The NIP could play a significant role in highlighting a few transformational key projects that the country could focus on, consistent with an overarching vision. Having political agreement on these top priority projects would be welcomed by the market.
- 2.11 The types of projects mentioned were the Additional Auckland Harbour Crossing, completion of the electrification of the main trunk rail line, a new hydro development or other significant renewable energy generation, or a light metro system for Auckland.
- 2.12 The NIP is also seen as a key opportunity to address decarbonisation across the sector, both in terms of transitioning to renewable energy as well as achieving other sustainability outcomes such as a reduction in construction waste and better utilisation of alternative materials.

### National Infrastructure Spatial Plan

- 2.13 A potential future development of the NIP may be for it to develop into a National Infrastructure Spatial Plan for the country. Under the proposed Planning Act, which will replace the Resource Management Act, there is a need to identify and provide for infrastructure as well as other key activities at the regional level. Given we have critical national infrastructure such as electricity, State highways, rail and telecommunications networks as well as other nationally significant infrastructure such as ports and airports, it would be useful for a future NIP to also incorporate a national spatial plan section which could then be reflected in regional spatial plans.

- 2.14 There is potential for a national consenting regime for nationally significant infrastructure projects too off the back of the NIP and a National Spatial Plan. This could be a future way of streamlining designation and consenting process and taking a consistent national approach.
- 2.15 Additionally, a population strategy developed by government could also be an important element underpinning the NIP and used to help direct future infrastructure needs.

### 3. Specific Comments

#### Focus on the Public Sector

- 3.1 INZ supports InfraCom's focus on the public sector agencies which have responsibility for infrastructure planning, funding and development. As pointed out, Central government is the largest owner (40% of infrastructure) and sets the rules for other sectors. It accounts for and almost half of all infrastructure investment annually.
- 3.2 Given this key role, it is entirely appropriate that this iteration of the NIP focuses on the biggest shifts needed by the central government sector as well as identify complementary policy settings and actions to support the roll out of the NIP. Uplifting government capability and focusing on four key areas of reform makes good sense. INZ also acknowledges InfraCom's work towards creating a 'centre of excellence' to uplift infrastructure delivery in the public sector. Given the large infrastructure programme that local government (including the new water service providers) has planned also, we would like to see this capability building work extended to the local government sector over time.
- 3.3 We support, in principle, the 19 recommendations that have been made with in the four key focus areas and we will provide further specific comments under these headings:
- Establish affordable and sustainable funding
  - Clear the way for infrastructure
  - Start with maintenance
  - Right size new investment

#### Establish Affordable and Sustainable funding

- 3.4 Sustainable funding pathways for infrastructure is critical, along with a consistent pipeline. We need to avoid swings in investment cycles or significant changes in priorities which disrupt the sector and add to our inefficiency. Stability of the market will also help attract capital investment, develop and retain specialist expertise and contribute to a sustainable construction sector.

- 3.5 INZ fully supports the wider application of user-pays methods for network infrastructure with appropriate oversight of prices for regulated markets. User-pays is an important demand management tool. Linking pricing directly with use, consumers develop a better sense of the value of infrastructure or related services and can adapt their behaviour more readily. As a country, we need to face up to the real cost of infrastructure particularly more directly in the land transport and water services and infrastructure space.
- 3.6 It is noted that there will be a shift towards a more user pays system for network infrastructure such as roads and rail and a focus on using taxes for more public goods and services such as hospitals. We recognise that this will raise debate around equity and fairness across many communities and will require amendments to several pieces of legislation such as the Public Finance Act and Local Government Act or Land Transport Management Act.
- 3.7 Funding and financing innovations need to be part of the mix. Given the infrastructure deficit currently and the areas we know we need more investment in, New Zealand needs to look at what it currently owns versus its future needs. Asset recycling with ring-fenced reinvestment should be part of the equation as government and councils examine their assets and reassess whether investment can be freed up and redirected to new or replacement infrastructure.
- 3.8 We still think there is a need to consolidate the multiple infrastructure funds into a single, more efficient vehicle, more akin to the likes of the Canadian Infrastructure Bank.
- 3.9 INZ supports the use of PPPs as part of the procurement tool kit. We also welcome the development of the Market Led Proposals framework to ensure NZ is ready to receive privately initiated infrastructure development ideas and can assess them on a consistent basis and take forward with clear roles and responsibilities across the various government players.
- 3.10 New Zealand is facing rising costs, to build and maintain infrastructure along with rising expectations to provide better and more resilient services. Maintenance and renewal of the infrastructure assets we already have are becoming our biggest investment drivers. But this isn't always appreciated by the public or political decision makers. INZ supports the view that approximately 60% of funding needs to be directed to maintaining and renewing the infrastructure assets we currently have.

#### Transport System reforms

- 3.11 INZ fully supports the use of direct user pays for new transport infrastructure through increased use of tolling. We support this even in situation where the tolls raised are only likely to cover the maintenance and operation of the asset. A direct relationship needs to be embedded between those who use the infrastructure, the benefit they received and paying directly for this use. It will be come more of a test of the value of new infrastructure, that we are willing to be for it and can see the direct benefit to us than is currently the case where it is very easy to want something without any cost attached.
- 3.12 Similarly, the proposed Time of Use / Congestion Charge regime which is currently proceeding through the legislative process is also supported as an important more to managing demand for

transport infrastructure and raising some revenue and paying for alternative transport in our major cities or fast-growing tourist towns. We can't just keep building more. We need to get smarter at using the infrastructure we currently have available and that also can mean restricting its use or using more effectively by removing on-street car parking or utilising tidal flows at peak times.

- 3.13 New Zealander's mindset needs to change. Much of the current land transport revenue needs to go to maintaining the assets we have. New infrastructure is also often more costly to maintain with higher standards to provide climate change resilient and more safety features.
- 3.14 We also recognise the rowing gap in the National Land Transport Fund as vehicles become more fuel efficient. We fully support the transition to an electronic RUC system for all vehicles in order to address this and to maintain a fair sustainable funding system.

#### Stable Central Government and Sustainable Investment

- 3.15 A bipartisan approach to infrastructure combined with multiyear funding certainty would provide confidence for the sector to invest in its workforce as well as the machinery and equipment required.
- 3.16 One benefit of the National Land Transport Fund is that its funding covers a three-year period for the transport organisations and territorial authorities receiving funding for their activities. Infrastructure projects take much longer timeframes than many other activities and cover multiple government terms. Internationally we have seen more progress made when governments have committed to plans and guaranteed funding across many years, despite the 'colour' and makeup of the government changing during this period.
- 3.17 Forward guidance on projects through the National Infrastructure Pipeline and the Infrastructure Priorities Programmes should form a stronger platform to ensure the projects stack up by addressing the country's needs and providing value for money. Consistent independent assessment should provide Government with reassurance of the outcomes it is seeking to achieve but there also needs to be better discipline so that infrastructure projects are not announced without an assessment being undertaken or even better, funding identified and confirmed. The public and media should call these types of announcements out if they are without a sound basis.

### Clear the Way for Infrastructure

- 3.18 INZ strongly supports the reduction of regulatory hurdles and simplifying planning to make it easier and cheaper for infrastructure providers to plan, provide and operate infrastructure moving forward. Getting the regulatory setting right to support infrastructure, including the establishment of a National Policy Statement for Infrastructure is critical to getting infrastructure appropriately recognised within the resource management system and removing some of the unreasonable delays and costs from the system of what is international best practice.

- 3.19 The framework for delivering this will be through Resource Management reform (all three phases) and raising the influence of spatial planning when making decisions about what investment is required moving forward and help to maximise the benefits of infrastructure investment.
- 3.20 Renewals and resilience investment will become more important into the future as existing assets age, growth potentially slows and climate pressures intensify, which require a shift in how and where we invest. We cannot afford everything so some hard trade-offs will need to be made by infrastructure providers about where and what they want to invest in and what services they will be providing in the future. The plan could be improved by helping improve and mandate national forecasting assumptions for use across New Zealand and synchronise the investment assumptions between central and local government.
- 3.21 Mandatory spatial planning will be critical for making the critical decisions around land use and also key infrastructure location at the regional level and removing a lot of the decision making away from individual resource consents. It would also be useful to further clarify the use of designations to provide more certainty for infrastructure investment. At present these requirements impede long term (20+ year) planning for which funding arrangements might be subject to further decisions or not required for another ten years.
- 3.22 Policy stability is particularly important for those sectors which rely on private sector investment. Wholesale swings in settings as governments change need to be avoided as much as possible. International investment partners need to know that there will be some consistency in the settings for both consenting and operation of activities.
- 3.23 We congratulate the work that InfraCom has undertaken to date to improve public sector capability and build a centre of excellence for infrastructure delivery. This is critical work and needs to be built on. Some thought should also be given to assisting local government too, especially ahead of the significant infrastructure renewals that need to be undertake in the coming years including the three waters networks and ageing bridge infrastructure.

### Start with Maintenance

- 3.24 Renewals and resilience investment will become more important into the future as existing assets age, growth potentially slows and climate pressures intensify, which require a shift in how and where we invest. We cannot afford everything so some hard trade-offs will need to be made by infrastructure providers about where and what they want to invest in and what services they will be providing in the future. The plan could be improved by helping improve and mandate national forecasting assumptions for use across New Zealand and synchronise the investment assumptions between central and local government.
- 3.25 Anticipated maintenance and renewal costs are further amplified by natural hazards like earthquakes and climate related extreme weather events, and factors such as worksite location in constrained urban environments as we repair and retrofit infrastructure to support further

intensification of the city. There are also new challenges to our infrastructure such as cybersecurity attacks, especially for connected infrastructures.

- 3.26 INZ supports that maintenance and renewals is the core aspect that should be the immediate focus of the country's infrastructure priorities as this as the benefit of preventing infrastructure deficits whilst also providing a stable pipeline of work that allows us to develop and maintain a skilled workforce.
- 3.27 INZ also supports the broad recommendations regarding the importance of asset management planning and that planning in the government sector needs to be independently assessed and reported on. There needs to be regulation of both central and local government entities so that funding allocations are linked to the quality of asset management planning as well as performance of delivering on these asset management plans
- 3.28 Asset planning needs to be a higher priority in the NIP. The NIP needs to highlight the importance of planning and future infrastructure investment in the lifecycle of assessment management which is inconsistent across the Government's Going for Growth programme.
- 3.29 One of the benefits of PPP and the sale of assets to private sector owners is their consideration and planning for whole of life maintenance costs. INZ's recent report on [Connexa](#) and their delivering of next generation telecommunication mobile towers illustrates the advantages of the consolidation of these assets, a skilled approach to maintenance all resulting in better outcomes for customers and the community.
- 3.30 Additionally, we point out the InfraCom has (inadvertently) in its choice of wording, conflated asset management with the term maintenance. Effective asset management includes maintenance but also must take into consideration future infrastructure development needs. The asset lifecycle refers to the entire journey of an asset, from its initial planning and acquisition through its operation, maintenance, and eventual disposal or renewal.
- 3.31 Moving forward there will be decisions that will need to be made by infrastructure providers about whether they will want to continue investing in some places and what services they wish to deliver.

### Performance Reporting

- 3.32 There is a real need to raise the level of reporting and transparency of assets management and investment plans. Independent assessment is also critical. INZ supports all recommendations to raise both the importance and recognition.
- 3.33 INZ notes that the recent Report of the Controller and Auditor-General on their Observations from their audits of Councils' 2024-34 long-term plans identified that main area of concern across the sector was around knowledge of the condition of assets, particularly underground assets. There tends to be a reliance on using the age of assets as determinative of the condition of assets, but that is only one factor among many. Generally, more work across the sector could be done to improve the knowledge of assets. This especially applies to some part of central government too which we know do not even have an asset register.

## Resource efficiency and waste management

- 3.34 INZ also recommends that the NIP place greater emphasis on the critical role of waste and resource recovery infrastructure in supporting New Zealand's broader infrastructure system. Waste infrastructure is critical to other forms of infrastructure. The costs of construction, civil works, and wastewater treatment balloon without access to well-sited, well-run resource recovery centres and fill sites.
- 3.35 As we move towards the future there is a need to adapt infrastructure to the changing needs of the New Zealand public and to address the reality of finite raw materials and resources. Currently New Zealand recycles less than 30% of household waste. This is low compared to other jurisdictions. To value resources, and grow our economy, this must increase which will require increased infrastructure investment.
- 3.36 Waste infrastructure is also crucial for improving New Zealand's material productivity through resource recovery. Growing a resource recovery network is required, including community-based facilities and services that support product stewardship, repair, refurbishment and repurposing alongside larger scale sorting and recycling facilities. Within the construction sector, recovering and repurposing aggregate, soil, concrete, steel, and other materials will reduce demand on limited resources. Resource recovery plays a significant role in our achieving a circular and low-emissions economy. As it stands, the NIP has minimal recognition of the interdependencies between waste and resource recovery infrastructure and with three-waters, roading and transport, and housing infrastructure. There are significant resource recovery and waste management issues generated across these sectors.

## Right Size New Investment

- 3.37 INZ strongly supports the concept of right sizing new investment and agree that many big infrastructure projects get announced before they are fully ready or even properly assessed. This is misleading for the public and frustrating for the sector as it creates uncertainty.
- 3.38 This often leads to delays, cost escalations of projects being cancelled particularly regarding big infrastructure projects. When this happens, there are flow on impacts to local communities such as a loss of jobs and being unable to plan for the future and a loss of services. To assist with the right sizing of new investment the plan should also offer tools for co-ordinating investment between utilities and classes, and for assessing what might be missing from future investment pipelines.
- 3.39 We agree with having a consistent investment readiness assessment for all public sector projects and projects should not be announced unless they have been endorsed, going forward.
- 3.40 More standardisation of design is another way of right sizing projects and investment. Re-using designs can save time and cost. An example of this is the [SH25A Taparahi Bridge](#) case study.

## Risk Management

- 3.41 Management of risk within projects needs to improve with risk allocated to the appropriate party that can manage it. Using procurement tools such as progressive contracting may be a better approach whereby the initial areas of project uncertainty such as geotechnical, underground assets conditions and other 'surprise' elements could be dealt with

## Learning from Projects

- 3.42 Post-completion information is critical to improving our practice going forward yet is rarely collated or in some case even held by the government client. Post- construction evaluations are a way of determining whether an investment has delivered on the outcomes promised. Yet this is something rarely undertaken.
- 3.43 A disproportionate amount of effort, and sometimes creative accounting, goes into the front-end assessment to go projects 'over the line' to enable funding to be committed. But New Zealand is very poor to assessing the final delivery costs and outcomes. Better practice in this area should also