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Kia ora koutou,

Welcome to the final edition of InfraRead for 2024. It has been a massive year for infrastructure with the Government making major policy announcements and beginning significant work on system changes. Infrastructure New Zealand is largely supportive of the new direction. However, issues remain when it comes to getting projects to market and work underway.

You may notice some slight changes to InfraRead that we are trialling. We think the new format makes it more digestible while still providing you with all the relevant happenings, particularly at a governmental level. Please let us know whether you like these changes and what else you would like to see as we look to make InfraRead as useful as possible to you.

In my column I consider our asset recycling proposal and the Government's PPP Framework announcement within the context of New Zealand's multi-decadal asset privatisation debate. It is my hope that we can go beyond traditional ideological arguments and develop a political consensus around the tools to help drive infrastructure delivery in New Zealand.

In the advocacy and engagement space it has been extremely busy with asset recycling and our new climate adaptation position paper taking precedence from a policy perspective. We are also tracking the progress of some significant resource management legislation as well as the review of the Public Works Act.

We have held some great events over the last month on some of these issues and others. If you are keen to join us for what are always really interesting discussions please check out the events page on our website for what is coming up.

In this issue Jess Gale and Diana Evans provide an update on what is happening with TIC Wellington and WIN Southern. WIN and TIC are networks that encourage, support and provide leadership opportunities for women and young people in the infrastructure sector and we are proud to help facilitate them.

The 'news' section covers the National Infrastructure Plan consultation out now, the Infrastructure Commission's new report on New Zealand's asset management challenges as well as more detail on our climate adaptation policy paper. There have also been a number of notable announcements, which we cover briefly while providing links to follow for those who wish to go a bit deeper.

Feedback on InfraRead and its format change, or any aspect of Infrastructure New Zealand's work, is welcome. If members would like to contribute content, such as a guest column, for InfraRead, please contact Martina Moroney (martina.moroney@infrastructure.org.nz).

Meri Kirihimete me ngā mihi o te tau hou,

Nick Leggett
Chief Executive

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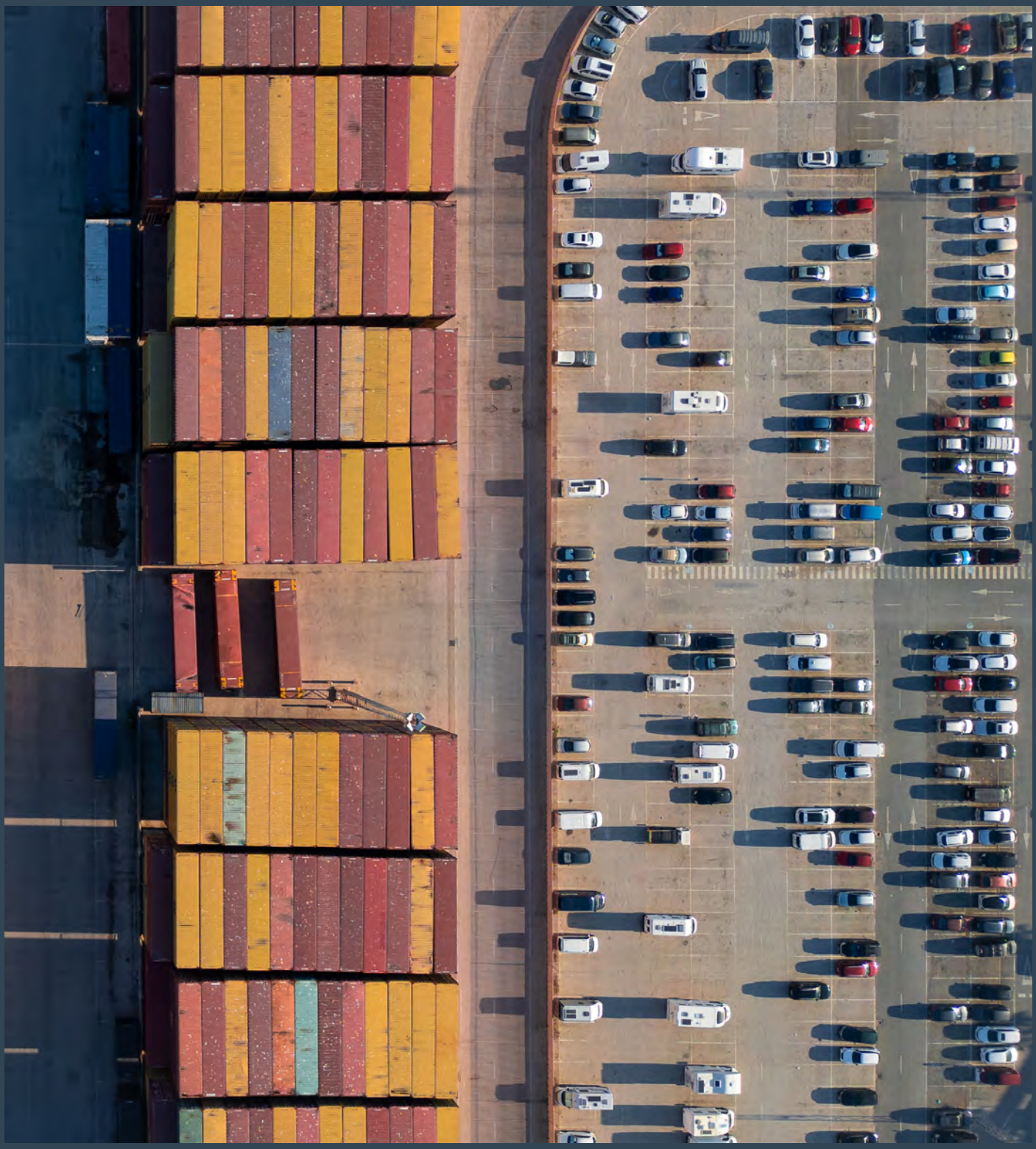

Navigating the Politics of Private Involvement in Public Assets

By Nick Leggett, Chief Executive, Infrastructure New Zealand

The wholesale privatisation of state-owned assets in the 1980s and 1990s left a legacy of public distrust in New Zealand and has made subsequent conversations about private sector involvement in public assets fraught.

However, with so much public infrastructure no longer fit-for-purpose or in desperate need of renewal or replacement, my sense is that the mood is shifting. There is now a far better understanding of the limitations of the public sector to fund and manage infrastructure as well as the capacity of the private sector to step in and assist.

It is within this context that earlier this month Infrastructure New Zealand, in partnership with Aurecon, released a report on unlocking the value of our public infrastructure assets through greater use of 'asset recycling'.

We argue that asset recycling – realising capital from existing assets through sales, leases or partnerships with the private sector – can be a key strategy for funding new projects while limiting increases to government debt. It allows us to maximise the value of what we already own and build the new infrastructure we require, while being fiscally responsible.

The spectre of asset privatisation remains contentious, but by strictly ring-fencing the capital gained from recycled assets for the funding of new public infrastructure, I believe we can avoid the pitfalls of the debates of the past. It should also be noted that in any asset recycling scenario, services provided to the public would be expected to remain the same or be improved through private sector management.

What asset recycling is not, is some ideological excuse to sell off strategic assets. It is about smartly leveraging the value of underperforming, poorly managed or non-essential assets by inviting private sector investment and then reinvesting the freed-up funds back into critical public infrastructure like healthcare and transportation. For instance, a well-structured lease agreement can maintain public ownership of the asset while the asset and the service user benefit from private sector operational expertise.

The political challenge lies in designing a national policy direction that both builds public trust and demonstrates clear social, economic and environmental benefits. It requires robust governance, ensuring transparency and independence from political influence. We should also look at successful models overseas to help address legitimate public concerns here.

While asset recycling is an infrastructure delivery tool that has yet to be developed into formal government policy, Public Private Partnerships (PPPs) are well-and-truly back in the tent.

I welcome the Government's release of the updated New Zealand PPP Framework, which outlines various model, policy and process improvements to how PPPs should be applied to our infrastructure challenges.

This is an important step because to derive the true benefits of PPPs requires all of government (and local government) to understand what PPP project delivery should look like, the situations in which a PPP is likely to be more successful than a non-PPP delivery model as well as the situations where a PPP is not an appropriate delivery vehicle.

PPPs do not suit all projects, and I am glad that the Government's Framework recognises those limitations because that helps better define the circumstances through which we can gain the most value from PPPs.

Parliamentary Under-Secretary Simon Court, who has led the work supported by the Infrastructure Commission, made the point that PPPs are about improved outcomes rather than lower costs.

"PPPs when done well," he said, "drive better performance because they have strong contractual incentives. Compared to traditional approaches, projects using a PPP model will have a greater focus on whole-of-life outcomes, meaning projects are more likely to be well planned, delivered on time and on budget, provide high-quality services, and be maintained throughout their lifespan."

It was good to see the Government take on board a number of the recommendations developed by Infrastructure New Zealand's Funding & Financing Working Group and included in our recent report, developing and refining the Public Private Partnership model and other infrastructure financing tools in New Zealand.

I am also extremely pleased to see Labour Infrastructure Spokesperson Barbara Edmonds contribute a foreword to the Government's Framework document. PPP policy, like many other aspects of our infrastructure delivery system will require bipartisan political support and long-term consistency to provide the required certainty to the market for implementation across both large- and small-scale infrastructure projects.

Infrastructure New Zealand will be working hard to ensure the political consensus for PPPs holds and asset recycling is considered, particularly as parties begin to form their 2026 election priorities.

Advocacy and engagement update

The end of the year is fast approaching, however it seems like things are winding up, not down. By our reckoning there are around ten infrastructure-related actions still to be delivered by the end of the year from the Coalition Government's Q4 Action Plan. Consequently, we can expect the legislative programme to progress right up to when Parliament rises on 19 December.

Policy Development

As Nick has mentioned, we recently teamed up with Infrastructure New Zealand member Aurecon to produce a substantial report on the topic of asset recycling. The research piece looked at the different types of asset recycling and included examples from New Zealand and overseas. Given our infrastructure deficit, Infrastructure New Zealand thinks this needs to be a tool in the toolkit for both Central and Local government. Two panel discussion events were held in conjunction with the release of the report in Auckland and Wellington, and these sessions generated some excellent discussion on the possible next steps and opportunities. We expect this will be the start of a conversation, so it was good to see the issue picked up in the media.

In the past month, Infrastructure New Zealand has released three more policy positions. Alongside the Asset Recycling position paper, which was released alongside the asset recycling report, we released a new position on Climate Adaptation and an updated version of our Simplifying Capital Funds paper.

Our Climate Adaptation position details recommendations on improving New Zealand's recovery and resilience planning system. We discuss the need to progress a national adaptation framework, establish a single entity to coordinate our recovery and resilience planning, and for national resilience standards and improved data quality to underpin better risk assessment.

You can read the policy position papers here.

Infrastructure New Zealand will also soon be submitting on the New Zealand Infrastructure Commission | Te Waihanga's National Infrastructure Plan Discussion Document. If you would like to have input into Infrastructure New Zealand's submission, please email martina.moroney@infrastructure.org.nz.

Legislation

The work on the sizeable phase 2 amendments to the Resource Management Act (RMA) is continuing. The Fast-track Approvals Bill has been reported back from the Select Committee and had its Second Reading. We are now just waiting for the Committee of the Whole House stage and Third Reading ahead of the enactment of this legislation, which will accelerate the delivery of a large number of significant infrastructure projects.

The next significant Resource Management Amendment Bill number two has been promised to be introduced by the end of the year. A six-month select committee process has been signalled and we can expect that submissions on the Bill will close early in the new year. Infrastructure New Zealand has appreciated the engagement by the Government to date. We have participated in a number of Ministry for the Environment and Infrastructure Commission workshops, as they have worked hard to shape up the amendment proposals that cover issues such as:

- A new National Policy Statement for infrastructure and other national direction and national environmental standards (electricity and telecommunications).
- A targeted review of the New Zealand Coastal Policy Statement.
- Provisions to support the Government's Going for Growth Housing Plan.
- Heritage building management.
- National Direction on natural hazards.
- Climate change adaptation.

We are pleased to see the key role that infrastructure plays in our country being reflected in a number of proposed amendments which recognise the long-term nature of our assets including:

- Increasing the default duration of consents for renewable energy and long-lived infrastructure to 35 years and the lapse periods being extended to 10 years.
- Extending certain coastal permits for port companies by 20 years and allowing them to also have requiring authority status.
- Simplified alternative tests and reduced assessment and information requirements for designations.

Cabinet decisions around the wholesale replacement of the RMA as a phase three of the resource management reforms have been released with ten core principles specified, including the establishment of two Acts with clear and distinct purposes - one to manage environmental effects arising from activities and another to enable urban development and infrastructure. We are expecting these bills to be introduced in mid-2025. You can read more here.

We are also awaiting the release of the expert panel report on the review of the Public Works Act, and the Government's decisions around this. The expert panel was tasked with providing practical recommendations to modernise the Act so that it is clearer, more efficient, and more effective. Amendments to this legislation are just as important for accelerating infrastructure projects as the RMA changes.

Engagement and Events

Infrastructure New Zealand and member GHD hosted the launch event in Wellington for the updated PPP framework mentioned in Nick's column. At the event, Simon Court (Parliamentary Under Secretary to the Minsiter for Infrastructure and RMA Reform) thanked the Infrastructure New Zealand Funding and Finance Working Group for their report on the revised PPP models and for providing a range of perspectives from across the sector on the future procurement processes. The Infrastructure New Zealand report had been a key ingredient in the Government's revised position. Notably, the report contained forewords by the Prime Minister, Minister Bishop, Simon Court and Hon Barbara Edmonds (Labour Infrastructure spokesperson) in a positive show of bipartisan support.

Infrastructure New Zealand held its annual Senior Leaders' Retreat in Waitākere at the end of October. With a focus on building a vision for Aotearoa and how infrastructure can help deliver on this. Guest speakers included Sir Bob Harvey (former Waitākere Mayor), Katherine Rich (Business NZ), Helmut Modlik (CEO Ngāti Toa), Professor Stephen Noakes (University of Auckland Politics and International Relations Lecturer), and Christina Leung (Deputy CEO NZIER). A panel discussion on Becoming match fit for investment in New Zealand with Natalie McClew (PwC), Clara Cutajar (PwC Australia Partner Global Capital and Infrastructure Leader), Sam Stubbs (MD Simplicity) and Neil Paviour-Smith (CEO Forsyth Barr) provided fascinating insights into the settings needed to become more attractive for both international and local infrastructure investment.

Earlier this month, the New Zealand Infrastructure Commission – Te Waihanga asked Infrastructure New Zealand to co-host their planned series workshops on the National Infrastructure Plan around the country. This was an opportunity to team up with the Commission and reinforce the importance of this work in strengthening the pipeline and cementing in a more bipartisan approach. We would like to make special mention of The Infrastructure Collective (TIC) Auckland network team who developed the pipeline activity attendees had a lot of fun playing, and Frank Faessen in particular, who facilitated this portion of the workshops.

Infrastructure New Zealand partnered with Holcim and the Infrastructure Sustainability Council (ISC) to present a paper and participate in a panel discussion at the recent international FIB Low Carbon Concrete Conference in Christchurch. INZ also attended the recent ISC Connect conference in Sydney and participated in a panel discussion on unlocking the value of connected infrastructure. Between the FIB and the ISC conferences, it is positive to see that the private sector is still driving an environmental and sustainability agenda in absence of a strong Government lead in New Zealand.

Infrastructure New Zealand also presented at the Te Tai Tokerau Northland Workforce Development Forum meeting at the end of this month. As we develop further work in the diversity, equity, inclusivity and belonging space, alongside work to develop a more detailed social procurement position, this engagement was a good opportunity to deepen our ties in Northland and contribute to the infrastructure workforce conversation in the region.

Media

Infrastructure New Zealand's proactive media releases this month have focused on our asset recycling report, climate adaptation policy position, proposed changes to the Overseas Investment Act and the PPP Framework release. We have also provided media and public commentary on the RMA reforms, the Public Works Act Review and the proposed regulation tip line.

Welcoming New Members

Nau mai haere mai, welcome, to our new Infrastructure New Zealand members. We're so glad to have you on board and look forward to continuing to engage with you.

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Networks Update

This regular feature will keep you updated on the latest news and events from the Women's Infrastructure Network (WIN) and The Infrastructure Collective (TIC).

WIN is dedicated to promoting women's leadership and visibility in the infrastructure sector, while TIC supports the growth and development of emerging leaders. Membership is complimentary for individuals employed by Infrastructure New Zealand member organisations, and individual memberships are also available. To join or learn more, email office@infrastructure.org.nz.

TIC

Kia ora,

I'm Jess Gale, Engineer Civil Structures at WSP and co-chair of the TIC Wellington Chapter.

I graduated from the University of Canterbury in 2019 and have been working for WSP since then. I started in the Christchurch office and moved up to Wellington in July 2021. I was the national Chair of the WSP Graduate Committee for 2023 and thoroughly enjoyed my role facilitating connections and social events within our graduate community. Once this role was over, I was looking for another opportunity to further develop the skills I had gained. TIC was the perfect chance for me to do this. I am looking forward to facilitating connections and friendships between the young professionals within our industry.

Our most recent event was 'Usage of Digital Tools for Local Infrastructure Development and Procurement'. Our presenters, Alistair Crossling (Service Line Leaser - Data Analytics and Optimisation, WSP) and Denise Beazley (Programme Director - Underground Asset Map, Wellington City Council) gave us an insight into innovations in asset data collection, processing, and mapping that are already occurring in the infrastructure industry.

WIN

Hi there, this month you are hearing from one of the co-chairs for WIN Southern, me – Diana Evans. Kerrie Young is also a co-chair of the new and exciting WIN Southern Committee.

We are fortunate at WIN Southern Committee to have a very talented group of women who are passionate about infrastructure, career development and networking.

I have lived my entire life in the Southland and Otago regions in New Zealand and have been in the industry for around 16 years. That is the reason why WIN Southern is such a great fit for me. I am hoping to utilise the contacts within my network to help grow this into a vibrant and interactive community, that supports and connects women in infrastructure and their support crews. I am currently a Senior Project Manager at Beca Dunedin.

The WIN Southern Committee is a newly formed committee this year and I joined to see momentum grow for our network of women.

Our committee held two successful events this year, with the latter event being a site visit and presentation of the Hanley's Farm subdivision infrastructure project. Those who made it in person braved some very cold weather.

Alistair introduced us to two examples of using automatically collected video footage combined with machine learning and data analysis to detect and record asset data.

Denise then discussed the shocking additional costs, project delays, and health and safety incidents that occur in the Wellington region due to the current quality or availability of underground service information. She explained the opportunity we currently have in our region to observe, photograph, and update our current underground service information considering the volume of future infrastructure works. The Underground Asset Register, currently available as a beta pilot, will allow us to capitalise on this opportunity by recording, updating, and making widely available our complex underground asset information.

TIC Upcoming Events

11 December | End of Year Petanque - *TIC Canterbury*

18 December | End of Year Celebration - *TIC Wellington*

Next month, we are having our first Christmas gathering, our Inspiring Women Networking event. Come along and join in for some excellent chats and a few nibbles!

WIN Upcoming Events

28 November | End of Year Dinner - *WIN Waikato*

9 December | Inspiring Women Networking Event - *WIN Southern*

To get in touch with INZ's Networks to collaborate on future events or initiatives, please email issy.pasley@infrastructure.org.nz.

NEWS

National Infrastructure Plan Discussion Document an Important Building Block Towards Greater Certainty and Bipartisanship

The industry has been crying out for improved pipeline certainty, greater bipartisanship in infrastructure decision-making and a long term plan for our infrastructure for many years. The National Infrastructure Plan (NIP), being developed by the New Zealand Infrastructure Commission | Te Waihanga, is an important building block towards delivering infrastructure more efficiently for New Zealanders and addressing these challenges.

A discussion document is available now, and the Commission is looking for feedback on its proposed NIP work programme by 10 December.

The NIP is less about a list of projects, and more about giving us an idea of what we should be building as a country. It will help guide decision-making by both central and local government and give the infrastructure industry more confidence to invest in the people, technology and equipment we need to build more efficiently.

The Commission will build on Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy, which made recommendations and set objectives for improving New Zealand's infrastructure system. The NIP will be delivered to the Minister for Infrastructure in 2025, and the Government will then respond.

The NIP consists of five workstreams: the infrastructure priorities programme; a focus on improving infrastructure investment and asset management decision-making; the national infrastructure pipeline – with a focus on understanding existing investment intentions over the next 10 years; an infrastructure needs analysis; and the policy and system reform required to facilitate the successful delivery of future infrastructure spend.

In developing the document, the Commission will ask three questions:

- What does New Zealand need to build and invest in over the next 30 years?
- What are the investment plans for the next decade?
- What is missing between our long-term needs and what we plan to invest, and how can we fill this gap?

Infrastructure New Zealand is actively partnering with the Commission on this work – recently hosting workshops to engage communities nationwide on the NIP.

This is not New Zealand's first National Infrastructure Plan, and the real test for the NIP will be its ability to act as a helpful tool to provide a verified menu of projects, and deeper understanding of investment need to politicians in successive governments to come. We look forward to continuing to give a platform to this work so the public is able to use it as a tool to hold future governments accountable for their infrastructure decision making.

Consultation closes on December 10. Infrastructure New Zealand will be submitting, and members are welcome to get in touch with suggestions on what they would like to see covered in our submission. Please email martina.moroney@infrastructure.org.nz to discuss.

The State of New Zealand's Asset Management

The Infrastructure Commission has released a new report, Taking Care of Tomorrow Today: Asset Management State of Play, which assesses the current state of infrastructure asset management in New Zealand, focusing on addressing ageing infrastructure and meeting future demand due to population growth and environmental changes. The report emphasises the importance of maintaining existing assets, as most necessary infrastructure is already in place. The study provides recommendations across four key areas:

- Improving governance and leadership.
- Improving transparency in asset management practices.
- Prioritising resilience over recovery.
- Building asset management capacity and capability.

The report discusses critical infrastructure sectors: energy, telecommunications, water, waste, transport, health, community, and education. These sectors all play a role in enhancing the wellbeing of New Zealanders.

Strategic asset management is needed to address New Zealand's infrastructure challenges, like ageing infrastructure, high costs associated with asset replacement, and infrastructure resilience.

The report highlights enforcement gaps in asset management, calling for consistent, sector-wide requirements and collaboration among regulatory bodies to ensure accountability. Skill shortages, especially in specialised roles, demand investment in training and professional pathways. Funding remains a significant barrier, with current models favouring new projects over the maintenance of existing assets. Reforming the funding system to prioritise long-term planning, resilience, and lifecycle management is recommended.

This research also assessed the maturity of asset management practice across the infrastructure sectors, using the International Infrastructure Management Manual (IIMM) Framework, which measures the main infrastructure sectors against 12 asset management functions, including: strategy; demand planning; risk management; financial management; and people.

Te Waihanga also aims to integrate Te Tiriti o Waitangi commitments and Mātauranga Māori principles, promoting a sustainable, future-focused approach for asset management.

The sectors that perform the best are critical sectors, such as energy and transport, which tend to have stricter regulatory oversight. However, sectors like education and health tend to lag. This is partially attributed to limited regulatory requirements and a primary focus on service delivery rather than asset lifecycle management. Other issues include:

- Poor data quality.
- Poor integration of financial processes.
- A lack of strategic planning in lower-maturity sectors.

These results present a mixed picture, with areas where we are excelling being overshadowed by significant gaps in asset management practices across many other sectors. The report calls for targeted improvement in governance, transparency, risk management, and a commitment to advancing maturity in underperforming areas to enhance the resilience and longevity of New Zealand's infrastructure.

On governance uplift, the report suggests the need to strengthen oversight and accountability for asset management through the establishment of a centralised system lead, and by mandating that all major infrastructure providers have an executive-level lead or governance body responsible for asset management, especially in critical sectors.

The second focus of the Commission's recommendations is around transparency, with the main recommendations canvassing the need to require major public infrastructure providers to conduct regular, independent asset management maturity assessments and make results publicly available to establish a consistent framework for reporting asset performance metrics, including by publishing a 10-year asset management plans.

Under the third theme of resilience, they recommend ensuring all critical infrastructure providers integrate resilience planning into their asset management plans, prioritising investments that mitigate risks from environmental hazards and other potential disruptions.

The fourth and final focus area in the report covers productivity, recommending investment in specialised asset management training and creating straightforward professional pathways to address our skills shortages and promote coordinated regional planning across sectors, especially in high-growth areas, to ensure infrastructure can meet future demand efficiently and sustainably.

This report concludes that New Zealand's infrastructure urgently requires improved asset management to address ageing assets, funding gaps and inconsistent practices across sectors.

Policy Position Release – Climate Adaptation

Just over a year on from the election, we are releasing another set of policy positions, including a focus on climate adaptation.

New Zealand is the second riskiest country in the world in terms of natural hazards according to Lloyd's of London, yet our recovery system is ad-hoc and inconsistent. Our ability to recover from disasters and build resilience is hindered by our lack of national guidance for risk assessment and on the trade-offs needed between risk mitigation and adaptation and other council priorities, as well as inadequate data stewardship. Unfortunately, the effects of climate change will continue to impact our ability to attract investment in the resilience of our infrastructure assets.

In Aotearoa, existing frameworks do not effectively encourage optimal adaptation and retreat decisions. Ad-hoc recovery funding agreements between central and local governments have not motivated councils to avoid building in areas affected by or at risk of being affected by the effects of climate change and other natural hazards.

New Zealand is missing a consistent approach to recovery post-disaster and an enduring climate adaptation framework supported by both major parties.

While the Finance and Expenditure Committee's report back on the Inquiry into Climate Adaptation provides a platform for this discussion, we still lack an answer to the central question of "who pays" for resilience and recovery.

Further, there isn't a clear lead agency that drives a consistent adaptation and recovery system. The quality and consistency of the data underpinning risk assessment undermines our ability to recover and build resilience as a nation.

We detailed four main recommendations to address these problems. These cover the need to progress a national adaptation framework, alongside Central Government-led national resilience standards, to guide local government planning. These standards should accompany funding for community-led recovery by modifying local and regional council funding structures. Our view is that the Government's primary role should be to enforce resilience standards rather than dictate specific land-use changes unless life or property is at severe risk.

New Zealand also needs a single entity that coordinates climate adaptation and recovery. An independent authority model could be based on the Queensland Reconstruction Authority (QRA) and build on the establishment of the Natural Hazards Commission. The QRA manages and coordinates Queensland's programme of recovery and reconstruction funding within disaster-impacted communities and administers the Disaster Recovery Funding Arrangements (DRFA) and State Disaster Relief Arrangements (SDRA). It provides greater certainty on co-funding policy settings for communities as a result of their work to standardise post-disaster cost-sharing arrangements across levels of government. Alongside a top-down approach to building infrastructure resilience, New Zealand can build greater community-level resilience to boost the effectiveness of recovery efforts and smooth adaptation decision-making. Empowering communities through local knowledge and tailored solutions enhances their ability to address specific risks and vulnerabilities will be an important component of our success in this area.

Lastly, new legislation is needed to outline who is responsible for conducting risk assessments, how they should be performed, and to establish a clear risk threshold or criteria for determining when communities must consider retreat as an option. Clearer institutional arrangements are also required to separate key roles, such as setting standards, conducting risk assessments, and ensuring quality assurance.

Enhancing council-level risk assessments depends on the quality of data available regarding existing assets and future threats. However, the current approach to data procurement, usability, and quality is hindering progress across the infrastructure sector, as well as in risk assessment and response efforts. New Zealand needs stronger system leadership to improve infrastructure data collection, ensure standard interoperability, and build capability in this area.

Our Climate Adaptation policy position lays out recommendations for improving recovery and resilience and will inform discussions at our upcoming Infrastructure Resilience conference in March 2025. You can access the document here and the event website here.

Other note-worthy announcements

Report Issues Urgent Warning for Immediate Action as Insurance Crisis Looms Large

A recent report by the Helen Clark Foundation and WSP details the looming “insurance threat” crisis New Zealand faces due to climate-related events. Extreme weather risks are escalating and around 10,000 coastal properties have the potential to be uninsurable by 2050. With rising premiums and risk-based pricing, flood-prone and low-income households will be without coverage, raising equity concerns. The report suggests subsidies, standardised policies and increased market transparency as ways to keep insurance affordable. Further recommendations include halting development in high-risk areas, investing in climate adaptation, planning for relocation and creating a public flood insurance scheme to ensure long-term resilience and community protection.

Access the document here.

NZTA Confirms Second Mt Victoria Tunnel and SH1 Upgrades as Preferred Options for Next Steps in the Wellington Improvements – Roads Of National Significance Project

NZTA has approved next steps for the SH1 Wellington Improvements, which includes constructing a second Mt Victoria Tunnel and a duplicate Terrace Tunnel. These upgrades aim to reduce Wellington’s congestion and enhance economic growth. The project will also involve grade separation at the Basin Reserve and improvements along SH1. Expected benefits include travel time savings of up to ten minutes for commuters from the northern suburbs and improvements in the reliability of bus services. The project will now progress through an investment case, in stages, with final approvals expected in mid-2025.

To read more about the project, click here.

Other note-worthy announcements

Watercare's $6.3m Project to Future-Proof Glenbrook's Water Services Nears Completion

Watercare has completed the installation of two new water mains to provide drinking water to Glenbrook Beach, marking a key milestone in its $6.3m project to future-proof local water services. Crews have installed two water mains and a wastewater pipeline 15-20 metres beneath the Taihiki Estuary, reducing environmental impacts and eliminating risks from marina activities. The six-month project finished with an eight-hour operation involving five crews to commission the water mains without disrupting supply. While the water mains are operational, the wastewater pipeline will be activated for future developments. Remediation work, including removing a temporary pipeline, will be completed by the end of this summer.

Click here to read the full article detailing progress on this project.

$60m to be Invested in Exploring the Potential of Supercritical Geothermal Technology

The Government will allocate up to $60m from the Regional Infrastructure Fund to explore supercritical geothermal technology (SCGT), which could significantly boost New Zealand's renewable energy capacity. $5m of initial funding will be issued to support the design and cost analysis for drilling three exploratory deep wells in the Taupo Volcanic Zone, led by GNS Science and MBIE. SCGT could produce up to three times more energy than current methods. Engagement with local Iwi and hapū is planned. If this technology is successful, it could reduce emissions, enhance energy security, and provide long-term economic benefits across New Zealand.

Read the full release here.

Other note-worthy announcements

Terms of Reference for Review of Electricity Market Performance released

The Coalition Government has released the terms of reference for a review of New Zealand's electricity market to address affordability, reliability and support economic growth. Following the winter power crisis, the review will examine investment market rules, competition and performance monitoring. Energy Minister Simeon Brown details the need for affordable, secure electricity to ensure competitive energy infrastructure. The aim of the review is to ensure markets incentivise timely infrastructure investment, maintain efficiency, foster competition, and have effective regulation. This initiative complements other Government actions to enhance energy security and affordability, with findings expected early in the new year.

View the full terms of reference for the review here.

Raveen Jaduram appointed Chair of the New Zealand Infrastructure Commission

Hon Chris Bishop, Minister for Infrastructure, has appointed Raveen Jaduram as Board Chair of the New Zealand Infrastructure Commission, succeeding Dr Alan Bollard. Jaduram, also Chair of Taumata Arowai, will bring over 30-years of water industry experience in New Zealand and Australia, including roles as CEO of Watercare and Managing Director of Murrumbidgee Irrigation. He holds a Master's in Civil Engineering. Additionally, Dr Sina Cotter Tait has been reappointed to the Te Waihanga Board. A Chartered Engineer with a PhD, she has extensive board experience and has co-founded several entities.

The press release is available here.

Other note-worthy announcements

Commerce Commission approves revenue limit increases for Transpower and local lines companies

The Commerce Commission released its final decision to increase revenue limits for Transpower and local lines companies in recognition of the significant investment needed in New Zealand's electricity network. As a result, household power bills will rise by $10 monthly from April 2025, with $5 annual increases for four years, to fund electricity network upgrades. Inflation, borrowing costs, and ageing infrastructure drive the increases, with 55% linked to inflation and interest rates. Population growth, extreme weather, and electrification heighten pressure on the grid. Revenue smoothing caps annual hikes at 16% for two years and 5% thereafter. Transpower's five-year revenue is $5.9 billion, up 44%, while local lines companies' $11.5 billion cap is 47% higher, with first-year increases averaging 24%. Workforce shortages and regional growth uncertainties remain key challenges.

Click here to read the decision by the Commerce Commission.

Report Commissioned by Concrete New Zealand Could Pave the Way for Alternative Roading Materials

A report authored by Infometrics and commissioned by Concrete New Zealand found that concrete roads could be cheaper and more sustainable than asphalt when measured across a 40-year lifespan. While concrete roads cost more to build, they are 17% cheaper in whole-of-life cost, with maintenance savings of up to 62%. Concrete may also emit less lifetime carbon due to its ability to absorb carbon dioxide. Industry experts, such as National Road Carriers Association Chief Executive Justin Tighe-Umbers, advocate for this material change reflecting on how it could reduce fuel consumption and is more resilient to warmer weather. There are challenges, however, such as high initial costs, increased traffic noise and advance underground maintenance. Supply chain risks for asphalt further highlight concrete's potential as a cost-effective sustainable alternative.

To read the full report, click here.

Other note-worthy announcements

All Regions Invited to Make Regional Deals Proposals

Local Government Minister Simeon Brown and Infrastructure Minister Chris Bishop have announced that Cabinet has agreed to invite all regions to submit proposals for Regional Deals between central and local government. It was alo announced that the ambition is to finalise the first Regional Deal by December 2025 and work to establish three Regional Deals by October 2026. Invitations to submit a proposal for a Regional Deal will be sent to all councils this month. The Government will then prioritise the regions which have the most potential to deliver on the Government's economic growth agenda.

The Government's press release is available here.

High Growth Councils Gain Greater Access to Borrowing

The Local Government Funding Agency (LGFA) is increasing access to finance for fast growing councils to support greater infrastructure investment. The LGFA will begin lending to high growth councils up to 350% of their total revenue. This is a significant increase in the standard leverage available to councils of 280%. The announcement comes on top of the Local Water Done Well deal which allows council owned water organisations to borrow up to 500% of operating revenues through the LGFA. The Government is a 20 per cent shareholder in the LGFA.

Read the Government's reaction to this here.

Other note-worthy announcements

LGNZ Releases Funding and Financing Toolkit for Councils

Local Government New Zealand (LGNZ) has released a set of 25 funding and financing tools intended to help councils diversify their revenue streams, pay for critical infrastructure and services, and help alleviate pressure on ratepayers. The 25 tools listed in the LGNZ toolkit are divided into three tiers, depending on how they align with the Government's policy agenda:

Tier 1: Funding and financing tools that the Government is working on

Sharing GST on new builds | Congestion charging | New tolling direction | Value capture | Regional infrastructure fund | Public-Private Partnerships | Improvements to development contributions | Regional deals | Raising council LGFA debt caps & Local Water Done Well | Infrastructure Funding & Financing Act Reform

Tier 2: Funding and financing tools that the Government has shown interest in

Accommodation levy | Ratepayer assistance scheme | Local share of crown mineral royalties | Ending unfunded rules & responsibilities imposed by Central Government | Removing barriers to council fees, fines & cost recovery

Tier 3: Other tools that councils want

Incentives for non-residential building | General, principled or indexed share of government revenue | GST sharing on rates | Rates & contributions on currently exempt crown land | National rates postponement scheme | Infrastructure equalisation fund | Increase FARS | Remove 30% cap on uniform charge | Regional fuel tax | Civil defence levy

You can read more here.

Have Your Say

Upcoming closing dates for engagement opportunities of interest for the infrastructure sector.

10 December | Submissions close on the National Infrastructure Plan Discussion Document.

20 December | Consultation closes for stage one of the Electricty Authority's network connections project.

20 December | Consultations closes for the Electricity Authority's distribution connection pricing proposed Code amendment.

UPCOMING EVENTS

November

WIN Waikato End of Year Dinner
Women's Infrastructure Network Waikato

December

Future Proofing New Zealand: The 2050 Infrastructure Forum - Hosted by The Post and Infrastructure New Zealand - **Auckland**
Sponsored by Chapman Tripp

INZ Holiday Celebration - **Christchurch**
Sponsored by Warren and Mahoney

INZ Holiday Celebration and Special General Meeting - **Auckland**
Sponsored by Bell Gully

WIN Southern Inspiring Women Networking Event
Women's Infrastructure Network Southern
Sponsored by Gallaway Cook Allan

TIC Canterbury End of Year Pétanque
The Infrastructure Collective Canterbury
Sponsored by Aurecon

TIC Wellington End of Year Celebration
The Infrastructure Collective Wellington
Sponsored by Beca

To host an event with INZ, please contact our Events and Marketing Lead Issy, at issy.pasley@infrastructure.org.nz. Please visit our website for more information on these member events, and to register.