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Kia ora koutou

New Zealand's infrastructure challenge is bigger than any one government or election cycle. That is the central idea behind Let's Build NZ. We want political parties to find more common ground on the long-term infrastructure New Zealand needs and, importantly, we want the infrastructure sector to get behind that ambition too. The campaign is about building greater consensus around what we need, how we pay for it and how we stop constantly changing direction. The response across the sector has been encouraging, but we need more organisations and individuals to lend their voice. If we want politicians to make infrastructure decisions differently, the sector needs to demonstrate that there is a constituency for change, and that we have wider public support.

Turn the pipeline into a real investment programme

New Zealand talks a lot about an infrastructure pipeline. But we need to be clearer about what that pipeline actually represents. Too much of what the Government refers to as a pipeline, remains unfunded, unsequenced and uncertain. A register of things we might one day like to build is useful, but it isn't the same thing as a credible investment and delivery programme.

Our ambition should be a funded, sequenced pipeline that gives contractors, investors, councils and communities confidence about what is actually coming. Better agency planning, assurance and asset management should progressively improve the quality of projects entering that pipeline. Certainty allows the sector to invest in people, equipment and capability, and ultimately deliver infrastructure more efficiently.

Recycle capital as well as raising it

Fiscal constraints aren't going away. That means governments need to get much better at using the enormous asset base they already own.

Consider the school estate. Demand may be flat or declining nationally while particular communities are growing rapidly. Holding underutilised land or buildings indefinitely has an opportunity cost when other communities desperately need new infrastructure.

Asset recycling should become a systematic part of infrastructure policy: identify genuinely underutilised Crown assets, realise value where appropriate and transparently reinvest the proceeds into infrastructure. There are legitimate questions about preserving land for future needs, but constrained capital means doing nothing also carries a cost.

We shouldn't sell public assets for the sake of it, but we should be prepared to sell them to release the money to build new, more appropriate infrastructure that meets the needs of citizens.

Infrastructure needs political durability

Our electoral system should be capable of producing greater infrastructure consensus. Countries such as Denmark demonstrate how proportional parliaments can assemble durable support for long-term investment.

There is an interesting parallel with local government. Councillors with very different political perspectives ultimately have to agree on a long-term plan. Parliament could make greater use of select committees and other mechanisms to establish durable majorities around New Zealand's long-term infrastructure priorities.

That doesn't mean removing politics from infrastructure. It means recognising that a 30-, 50- or 100-year asset cannot sensibly be planned entirely around a three-year political cycle.

Put private capital to work on something real

We also need to move the private-capital conversation from theory to practice.

Rather than another abstract debate about whether New Zealand should use private finance, let's identify a genuine infrastructure project and build an investable proposition around it: the project, revenue source, allocation of risk, public contribution and structure through which New Zealand domestic capital could participate.

Few major public infrastructure projects completely pay for themselves. Private finance isn't a substitute for government investment. But if we can demonstrate how public and private capital can work together on an actual project, we can create a model that governments of different political colours can assess on its merits.

Look after what we've already built

The Infrastructure Commission's growing focus on asset management is particularly important. New Zealand needs a much better national picture of the condition and performance of its existing infrastructure.

For too long our infrastructure conversation has been dominated by announcements of new things. Building is only half the job. We also need to understand, maintain and renew the roads, pipes, schools, hospitals and other assets generations of New Zealanders have already paid for.

Better information about asset condition should drive better planning, investment and accountability. Stewardship needs to become as politically important as construction.

These issues ultimately come back to the same proposition: **New Zealand needs to make infrastructure choices that endure**. A credible pipeline, smarter use of existing assets, new sources of capital, better stewardship and greater political consensus are all parts of the same system.

That is what Let's Build NZ is trying to achieve. And if the infrastructure sector wants that system to change, now is the time to get behind it.

As always, thank you for your continued engagement with Infrastructure New Zealand. We welcome your feedback on InfraRead, and if you or your organisation would like to contribute a guest article, please get in touch with Amy Lane at Amy.Lane@infrastructure.org.nz.

Ngā mihi nui

Nick Leggett
Chief Executive

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The Private Sector Is Investing, Government Must Keep Pace

By Nick Leggett, Chief Executive, Infrastructure New Zealand

Auckland Airport provided a useful reminder recently that, despite plenty of uncertainty around the economy and the election, significant infrastructure investment is continuing.

More than half of the airport's $3.9 billion terminal integration programme has now been delivered, with almost $1 billion of new aeronautical assets commissioned in the past financial year alone.

That is a serious programme of work being delivered inside one of New Zealand's most important pieces of operating infrastructure. The ongoing work is also vital for the infrastructure industry and wider economy.

The wider message is worth noting; across much of the private sector, the foot remains on the pedal.

Auckland Airport is investing, Ports are expanding capacity. Electricity generators and networks are progressing major projects. Watercare, operating with greater financial independence, has a substantial long-term programme under way. Meanwhile, private capital continues to look for infrastructure opportunities.

This matters because one of the risks around an election is that the public infrastructure system slows down while everyone waits to see what happens next.

New Zealand cannot afford another stop-start cycle. Many sectors of infrastructure are still dealing with the last stop.

The encouraging thing is that some of the changes made over recent years are beginning to shift the infrastructure conversation away from individual announcements and towards longer-term programmes. That is exactly where we need to get to.

Auckland Airport is a good example of why programmes matter. A multi-year capital plan allows an organisation to retain people, build commercial capability, sequence projects sensibly, establish enduring relationships with suppliers and learn from one project before starting the next.

The same logic applies in the public sector.

The newly established School Property Agency is an interesting test. It now has responsibility for managing one of New Zealand's largest public asset portfolios and is explicitly looking at greater standardisation and repeatability.

That makes sense.

We should not be redesigning every classroom, pump station, bridge component or substation from scratch if a proven design already works. Repeatability creates productivity.

Watercare is demonstrating another part of the equation. Its long-term programme gives the market visibility across renewals, growth infrastructure and major projects. Transpower is doing something similar as it works through a large programme of grid upgrades and connections for new generation.

These are the sorts of programmes around which industry can invest. The challenge for government is to provide more of that certainty across its assets.

Infrastructure New Zealand has consistently argued that the quality of the pipeline matters as much as its size. Clarity is vital.

A project appearing on a list is useful. A funded project with a realistic procurement date is much more useful. A coordinated programme of funded projects is better again.

That distinction matters because industry investment follows confidence. Contractors and consultants employ and train people when they can see several years of work ahead. Suppliers invest in equipment and facilities. International firms decide whether to establish permanent capability here.

We also need to become better at extracting value from the infrastructure we already have.

City Rail Link has now moved from construction into operation, and it's brilliant. The next question should not be how much concrete went into it, but whether the project delivers the patronage, uplift development and productivity benefits promised.

The same principle applies across the system.

Asset owners should understand what they own, maintain it properly and look for opportunities to extend its life or use it more effectively before automatically building something new. None of this is revolutionary. But infrastructure productivity is unlikely to come from one dramatic reform.

It will come from doing the basics consistently well: planning earlier, maintaining assets, standardising where sensible, providing credible pipelines, allocating risk properly and building institutions capable of learning from one project to the next.

The private sector appears willing to keep investing. The task for the public system is to make sure it can keep pace.

Nick Leggett
Chief Executive
Infrastructure New Zealand

Last Man Standing Regime to be Stood Down

By Edward Scorgie, Partner, Chapman Tripp

The National-led Coalition Government has determined that the joint and several liability regime imposes unacceptable costs on the building industry, primarily through the disproportionate exposure it creates for local government and the unduly risk averse consenting culture that has created.

The Ministry of Business, Innovation and Employment (MBIE estimates that the additional cost to building consent authorities of covering absent parties in the period 2008 to 2018 was approximately $332 million.

The Building Amendment Bill would replace joint and several liability for defective building work with proportionate liability. The timetable may be set back by the November election, but the Bill passed its first reading by 107 votes to 15 so we expect the next government will pursue the reform whatever its stripe.

Anyone in the building industry should begin thinking now about the potential impacts for their organisation and consider submitting to the Select Committee.

So what is proposed?

The reform does not directly reduce the likelihood or cost of defective building work. It moves the risk of a missing or insolvent party off the defendants who remain, and onto the claimant – typically the building owner.

Under the Bill, each part contributing to a loss arising from defective building project work would be liable only for the share of the loss that can be justly and equitably attributed to them. This applies whether or not all concurrent wrongdoers are parties to the proceeding – a decision-maker can assess the contribution of an absent party.

An insolvent or unavailable defendant's share would no longer be borne by those defendants left standing but would be borne by the claimant. For the claimant to recover in full, all parties who contributed to the loss or damage would need to be available and able to pay their share. This risk is to be mitigated by requiring mandatory home warranty insurance for defined residential building work and requiring consultants to hold mandatory professional indemnity insurance.

The change would not take effect until one year after the Bill passes into law and would apply only to work which is consented on or after that date. Because the Building Act's 10-year longstop allows claims to be brought up to a decade after the relevant act or omission, the two regimes would run in parallel for some time.

Implications and risks

The potential benefits of the change should not be minimised. Increasing efficiency and reducing cost is a meaningful prize if it can be achieved. Those involved in the construction sector will also welcome the prospect of not having to carry the can for their less well-capitalised or uninsured colleagues.

But the risks are meaningful too. The promoters of the Bill are candid that their emphasis is on managing the liability of the defendant and not the recovery of the plaintiff, and the proposed mitigating measures are limited in scope. If New Zealand's building industry faces another systemic failure like the leaky building crisis, building owners – including "mum and dad" home-owners – will potentially end up carrying a far greater share of the loss.

Commercial, industrial and high-rise projects also sit squarely within the change, but outside the requirement for mandatory warranties. It will be up to commercial and industrial parties to take steps to manage their changed exposure, subject to their (as yet unclear ability to contract out of the statutory scheme.

We expect to see changes to procurement approaches for projects across the board, with an increased focus on the financial standing of parties throughout the contractual chain, and on the value and term of security packages. Depending on the scale of the project, expect additional focus on balance sheet strength, creditworthiness and corporate group structures, alongside the ability to sustain quality security arrangements through bonds and/or parent company guarantees.

We may also see an increased due diligence focus on latent defects and recovery prospects from those acquiring recently developed buildings, including additional scrutiny of warranties offered by vendors in relation to building procurement and condition.

Claimants will need to identify and join all potential defendants to the proceeding. There may be little time to do this in latent defect cases, particularly if the defect emerges close to the end of the limitation period.

Contribution claims between defendants will no longer be permitted, meaning the more generous limitation period for contribution claims by defendants will not see third parties drawn into the litigation late. Building defect litigation will likely become more complex and onerous for claimant owners, with less certain prospects.

For more on this topic, read our full article or listen to our podcast episode: Who pays when it goes wrong? Proportionate liability reform returns.

Edward Scorgie
Partner
Chapman Tripp

Advocacy and Engagement Update

October has been a busy month for Infrastructure New Zealand, with our Let's Build NZ campaign front and centre in the lead-up to the election, alongside policy submissions and engagement with the sector at home and abroad.

Let's Build NZ

Our Let's Build NZ campaign has continued to gather momentum this month, with two major releases. In mid-October we released The Pulse, our survey of 290 infrastructure sector participants. Almost half of respondents have lost staff overseas in the past year, and 44% have reduced staff numbers. Ninety-one percent say the election is creating uncertainty for investment decisions, and 52% expect the next 12 months to be financially harder. Thank you to everyone who took part. The full results can be read here.

We also released our political party scorecard, setting out where each party stands on eight infrastructure priorities, with the results showing that parties agree on more about infrastructure than perhaps any other policy area this election. We thank the parties for engaging constructively with our manifesto, and look forward to tracking their commitments to see whether they translate into real progress. You can view the full scorecard here.

Submissions

This month we have submitted on the Illustrative National Policy Direction for the new planning system. We welcomed infrastructure inclusion as a dedicated theme, and the retention of key provisions from the National Policy Statement for Infrastructure, including the operational envelope approach for routine maintenance and upgrades. Our key ask is clearer direction on how infrastructure and environmental objectives are reconciled at a system level, rather than project by project. Read our submission here.

IPWEA Asset Management Summit and World Infrastructure Forum

INZ Chief Executive Nick joined a panel at the IPWEA Asset Management Summit in Melbourne, where discussion explored how countries are building the skills and systems needed to manage infrastructure well across its whole life.

Nick is currently in Madrid at the World Infrastructure Forum, joining leaders from around the globe to share ideas on investment, delivery and resilience. We look forward to sharing his insights on his return.

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.

Consult & Construct
Schneider Electric
NZ Airports Association
Australian Trade and Investment Commission
Abergeldie Complex Infrastructure
RDT Pacific
Harmos Horton Lusk

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.

The Infrastructure Collective®

women's infrastructure network

TIC Upcoming Events

29 October | TIC Auckland
Inner Circle: Conversations with Industry Leaders

5 November | TIC Wellington
Coffee Catch Up

17 November | TIC Canterbury
Mentoring Programme Coffee and Pastry Wrap-up Event

17 November | TIC Wellington
Mentoring Programme Coffee and Pastry Wrap-up Event

19 November | TIC Auckland
Mentoring Programme Coffee and Pastry Wrap-up Event

3 December | TIC Auckland
End of Year Event

WIN Upcoming Events

29 October | WIN Southern
What Keeps Infrastructure Leaders Awake at Night?

9 December | WIN Wellington
Te Ngākau: The Heart of a Connected City

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

Other Noteworthy Announcements

Otago Central Lakes City and Regional Deal Signed

The Government has signed a City and Regional Deal with three Otago Central Lakes councils, establishing a 10-year partnership guided by a 30-year vision. The agreement includes commitments across housing, transport, energy, health and economic development, with a focus on coordinating planning and investment. An implementation plan will be developed within six months. Read more here.

RMA National Direction Reforms Completed

16 national direction instruments have been completed under the Resource Management Act, including new national standards for electricity networks and telecommunications facilities. The changes aim to make routine maintenance, upgrades and network expansion easier by introducing more consistent planning rules. Read more here.

Land Purchase for Future South Auckland Hospital

The Government has purchased a 13-hectare site on Karaka Road in Drury for $45.3 million to support future health facilities in South Auckland. Located beside the planned Ngākōroa railway station and State Highway 22, the land will allow Health New Zealand to assess options, including a potential major hospital, subject to future investment decisions. Read more here.

New Plymouth District Plan Changes Progress

Targeted amendments to New Plymouth's District Plan have progressed, aiming to reduce planning barriers and making it easier to build and alter homes. The changes cover residential building requirements, parking, earthworks and land use. Following public consultation, regulations are now being drafted before returning to Cabinet for approval. Read more here.

School Property Delivery Enters New Phase

The New Zealand School Property Agency (NZSPA) began operating on 1 October, taking responsibility for building, managing and maintaining school property. Governed by a board with a commercial focus, the agency will report to the Ministers of Education and Infrastructure. The Ministry of Education will retain responsibility for education policy and decisions about where additional capacity is needed. Read more here.

Other Noteworthy Announcements

Planning Changes to Support Wellington's Growth

The Government is progressing changes to Wellington's District Plan following a review of heritage provisions at five sites. The changes include removing heritage listings from three structures and adjusting height limits for non-heritage buildings in the Courtenay Place Heritage Area. The Government says the changes could enable more housing and commercial development. Read more here.

Private Financing Secured for Proposed Queenstown Cable Car

Southern Infrastructure Limited has reached an initial agreement for around $265 million in private lending from Private Capital Group to support its proposed Queenstown Cable Car project. The route would connect central Queenstown, Frankton, Queenstown Airport and Ladies Mile. The financing remains subject to due diligence, credit approval and final documentation, with construction expected later this decade, subject to approvals. Read more here.

30-Year Plan Sets Direction for Queenstown Transport

NZTA has released a 30-year strategic plan for Queenstown's transport network, outlining staged improvements to manage population growth and travel demand. Priorities include upgrading key intersections, improving bus services and walking and cycling connections, and making better use of existing roads. Longer-term options include high-capacity public transport, such as gondolas or cable cars, and an additional Kawarau River crossing. Read more here.

KiwiRail to Fund $37.5m in Picton Ferry Upgrades

KiwiRail will fund up to $37.5 million in additional infrastructure works at Picton as part of the New Ferries project. The investment includes rail yard upgrades and auto-mooring technology for the new wharf. Read more here.

Fast-Track Approval Granted for Third Auckland Quarry

The expansion of Auckland's Hunua Quarry has received fast-track approval, becoming the 37th project approved through the process. The development will allow Winstone Aggregates to deepen its existing Symonds Hill Pit, increasing peak production capacity to 5.4 million tonnes annually. Approval includes conditions addressing increased truck traffic and environmental impacts. Read more here.

Have Your Say

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

The Transport and Infrastructure Committee is now calling for submissions on the Building Amendment Bill. Submissions were due to close on Sunday 15 November 2026, but the deadline has been extended with a new date to be advised early in the new Parliament.

UPCOMING EVENTS

October

29 October | TIC Auckland
Inner Circle: Conversations with Industry Leaders
Sponsored by Arup

29 October | WIN Southern
What Keeps Infrastructure Leaders Awake at Night?
Sponsored by Stantec

November

5 November | TIC Wellington
Coffee Catch Up
Sponsored by The Property Group

17 November | TIC Canterbury
Mentoring Programme Coffee and Pastry Wrap-up Event
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19 November | TIC Auckland
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December

3 December | TIC Auckland
End of Year Event
Sponsored by Hesketh Henry

9 December | WIN Wellington
Te Ngākau: The Heart of a Connected City
Sponsored by Warren and Mahoney

Further information and registration details are available on our website here.