

A Long-Term Direction for New Zealand's Infrastructure

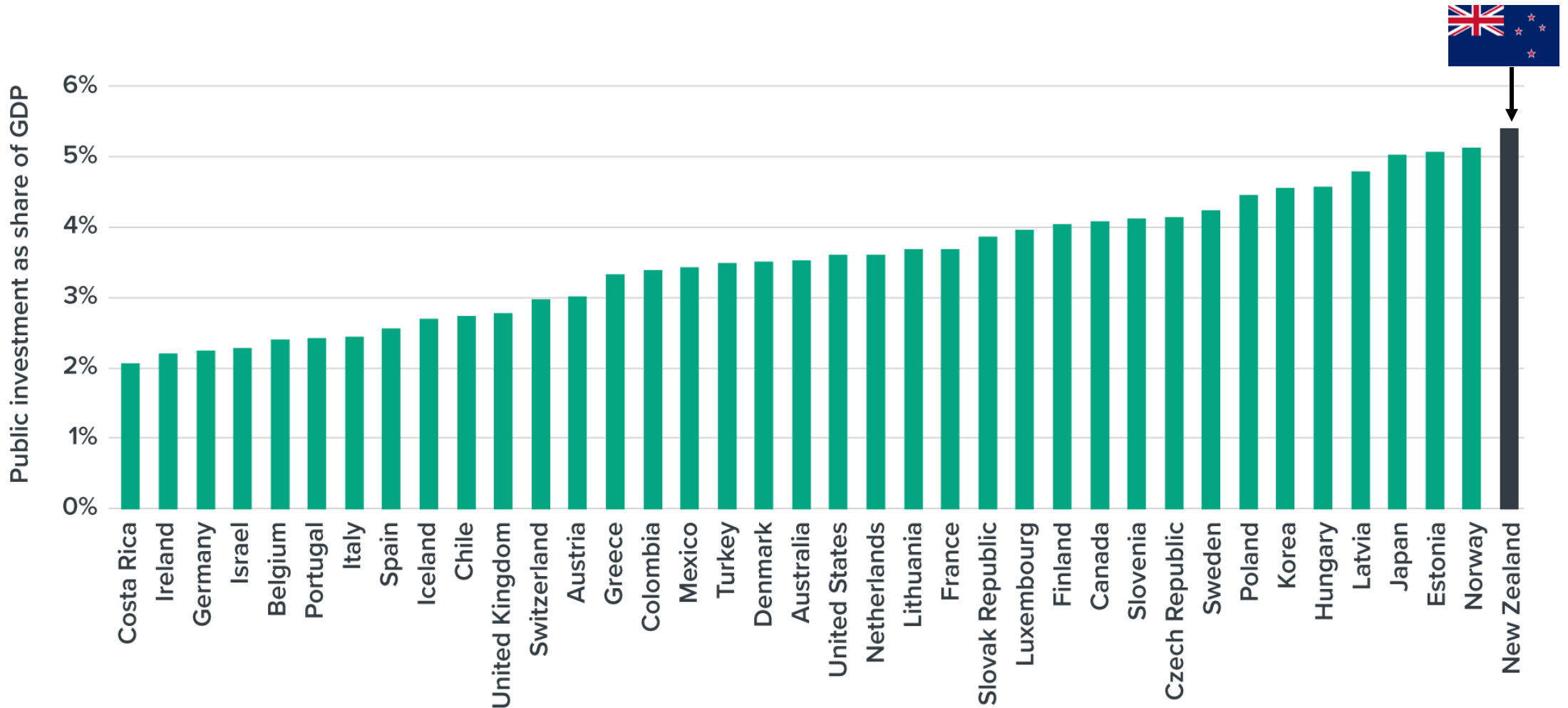
Mahere Tūāhanga ā-Motu

A close-up photograph of a hand holding a blue comb against a dark background. The comb is positioned horizontally, and the teeth are visible. The lighting is dramatic, highlighting the hand and the comb against the dark background.

**Infrastructure is about
movement**

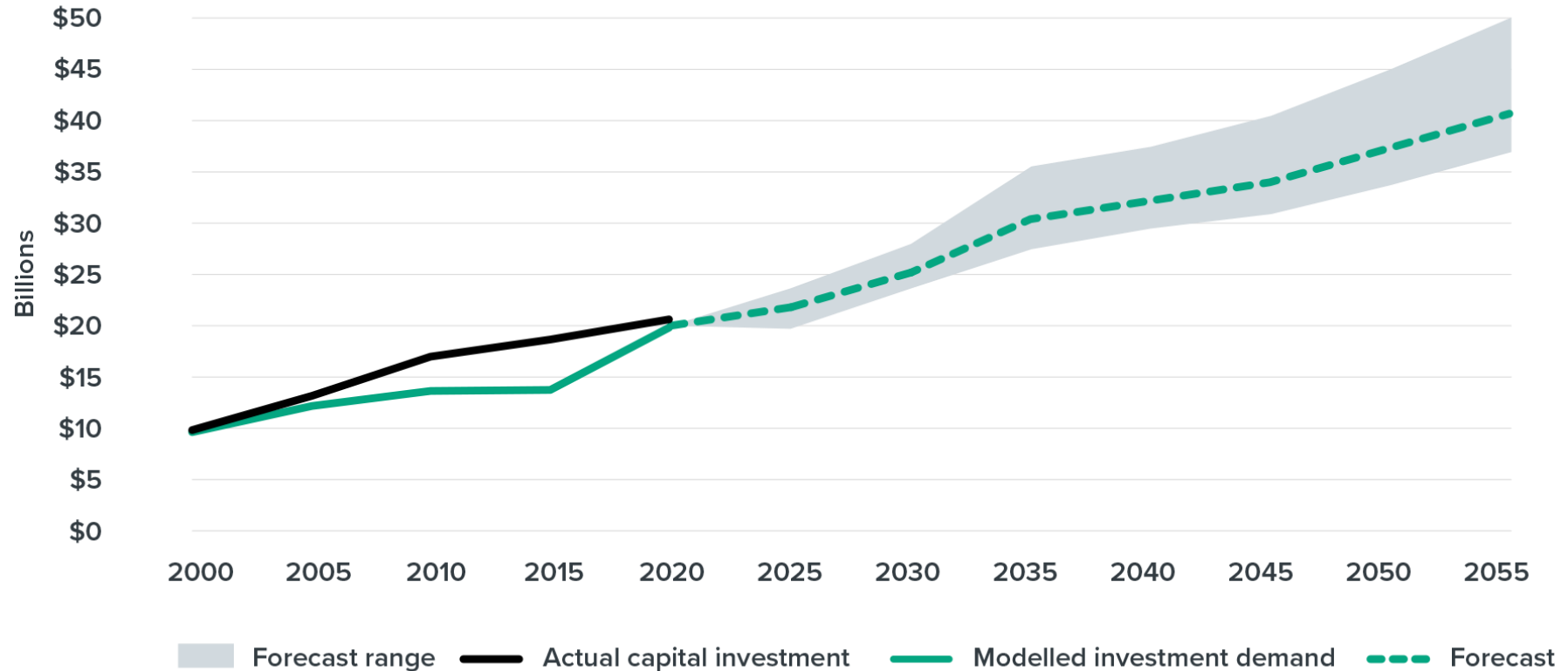
We're committed to infrastructure services

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



There is further investment to come

Infrastructure investment expected to rise with the economy



The Infrastructure Plan is a Portfolio View

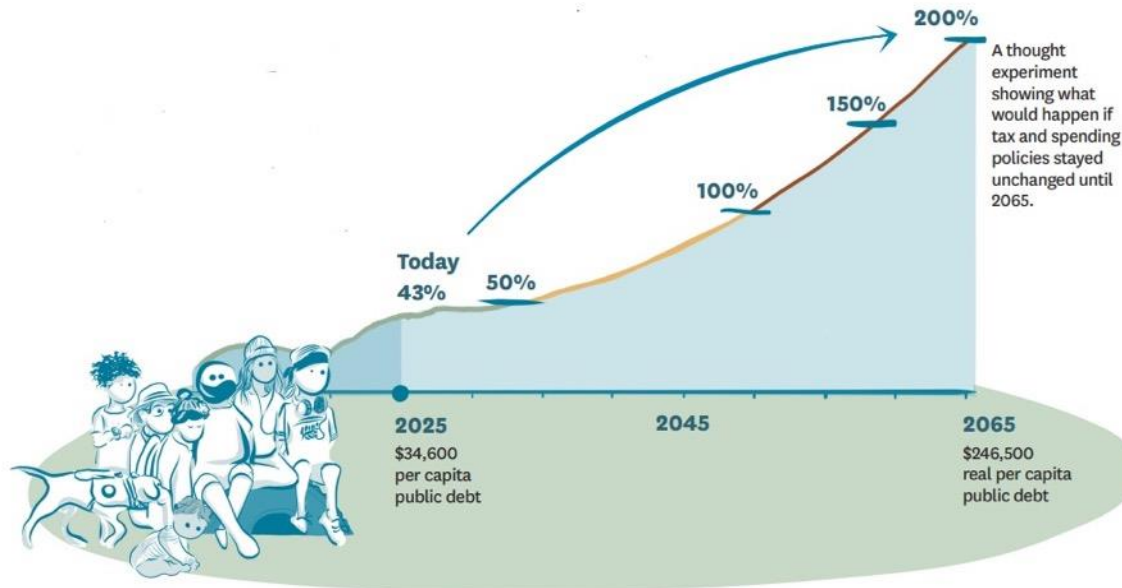
Bringing together 17 sectors and 150 organisations

Sector	Main providers	How to fund investment	Recent investment trends, % of GDP (2010–2022)	Forecast future investment demand, % of GDP (2024–2054)		Key drivers of future investment
Network infrastructure						
Land transport – road, public transport, rail	Central and local government	User charges and rates	1.3%	1.0%	↓	Decarbonisation, slowing income and population growth
Electricity and gas	Commercial sector	User charges	0.8%	1.3%	↑	Decarbonisation, renewals
Water and waste	Local government	User charges and rates	0.6%	0.5%	↓	Renewals and natural hazards
Telecommunications	Commercial sector	User charges	0.7%	0.7%		Renewals, stable outlook
Social infrastructure						
Education – primary/secondary	Central government	Taxes	0.4%	0.3%	↓	Demographic change
Education – tertiary	Central government	Taxes and fees	0.6%	0.5%	↓	Demographic change
Hospitals	Central government	Taxes	0.2%	0.4%	↑	Demographic change, renewals
Public administration and safety – government buildings, prisons, defence, justice	Central and local government	Taxes	0.9%	0.8%		Renewals, stable outlook
Social housing	Central and local government	Taxes and rents	0.3%	0.3%		Renewals and population growth
Other public capital	Central and local government	Various	0.2%	0.2%		Stable outlook

Going further has headwinds

Central Government

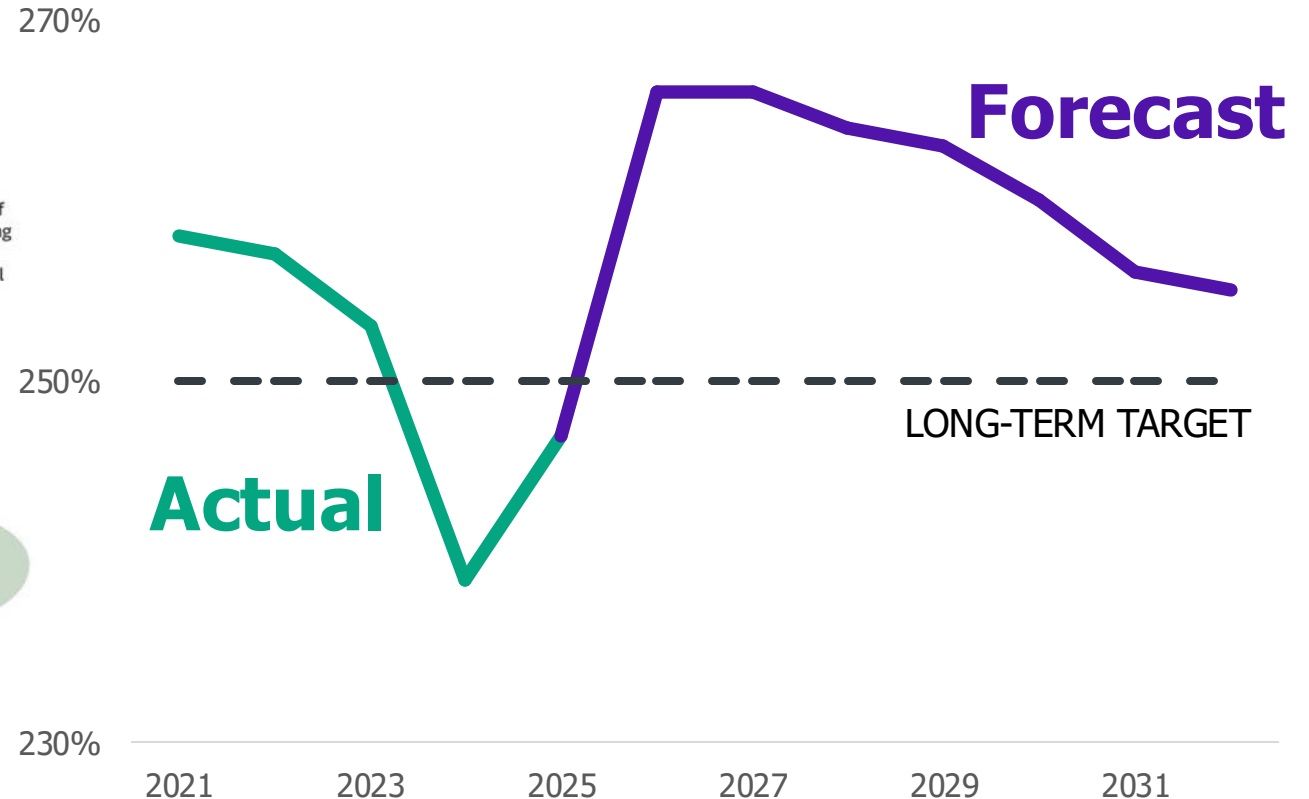
Net Core Crown Debt to GDP



Source: Long-term Fiscal Statement. New Zealand Treasury. (2025).

Auckland Council

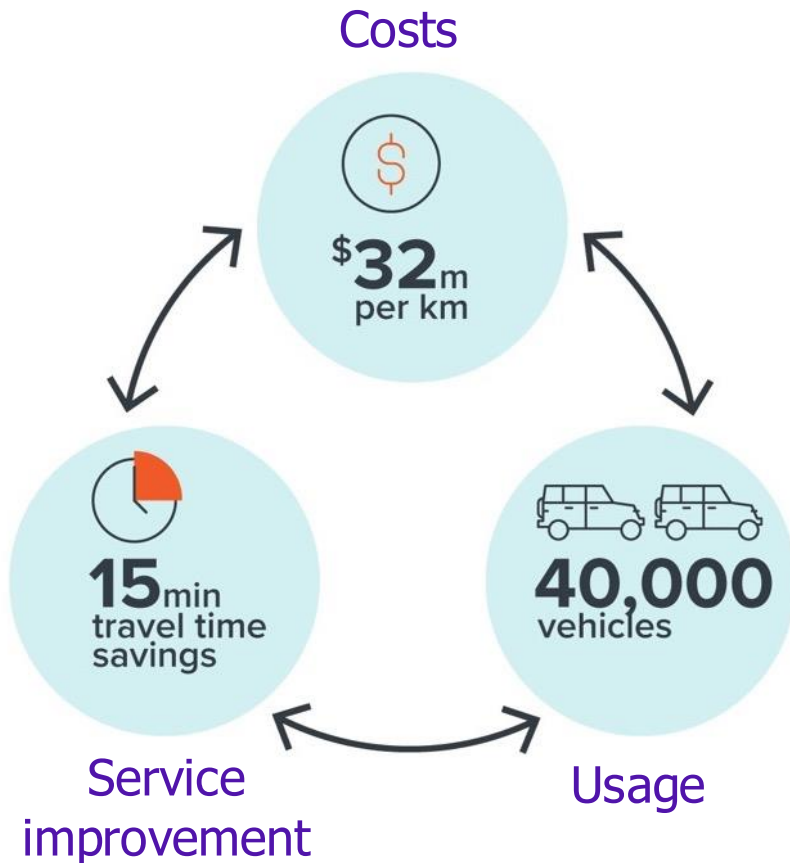
Debt to revenue



Source: Te Waihangā analytics, Auckland Council Summary Annual Report, Office of the Auditor-General.

Unless we lift project quality to raise revenue

Roads that pay for themselves



Source: 'Buying time'. New Zealand Infrastructure Commission. (2024).

Urban growth that doesn't

Fiscal returns to urban growth



Source: 'Paying it back'. New Zealand Infrastructure Commission. (2025).

We're planning more than we can afford

National Infrastructure Pipeline



\$275bn

value of projects in planning and delivery in the Pipeline



11,925

number of projects



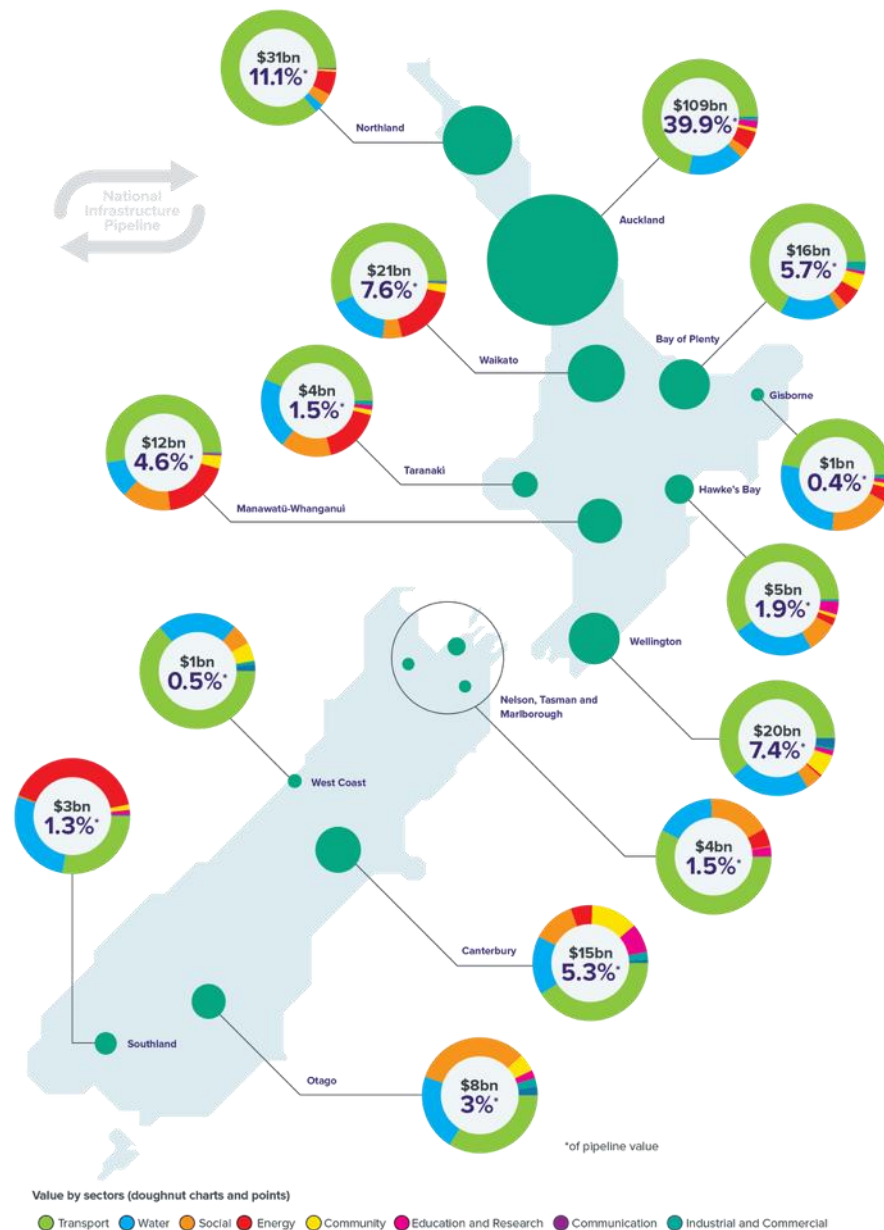
44

largely unfunded megaprojects each worth more than \$1 billion



98%

of projects are worth less than \$100 million

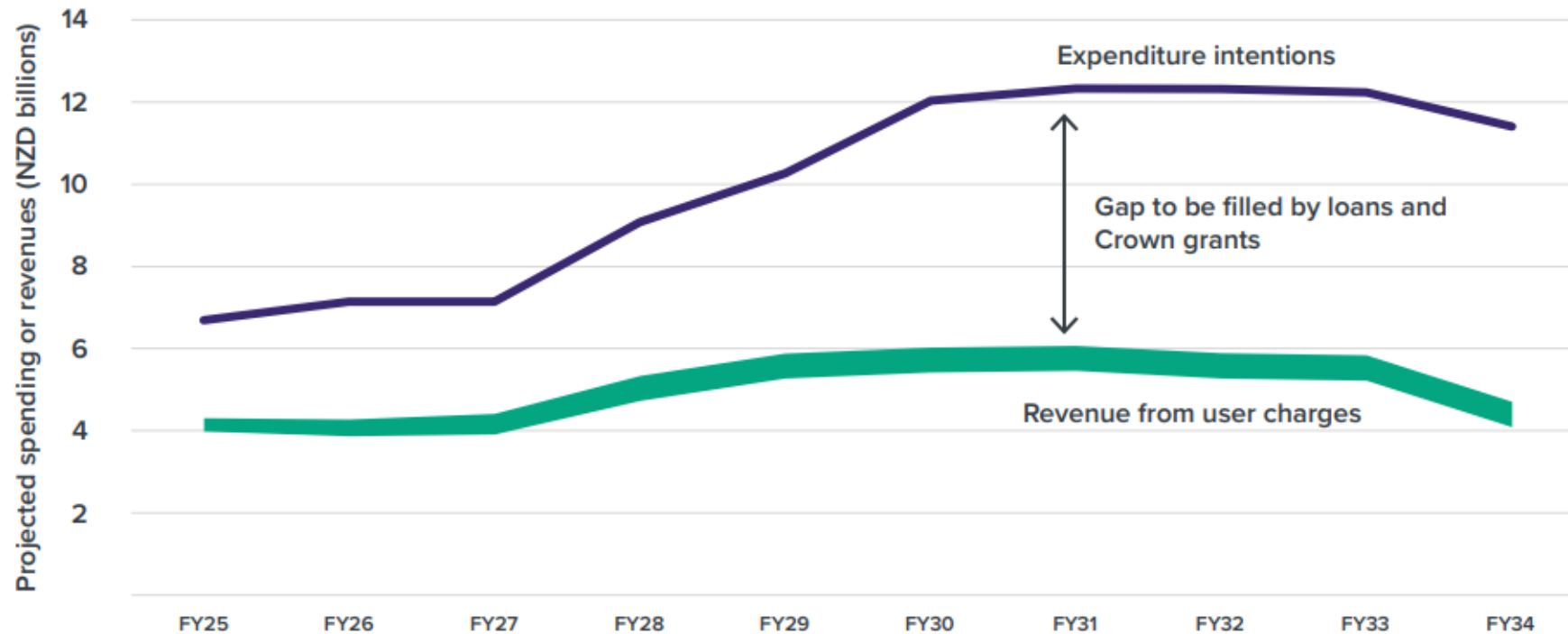


Which creates sizeable funding gaps

Land transport

Hospitals

Water

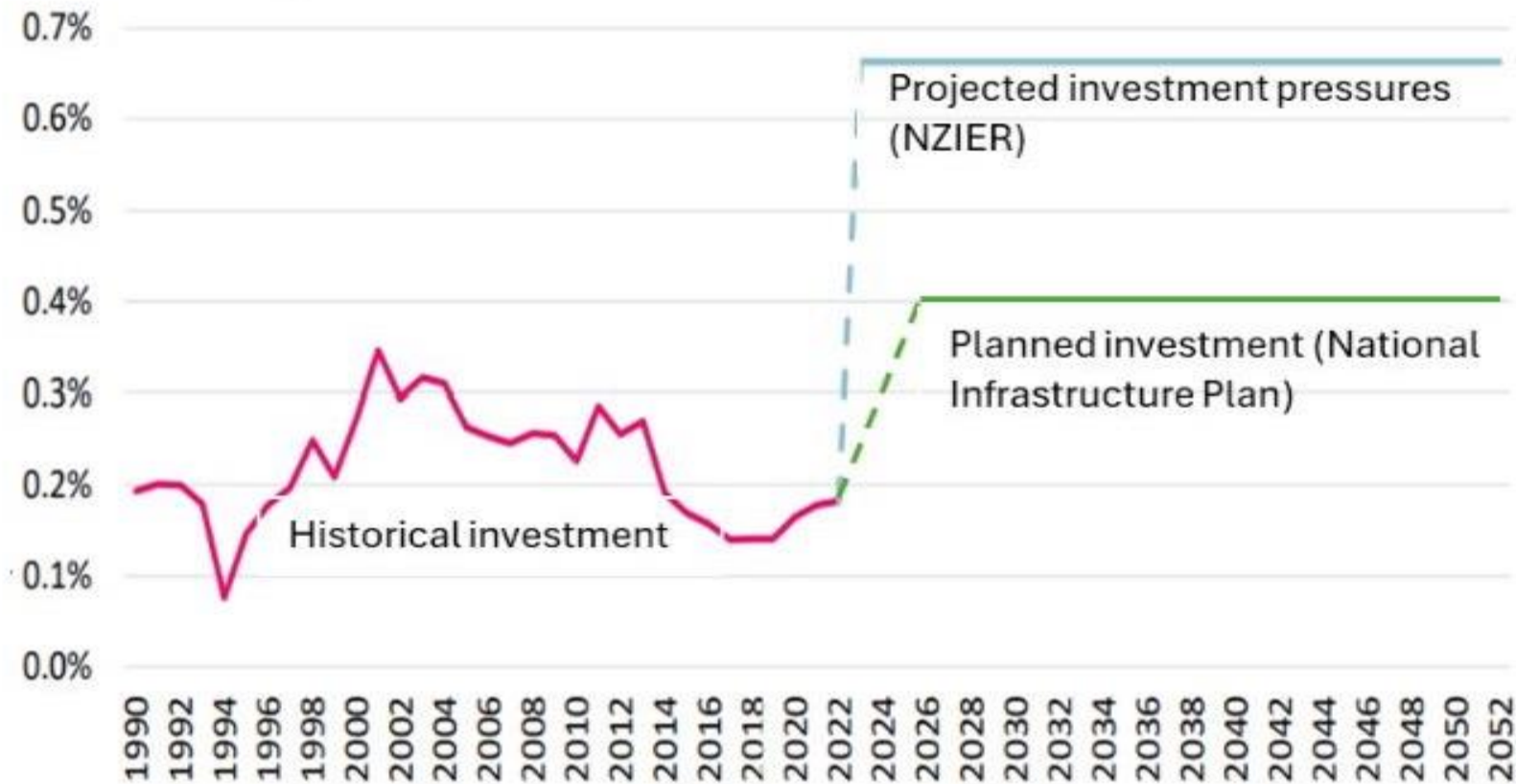


Which creates sizeable funding gaps

Land transport

Hospitals

Water

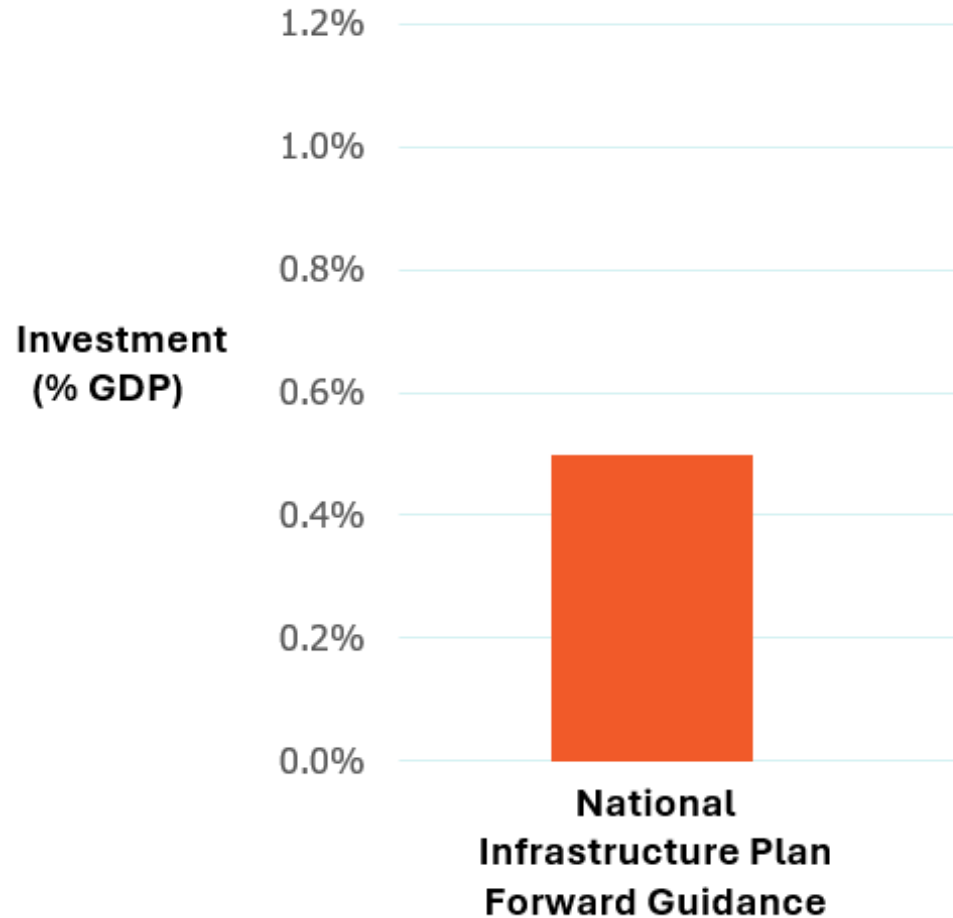


Which creates sizeable funding gaps

Land transport

Hospitals

Water

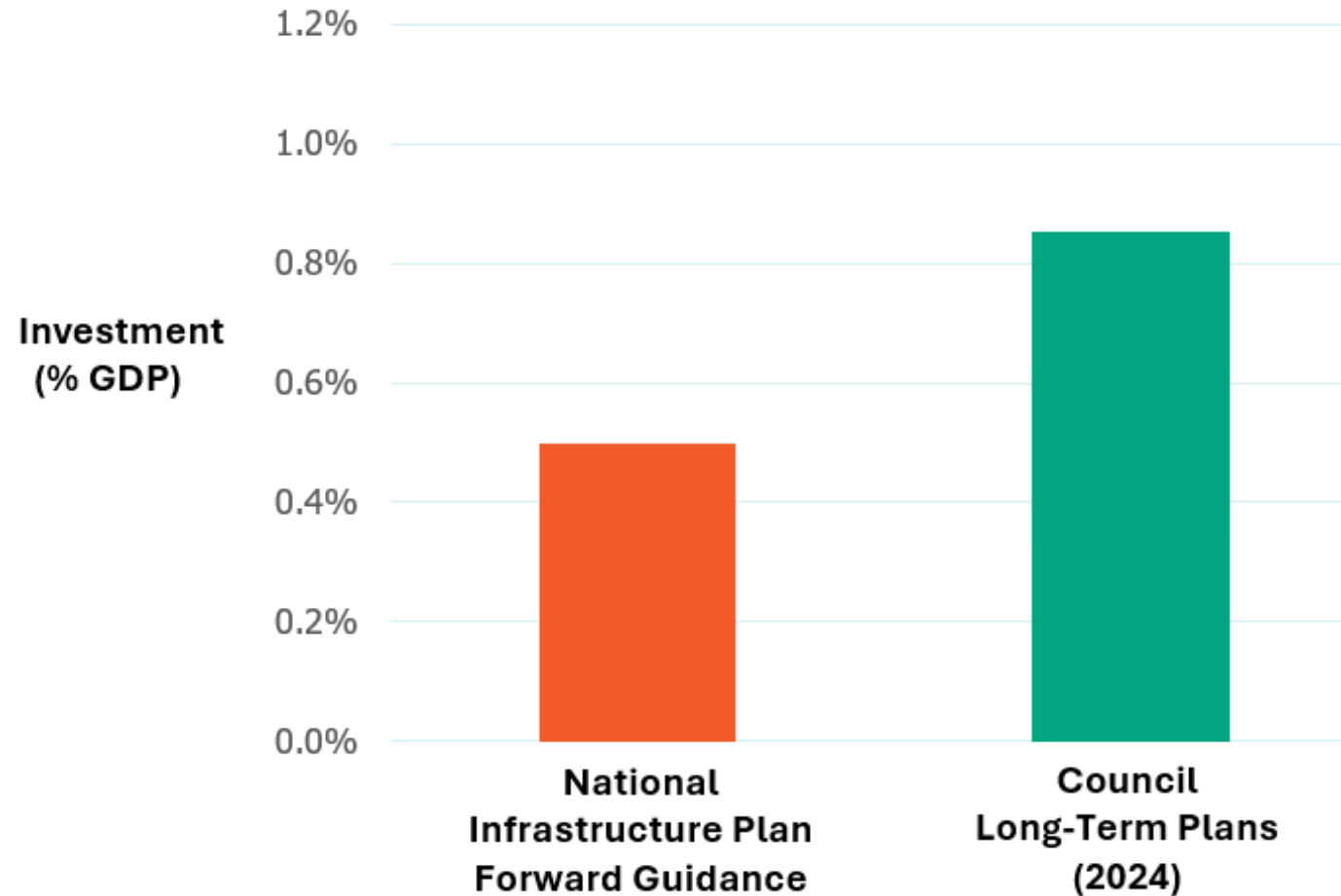


Which creates sizeable funding gaps

Land transport

Hospitals

Water

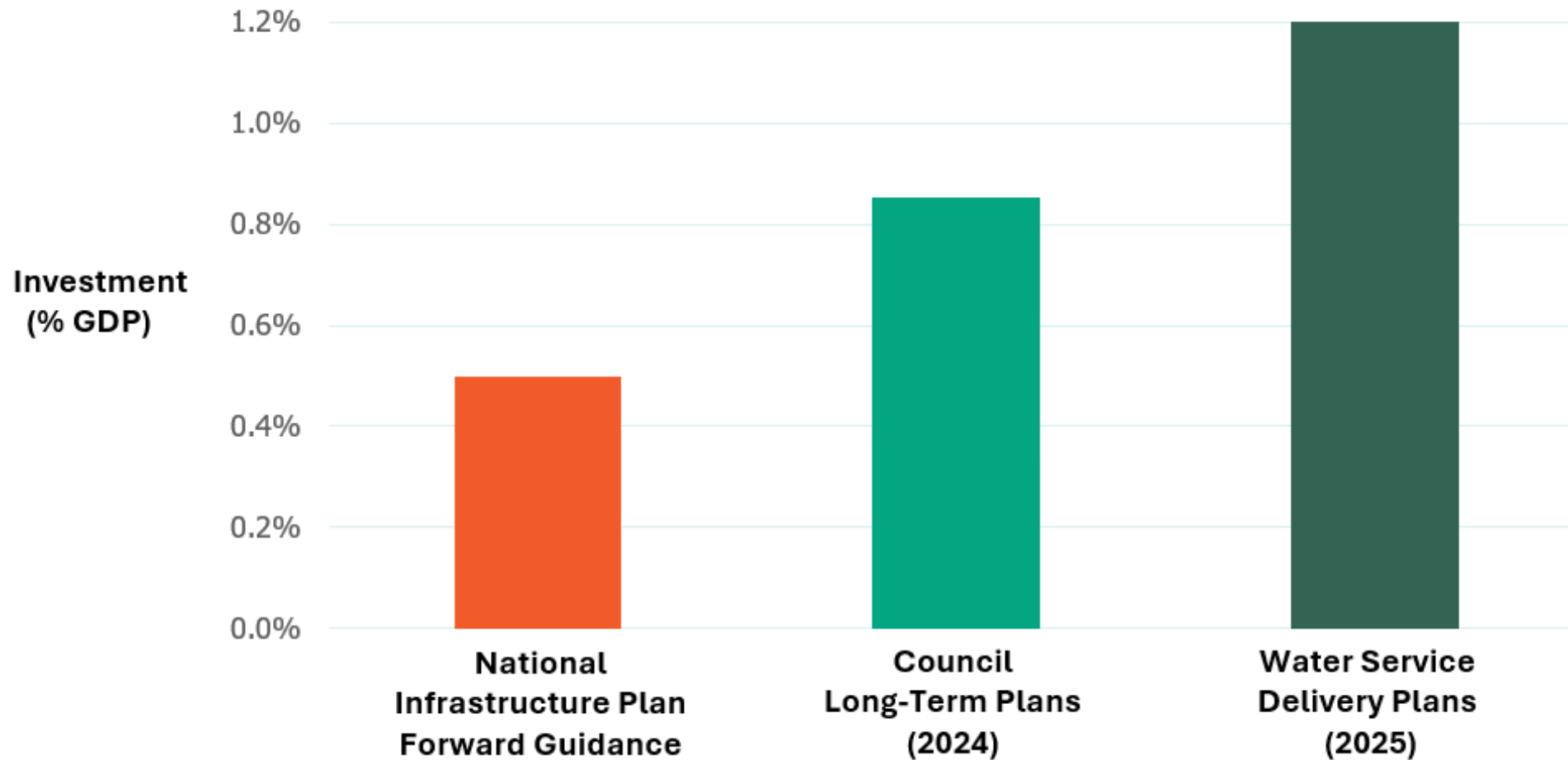


Which creates sizeable funding gaps

Land transport

Hospitals

Water



Building our way out will be contested

Prioritisation is necessary

1

Charge users

38% ↑

in household spending on infrastructure services

2

Charge all New Zealanders

21% ↑

in average income tax paid per taxpayer

3

Charge future New Zealanders

98% ↑

in Crown debt-to-GDP ratio by 2051

Priorities for the decade ahead

Acting on the Forward Guidance



Lift **hospital** investment for an ageing population.



Complete catch-up on renewals in the **water** sector and restore affordability.



Implement **time-of-use charging** and fleetwide road user charges.



Prioritise and sequence major **land transport** projects.



Manage assets on the **downside**.



Prioritise adequate **maintenance and renewals**.



Identify cost-effective **flood risk** infrastructure.



Commit to a durable **resource management** framework.



Commit to **upzoning** around key transport corridors.

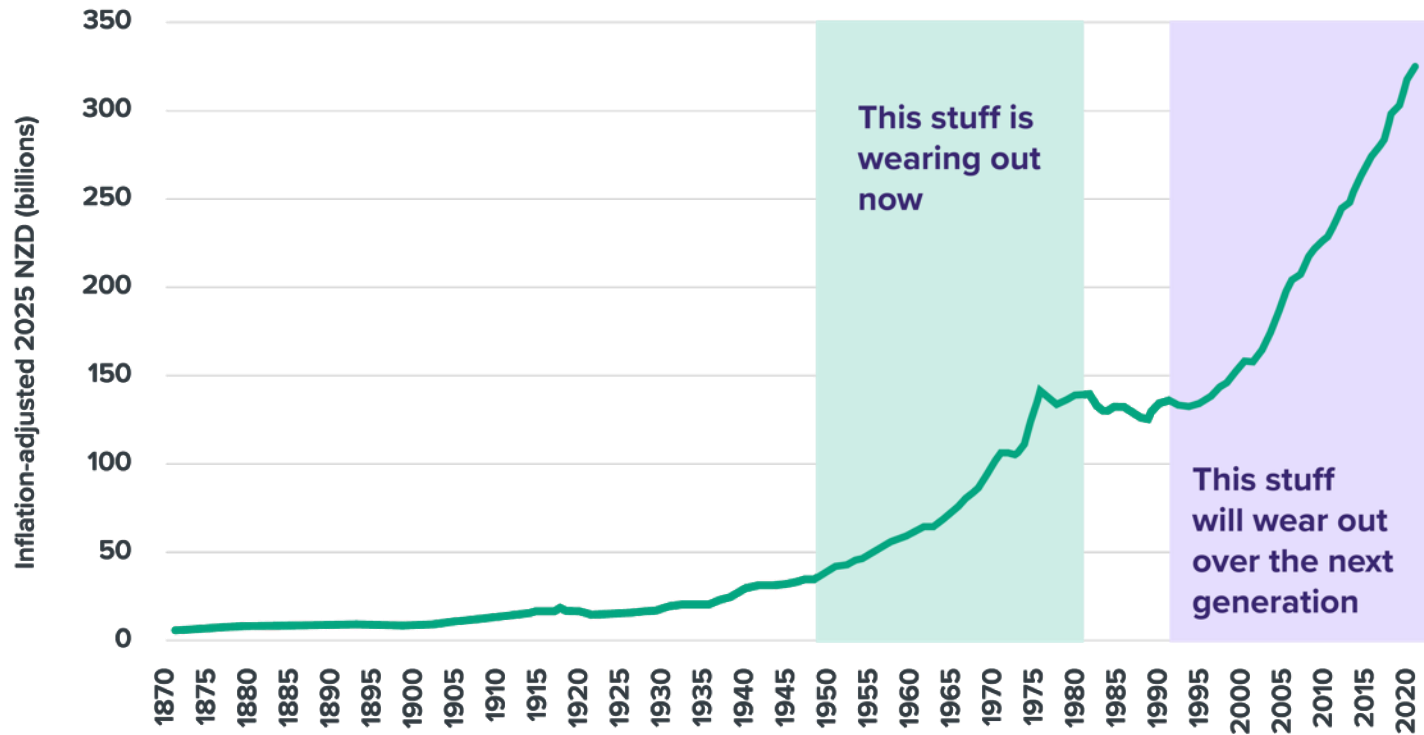


Take a predictable approach to **electrify** the economy.

The one megaproject we cannot avoid

Maintenance and renewals

Estimated financial value of NZ's infrastructure, 1875–2022

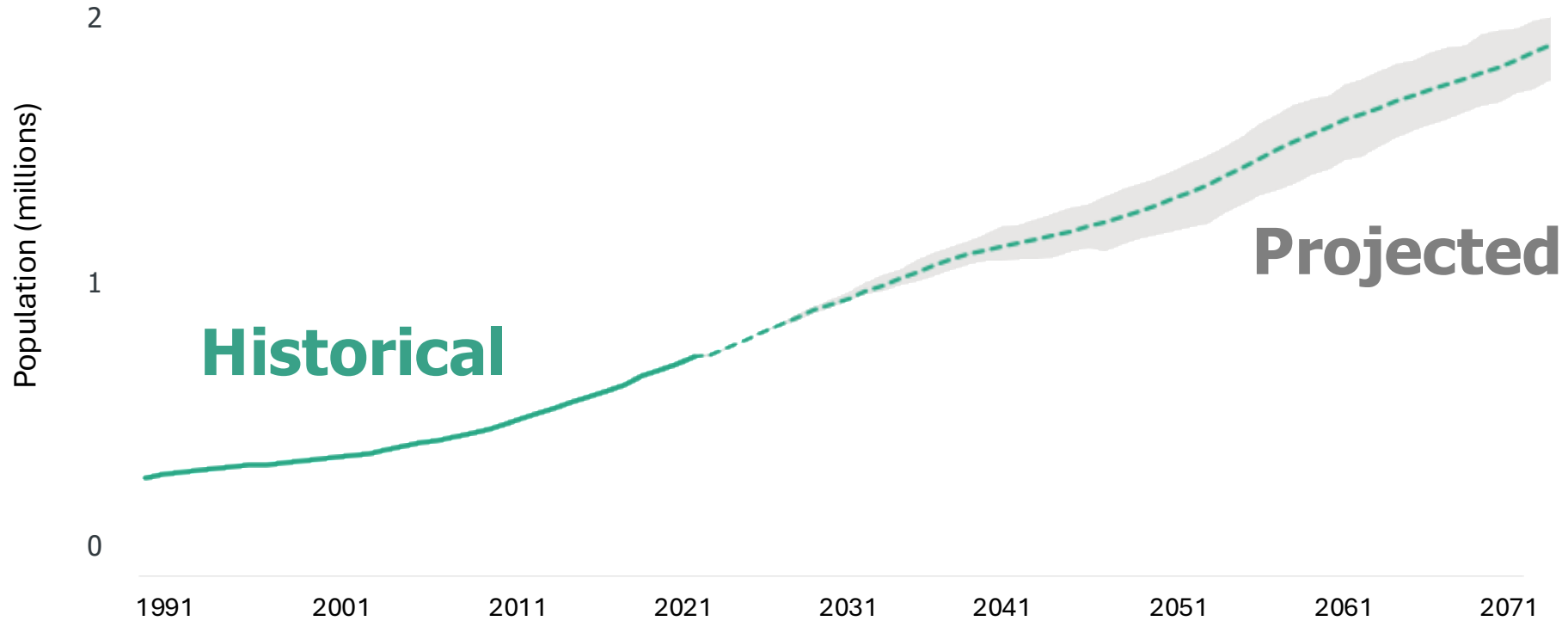


“A flaw in the human character is that everyone wants to build and no one wants to do maintenance.”

Kurt Vonnegut

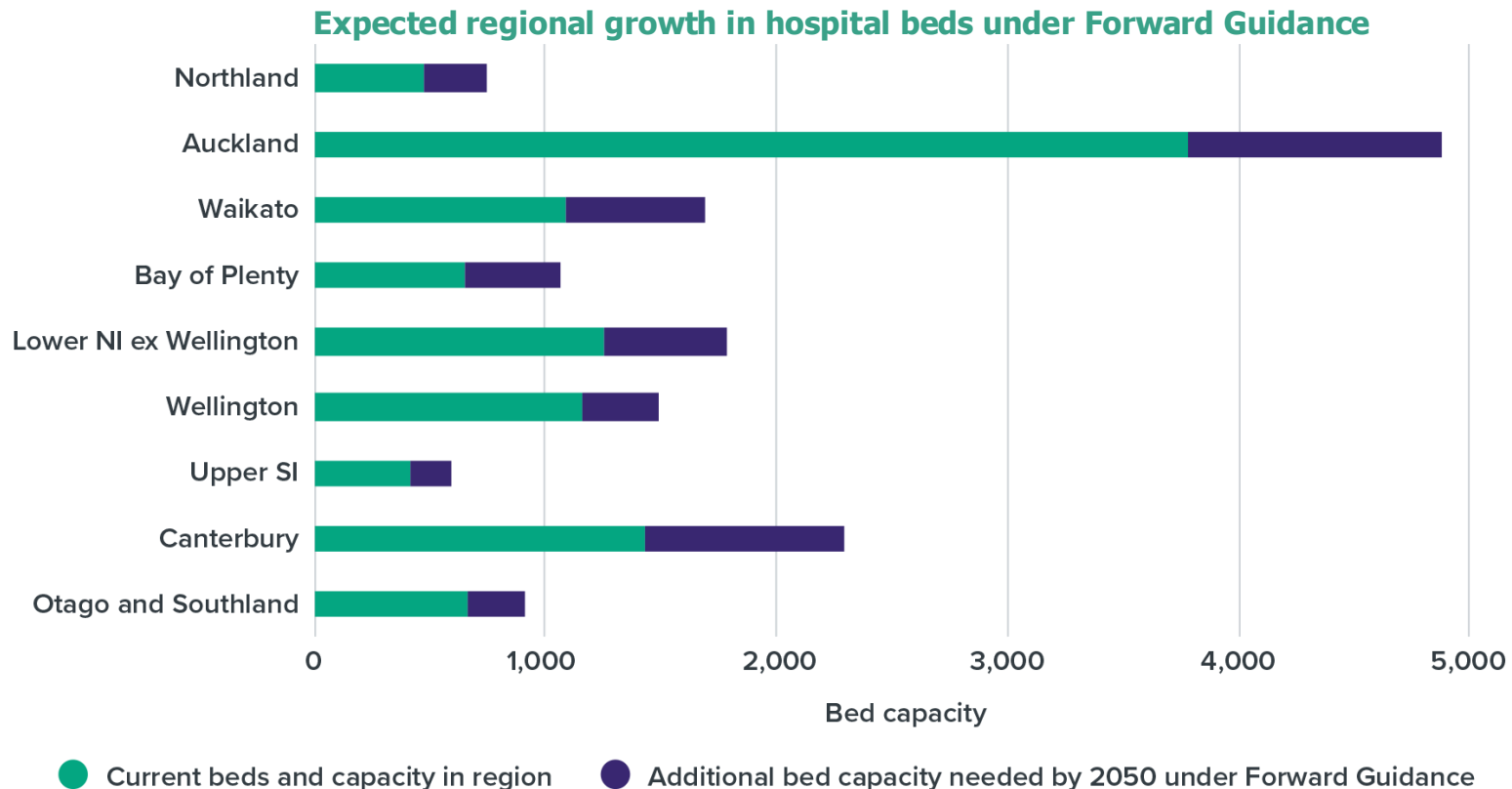
Lift hospital investment for an ageing population

New Zealand population aged 65+



Lift hospital investment for an ageing population

More hospital capacity is needed



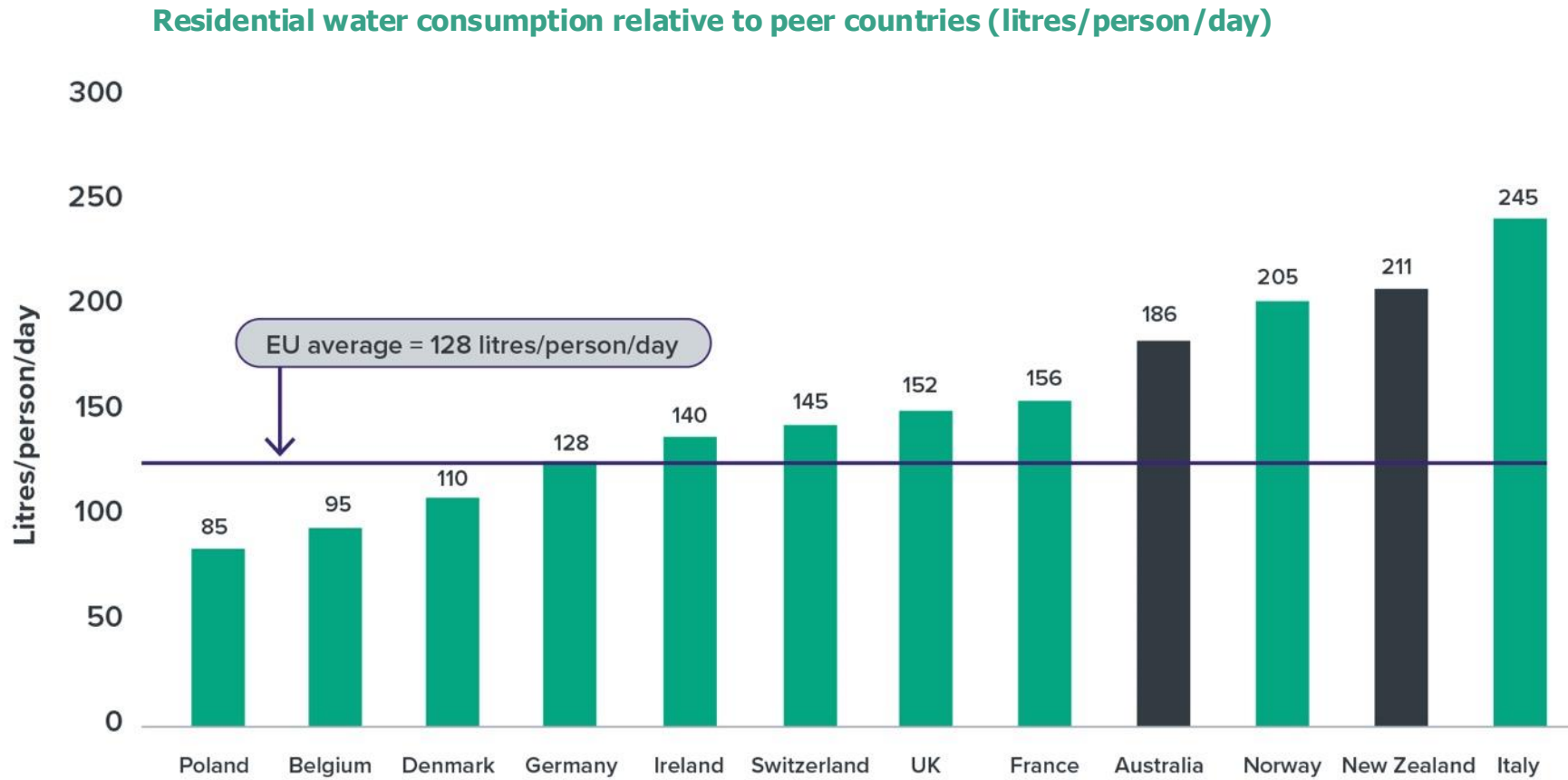
Identify cost-effective flood protection infrastructure

Exposure to flood risk is rising



Restoring affordability in water investment

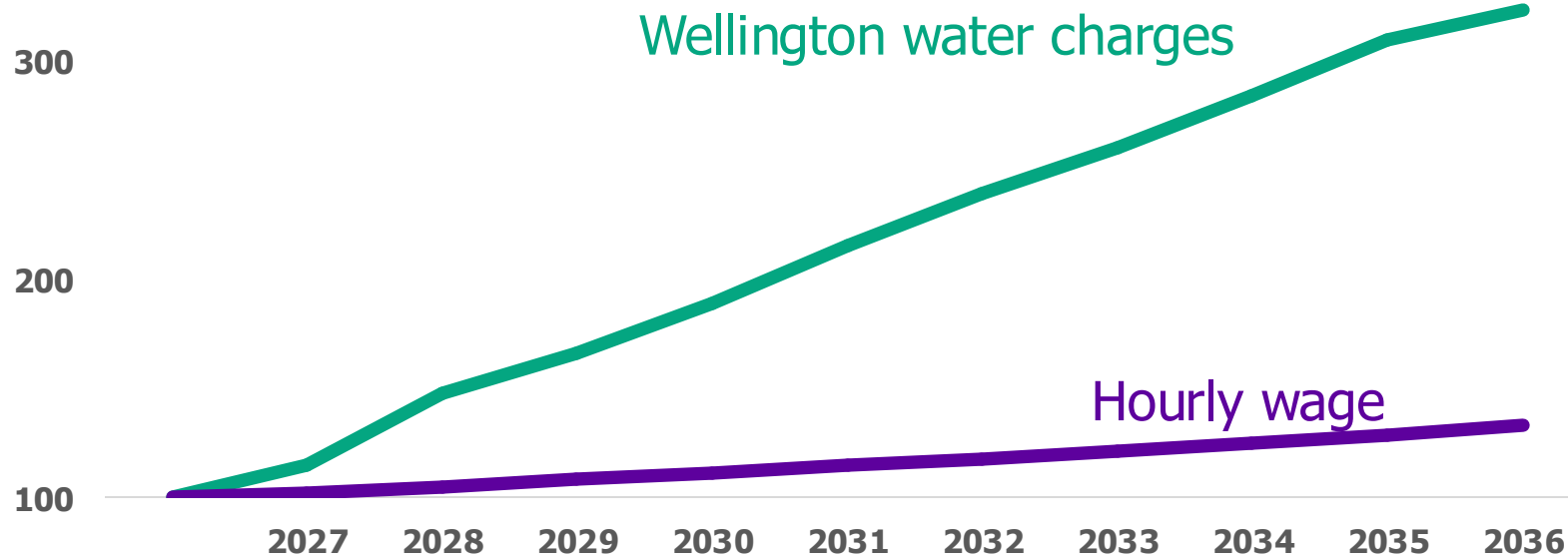
We use and invest a lot



Restoring affordability in water investment

Catch-up can't continue indefinitely

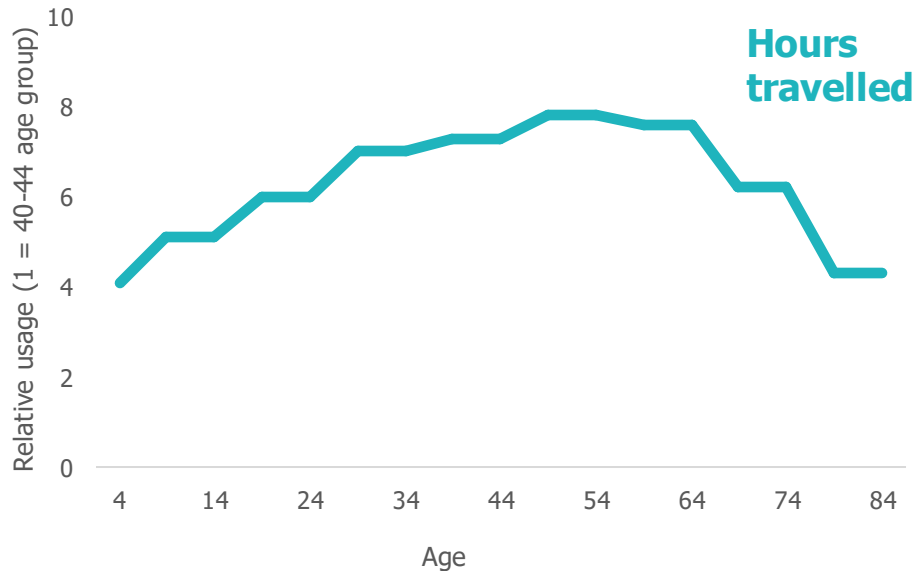
Forecast Tiaki Wai water chargers vs hourly wage growth, 2027-2036



Sequencing major land transport projects

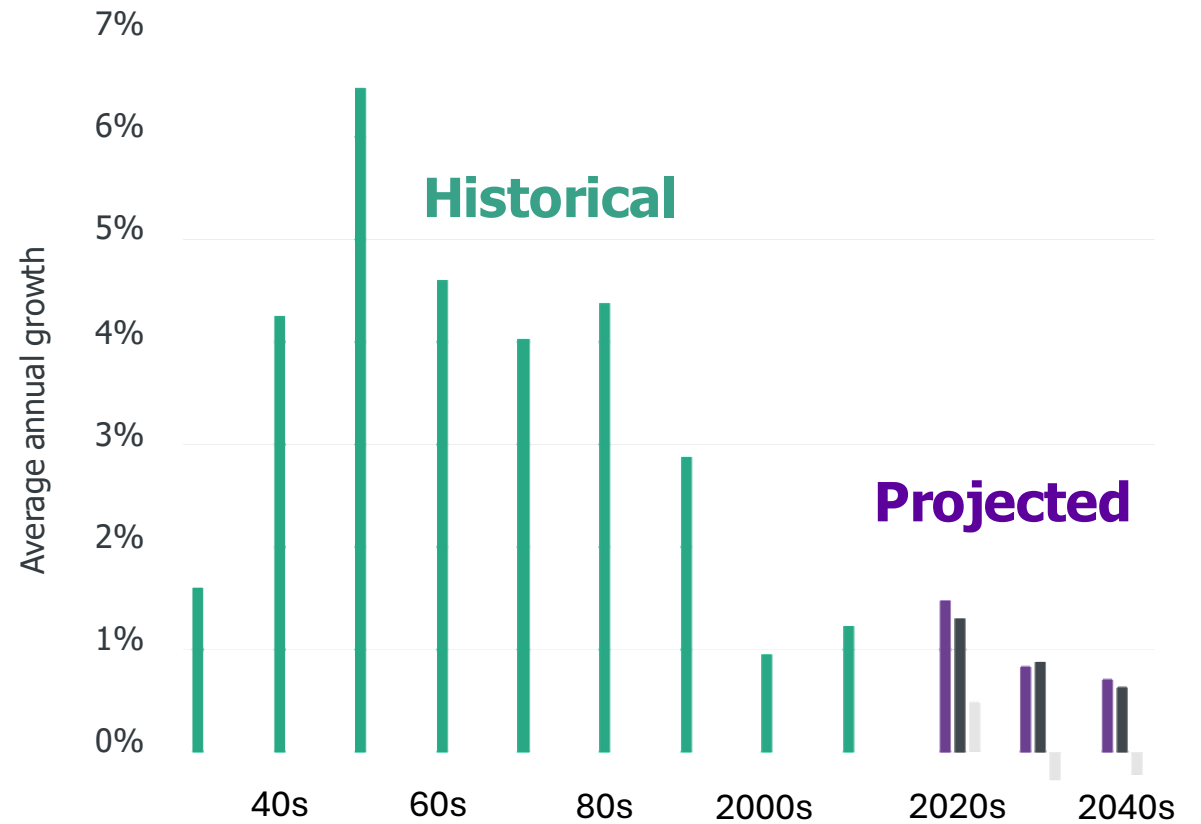
Demographics will impact demand

Over 65s use land transport up to 40% less than working-age



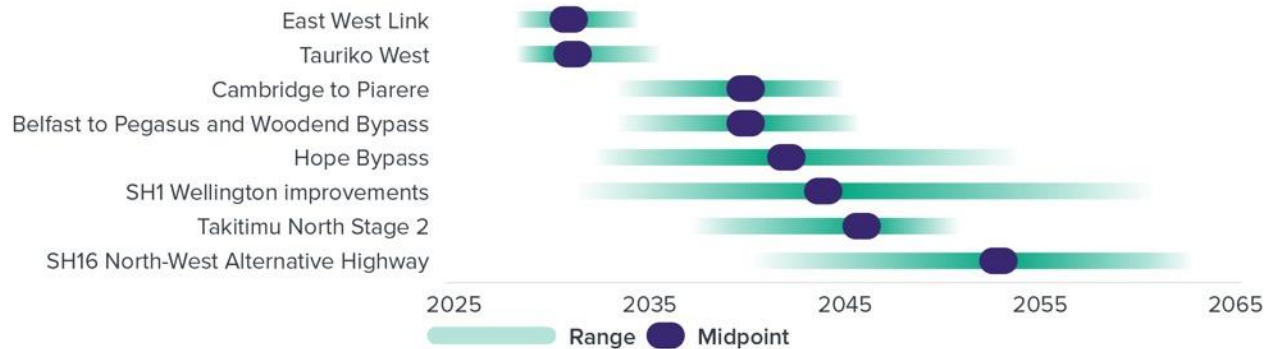
Meaning demand is moderating

Average annual growth in vehicle kilometres travelled



Sequencing major land transport projects

Estimated date range for exceeding capacity of current infrastructure



Roads



Public Transport

Commit to a durable resource management framework

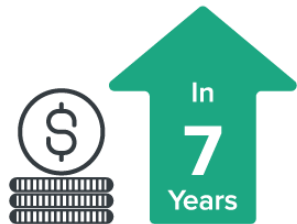
We've made it hard to build

Consenting costs have been rising



Over 10 years, consenting timeframes rose by

150%



From 2014 to 2019 infrastructure consenting costs rose by

70%



Every year infrastructure project consenting costs an estimated

\$1.29bn

Consensus on a new system is needed

Enabling infrastructure while protecting environmental outcomes



Stability, consistency and clarity in infrastructure policy are not optional – they're essential.



Submission to the draft Plan



At the heart of every megaproject is the ability to bring people together.

Insights for Major Project Delivery (2025)

People Build Projects

The voices of NZ public sector infrastructure leaders

16

Recommendation

Public sector project leadership

Strengthen public sector project leadership through a consistent, system-wide approach to appointing, developing, and supporting infrastructure leaders.

A heightened focus on capability People Build Projects

High quality teams are not
optimistic, they are realistic
Flyvbjerg

Good governance is about value
for money and essential for
building trust with citizens.
OECD

Put your best people into
careful upfront thinking, then
execute quickly.

Public entities underestimate
the leadership, capability,
and discipline required to
manage large investments.
Office of the Auditor-General

Strength in leadership
and oversight are
hallmarks of success.

Changes in key roles, including
Senior Responsible Owner, have
contributed to project
uncertainty.

**New Dunedin Hospital
Independent Expert Review**

And the planning of projects

Lessons from assurance of nationally significant projects



We're finding important problems to solve



We're committed to solving them



We have pockets of planning excellence



We frequently outsource the thinking



We tend toward optimism



We're not using adequate cost information



“It's amazing to be back in New Zealand. They are having one of the most serious and professional conversations on cities, infrastructure, and public investment that I've ever witnessed.

We can all learn a lot from what is happening here.”

Charles Marohn

Author, *Confessions of a Recovering Engineer*

