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# GOING FOR GROWTH

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## Infrastructure for Growth Update

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**JULY 2025**

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**Te Kāwanatanga o Aotearoa**  
New Zealand Government

# Infrastructure for Growth

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The infrastructure update released on 20 July highlights the critical role infrastructure needs to play in growing New Zealand's economy. Good roads, schools, hospitals and other forms of infrastructure are essential in the modern world. Between now and the end of the year, \$6 billion of government-funded construction projects are getting underway. They will not only improve infrastructure but create and sustain jobs from Northland to Southland.

Investing in critical projects is just part of the Government's strategy to improve New Zealand's infrastructure to support growth.

Delivering infrastructure has become overly complex and inefficient in New Zealand, limiting productivity growth and impacting on living standards. The Government is committed to turning this around with ambitious system changes. These include increasing the quality and speeding up the pace of construction projects through better planning, changes to consenting, and by improving funding and financing structures.

Since February, when the *Going For Growth* agenda was unveiled, the Government has delivered a range of infrastructure actions, including:

- **The draft National Infrastructure Plan**, which will provide investors and businesses with confidence and encourage greater investment in New Zealand's infrastructure.
- **Progress toward a reform of the Resource Management Act (RMA)**, which will deliver more efficient processes and enable fast tracked development.
- **Regional Infrastructure Fund investment**, in priority areas such as support for energy and flood resilience.

Initiatives like these will lift productivity, create jobs and support New Zealand's long-term prosperity.



## Hearing from business on infrastructure priorities

Economic growth is ultimately driven by businesses that take risks to invest and hire workers. Businesses have direct experience of barriers and opportunities for growth. Businesses have told the Government they want faster processing of resource consents, including projects with nationally and regionally significant benefits. We are exploring calls for an infrastructure pipeline with bipartisan support through the 30-year National Infrastructure Plan. The need for affordable and secure energy has been a recurring theme and we will look to enact legislation to enable offshore renewable energy generation and implement the Electrify NZ plan.

*Major redevelopment of Nelson Hospital as part of the Government's \$1 billion boost to upgrade hospitals across the country.*

# Case Studies

## Infrastructure Pipeline Grows



Infrastructure projects to a value of more than \$200 billion are now underway or being planned in New Zealand as part of the National Infrastructure Pipeline. The Pipeline is managed by the New Zealand Infrastructure Commission and lists infrastructure projects such as roads, schools, airports, and water infrastructure. It includes over 8,000 initiatives either underway or in planning, from 114 contributing organisations, including local and central government and businesses.

In Budget 2025, the Government committed to a \$1 billion investment in hospitals and \$700 million of investment in new school classrooms. The investment in hospitals will go towards redeveloping Nelson Hospital, the Emergency Department at Wellington Hospital, and upgrading Auckland Hospitals. The Northland Expressway roading project is another activity in the Pipeline, and will be delivered through a Public Private Partnership. Early construction is expected by late 2026.



*Te Ahu a Turanga, Manawatū Tararua Highway. Credit: NZ Transport Agency.*



### New Geothermal Energy Exploration



The Government has ring-fenced up to \$60 million from the Regional Infrastructure Fund to explore the commercial viability of new, deeper sources of geothermal energy within the Taupō Volcanic Zone. This is a bold investment that could help secure New Zealand's future energy needs in the decades to come.

Called supercritical geothermal energy, these new resources could help solve the power shortages that New Zealand experiences every few years due to insufficient rainfall to replenish hydro lakes.

Iwi and Māori landowners within the Taupō Volcanic Zone are considering the potential that supercritical geothermal energy offers. Māori have a long history of utilising geothermal resource and are actively involved in commercial uses, such as for glasshouse food production.

The supercritical geothermal energy initiative is being led by MBIE. The first \$5 million will fund the detailed design work required for the first of three exploratory deep wells, with the remaining money reserved to undertake the drilling of the first well. Work is underway on the design phase which is anticipated to take up to 18 months.

### Reforming Resource Management



The Government is successfully moving forward with its RMA reform programme, having now completed the first phase.

For farmers and others in the primary sector, some important changes have been proposed by Government to support growth. These include lifting restrictions on non-intensive grazing in wetlands, simplifying consent changes for aquaculture, and reducing inefficiencies for the forestry sector.

The second RMA amendment Bill will also make important and quick changes to the RMA. These include measures to speed up consenting for new and existing electricity generation, electricity networks, battery storage and wood processing facilities. Renewable energy and long-lived infrastructure will also benefit from maximum consent durations, reducing reconsenting costs and providing more certainty of investment for the sector.

The final phase of the reform programme involves replacing the RMA with two new Acts: the Planning Act and the Natural Environment Act to help deliver the infrastructure and growth that the country needs. The Government aims to introduce the Bills in late 2025 and pass them into law by mid-2026.



*The Champagne Pool at Wai o Tapu, Rotorua. Credit: iStock.*

# Government's Actions

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Since February this year, eleven new actions to support economic growth have been identified and started. This is in addition to the actions that have already been delivered. These support new sectors for growth, such as geothermal energy, and continue the momentum to lower costs to do business, speed up planning processes, and grow investment in infrastructure.

## Delivered

### *Delivered since February 2025*

- Agreed to fund over \$550 million from the **Regional Infrastructure Fund** to projects in over 14 regions and a range of sectors, including flood resilience, energy, water storage, and Māori development.
- Agreed first steps for three **City and Regional Deals** to unlock regional potential and lift economic growth in Auckland, Otago/Central Lakes and Western Bay of Plenty.
- Responded to the **Independent Inquiry into the School Property System**, to improve the provision of school infrastructure and ultimately lead to safer, warmer and drier buildings for students.
- Accelerated **economic regulation requirements for Wellington City Council** under the Local Water Done Well Programme to ensure it is delivering value for money for ratepayers.
- Introduced the **Public Works (Critical Infrastructure)** Amendment Bill to streamline the land acquisition process for major infrastructure projects.
- Agreed policy decisions for further amendments to the **Public Works Act** to make it easier for the Crown to engage with landowners, support disaster recovery, and deliver infrastructure projects that provide wide public benefit.
- Delivered the **New Zealand Infrastructure Investment Summit**, which demonstrated that New Zealand is open for business and actively attracting foreign and local investment into infrastructure, including partnerships such as that between Brookfield and Waikato-Tainui on the Ruakura industrial and logistics hub.
- Launched a **refreshed Public Private Partnership (PPP) framework** that delivers infrastructure projects efficiently and provides value for money through drawing on greater private sector capital and capability.
- Completed consultation on improving **thin capitalisation rules** to remove a potential barrier to foreign investments in non-PPP infrastructure projects.
- Agreed policy decisions on improvements to **infrastructure funding and financing** to support urban growth.
- Passed the first reading of the **Land Transport Management (Time of Use Charging) Bill**, which will enable charging schemes for our most congested roads to improve traffic flow.
- Passed the **Water Services Authority levy** to secure ongoing funding to ensure water is safe to drink and to protect the environmental performance of public drinking water, wastewater and stormwater networks.
- Passed the **Watercare Charter** into law to ensure affordable water services in Auckland, saving households about \$899 million over four years and improving service quality and infrastructure investment to facilitate housing growth in the city.
- Released **NZ Verify**, an app to support a range of accredited, public and privately issued digital credentials, such as Mobile Driver Licences, Photo ID Cards, Qualifications, Digital Super Gold Cards and Community Services Cards.

### ***Delivered prior to February 2025***

- Introduced a **second RMA reform Bill to Parliament** to make it quicker and simpler to consent renewable energy, boost housing supply and reduce red tape.
- Passed the **Fast-track Approvals Act** to speed up consenting of projects with significant regional or national benefits.
- **Established National Infrastructure Funding and Financing Limited** to improve the financing and funding of the infrastructure system.
- Opened the \$1.2 billion **Regional Infrastructure Fund** to invest in regional growth initiatives to grow local economies and create jobs.
- Set the **National Land Transport Fund at \$22 billion** over the next three years including investment in the **Roads of National Significance** programme.
- **Streamlined building regulation** for building plans and MultiProof designs and put a spotlight on building consent delays, to make it easier and cheaper to build in NZ.
- Delivered the **Independent Inquiry into the School Property System**, to establish a better way of delivering school property infrastructure.

### **Underway**

### ***New actions since February 2025***

- Confirming a new **geothermal strategy** which unlocks under-utilised natural resources, increases tourism potential and improves access to energy to underpin production.
- Delivering shared infrastructure for **digital identity credentials** across the economy, developing an All of Government App for easy and safe access to select government services, coordinating Public Service efforts to enhance government services via the Service Modernisation Roadmap.
- Standing-up the **Fast-track Approvals Act** to speed up consenting for projects with significant regional or national benefits.
- Encouraging **investor interest in infrastructure** to encourage world-class, innovative ideas in how we provide solutions to community needs and build infrastructure.
- Moving to more standardised and regular updates of the **Building Code** system, with updates every three to four years.
- Introducing legislation to improve the Infrastructure Funding and Financing Act 2020 to make it easier to **fund and finance infrastructure projects** using this model.
- Introducing legislation to replace development contributions with a **development levy system** for funding infrastructure needed to meet housing growth.
- Reducing cost across the system by **standardising the wastewater consenting process**.
- Improving **drinking water infrastructure** for rural Māori communities through the Marae Drinking Water Programme.
- Progressing work to identify system changes and processes required to support a successful **fleetwide transition to Road User Charges (RUC)**.
- Supporting **Iwi-led system innovation** and investment collaboration with Iwi partners.
- Breaking ground on \$6 billion in **infrastructure projects** between July and December 2025, including schools, hospitals and roading projects.

### Actions underway prior to February 2025

- Pass the Resource Management (Consenting and Other System Changes) Amendment Bill to provide **resource management system improvements** and enable housing growth in our largest cities.
- Developing the 30-year **National Infrastructure Plan**, to be completed by the end of 2025, which will give a long-term view of planned investment.
- Considering and approving investments to be made by the **Regional Infrastructure Fund**, contributing to regional economies and creating jobs, including strengthening New Zealand's **flood resilience infrastructure**.
- **Freeing up land for urban development** to enable our towns and cities to grow both up and out and to address the housing shortage.
- Enacting legislation to **allow more overseas building products** to be used, making it easier to build and creating more flexibility.
- Improving the **building consent and planning system** to make it easier to build homes, including enabling granny flats up to 70 square metres without a building consent and papakāinga on Māori land without planning consent.
- Increasing **remote inspections** in the building consent process and developing an opt-in **self-certification scheme** for low-risk residential building work, to streamline the building of houses.
- Passing the **Public Works (Critical Infrastructure)** Amendment Bill to streamline the land acquisition process for major infrastructure projects.
- Reforming water services through **Local Water Done Well** to lift investment in this critical infrastructure, including supporting territorial authorities to deliver **Water Services Delivery Plans**.
- Enacting legislation to enable **offshore renewable energy** generation and progressing changes to the planning system to implement **ElectrifyNZ** and open up opportunities in the energy sector.
- Supporting the **uptake of renewable energy and alternative fuels**, including updating fuel specifications and safety regulations, and setting smart Electric Vehicle charging standards.
- Finalising the first **Regional Deal** between central and local government to support collaboration for long-term infrastructure investment and help to unlock funding and financing tools by December 2025.

If you want to read more about *Going For Growth*, including this Infrastructure for Growth pillar and why it is key for economic growth, see: [www.goingforgrowth.govt.nz](http://www.goingforgrowth.govt.nz)



Infrastructure Minister Chris Bishop at Takitimu North Link, a new four lane expressway connecting Tauranga and Te Puna.



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ISSN (print): 3021-3665