

# Hon Chris Bishop

Minister of Housing  
Minister for Infrastructure  
Minister Responsible for RMA Reform  
Minister of Transport  
Leader of the House  
Associate Minister of Finance  
Associate Minister for Sport and Recreation



Dr Richard Templer  
Chief Executive, Engineering New Zealand

Helen Davidson  
Chief Executive, ACE New Zealand

Alan Pollard  
Chief Executive, Civil Contractors NZ

Dear Richard, Helen, and Alan

Thank you for your letter dated 12 June 2025 following on from our previous meeting on 25 February and my previous correspondence from 7 April 2025.

I look forward to meeting again soon. Alan, I was sorry I couldn't attend the Civil Contractors NZ conference in Tauranga last week, but I hear the PM spoke very well. I'll be there next year.

I am encouraged by industry feedback you have received on the growing infrastructure pipeline and the optimism that firms are beginning to feel. As mentioned in our previous correspondence, my focus remains on maintaining a steady pipeline of projects including maintenance and renewals.

I agree with your concerns that work is not flowing into the market quickly enough. This has been a long-standing problem in the New Zealand infrastructure system. Governments appropriate money but there is often a long lag time between money flowing into actual projects. Often this is because governments appropriate money before projects are actually ready. For example, this was notable with the NZ Upgrade projects, for which funding was approved in early 2020 – where some projects are only beginning construction now (with large cost overruns).

I am determined that we do things better and we are making changes to the infrastructure system to drive a more considered and consistent pipeline that has more certainty and more predictability.

The Government continues to invest strongly in infrastructure. Over the next five years, Central Government's capital investment in infrastructure totals at least \$61.8 billion. It is likely that actual investment over this period will be higher once funding is allocated to new investments from future Budget capital allowances.

Budget 2025 injected new capital funding of \$6.8 billion to infrastructure investments that will boost growth and deliver better public services, including:

- Over \$1 billion for hospitals and other health facilities,
- \$2.7 billion for Defence Force,
- Over \$700 million for new schools and new classrooms, and
- Over \$460 million to upgrade New Zealand's rail network.

You will have seen that the Minister of Finance and I released an infrastructure update on 20 July showing that over \$6 billion of government-funded construction is due to start between now and Christmas. Getting this work started will drive economic activity, create thousands of construction jobs across the country, and improve the quality of New Zealand's infrastructure.

The projects getting under way include roads, hospitals, schools, a high-tech laboratory, and other government buildings.

As I say, the current system – particularly oversight of Central Government investments – is not working for Ministers and it's clearly not working for the sector. So, we are changing the system to be more focused on delivery. This will allow us to drive improved accountability and performance from government entities that provides the sector with a pipeline and New Zealanders with much-needed infrastructure.

I have started work on improving Treasury's Investment Management System and their Quarterly Investment Report (QIR). The Investment Management System and the QIR are key mechanisms for Cabinet to hold agencies to account for investment performance and to ensure projects are value for money and on track to deliver.

One key improvement is that Treasury will now report on quarterly expenditure by government entity, as well as metrics on planned versus actual spend, time to market, and time to enter delivery. Having better visibility of these metrics will allow Government to support more projects to market sooner.

I understand that members of your teams have met with Treasury officials to gain a better understanding of the Investment Management System and the QIR. I encourage you to keep in touch if you have questions.

Relatedly, the latest iteration of the National Infrastructure Pipeline, which provides a national view of current and planned infrastructure projects, is also available and updated regularly. The Pipeline and the Infrastructure Priorities Programme includes project information that is submitted by organisations across central government, local government and the private sector, and forms part of the National Infrastructure Plan.

The draft Plan was launched by the New Zealand Infrastructure Commission last month. I encourage your organisations to have a say on the draft Plan – including any feedback you have on the National Infrastructure Pipeline. You can provide your feedback via the online feedback form or by meeting with the Infrastructure Commission. The Plan will be finalised in December 2025, and the Government Response to the Plan will be released by June 2026.

I am also encouraged by the significant efforts by the New Zealand Transport Agency (NZTA) to help support the sector. I am glad to hear NZTA have accelerated projects including for maintenance and pre-work for the Roads of National Significance.

Finally, I just want to say thank you for what you and your members do. The country and our economy are coming out of a difficult period. Loose spending and unprecedented monetary support following COVID-19 overheated the economy with high inflation, leading to rapidly rising interest rates, recession, and rising unemployment.

Since we came into Government, inflation has fallen from a high of 7.3% in 2022 to an annual inflation rate of 2.7% in June 2025. As a result of declining inflation, interest rates have also fallen.

I do want to acknowledge the construction sector has very much borne the brunt of the economic downturn and the high interest rate environment. But I am glad to see green shoots and more confidence in the sector.

Thank you again for taking the time to write.

My officials will be in contact shortly regarding your request to meet. I again welcome the opportunity to further discuss the Government's progress on delivering the infrastructure that New Zealanders need.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bishop". The signature is fluid and cursive, with the first name "Chris" and the last name "Bishop" clearly distinguishable.

Hon Chris Bishop  
**Minister for Infrastructure**