

Submission on Priority Bands in the Event of Levels 3 or 4 of the National Fuel Plan Being Activated

To: Ministry of Business, Innovation and Employment (Priority Bands Team)

Sent to: prioritybands@mbie.govt.nz

From: Alan Pollard, Chief Executive, Civil Contractors New Zealand (CCNZ) and Wayne Scott, Chief Executive, Aggregate and Quarry Association (AQA)

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1. Executive summary

- CCNZ considers that infrastructure construction and maintenance activities should fit primarily into bands A, B and C.
- CCNZ has composed a list of activities for inclusion by band (see below)
- The critical role that transport and water infrastructure plays in society should not be underestimated, and infrastructure maintenance will need to be prioritised for other services within each band to continue operation without disruption
- Aggregate and other infrastructure supply chains are also necessary for construction and maintenance to continue operations.
- A detailed submission on these points is included below.

2. Priority bands

We understand that the indicative bands for fuel prioritisation are as follows:

- Band A: life-supporting services (uncapped supply) - includes emergency services, courts, corrections, hospitals, lifeline utilities and defence.
- Band B: economically important services – includes critical transport services (for example road freight for supermarket and grocery supply chains, international air links), food supply and primary production during time-critical periods.
- Band C: essential services – includes public transport, essential infrastructure maintenance, and rural GPs and district nurses.
- Band D: other commercial customers – comprises all other commercial and business fuel uses.
- Band E: general retail sales to consumers.

We submit that the services that our collective members provide will primarily fit across Bands A, B, and C. We submit that the following civil construction activities should be included in these bands:

Band A

- Operations and maintenance of water and wastewater networks and treatment plants
- Responses to emergency situations (storms, natural disasters)

- Operations and maintenance of critical state highway and local government road networks to keep our communities connected and safe, freight flowing, and ensure clear passage for emergency services vehicles
- Maintenance and operations of defence bases
- Operation and maintenance of utility infrastructure (electricity, telecommunications)
- Supply chain to support the above activity (i.e., access to aggregates, asphalt, bitumen, line-marking, critical transport, input products).

Band B

- Maintenance and capital works to keep essential transport links open for services listed in band B (road networks, airports, ports, etc)
- Supply chain to support the above activity (i.e., access to aggregates, asphalt, bitumen, line-marking, critical transport, input products).

Band C

- Operations and maintenance of state highway and local government road networks to keep our communities connected and safe, and freight flowing
- Operations and maintenance of other essential infrastructure
- Supply chain to support the above activity (i.e., access to aggregates, asphalt, bitumen, line-marking, critical transport, input products).

3. Infrastructure maintenance underpins the operation of other services

We argue that infrastructure maintenance should sit in a higher band. The reason for this is that in transport, this activity supports the operation of all other services; in water, it supports transmission of water to homes and the operation of water treatment plants.

Examples include the inability for road freight to operate in band B if the road was out of commission (with the maintenance of the road unable to operate in band C), and life-saving emergency services in band A would again be unable to operate in cases where the transport network was impacted and required repair.

While adding emergency infrastructure repairs as a category may offset this issue somewhat, in the case of water, an inability to operate water treatment plants as normal may have catastrophic consequences.

4. Economic impact of disrupting existing or planned works programmes

Few industries have such a profound impact on the health, wealth, and well-being of our communities than the civil construction industry. Therefore, we know that pausing, deferring or cancelling existing or planned work programmes will have significant social and economic consequences not just for our members but for our communities.

CCNZ, in partnership with Water New Zealand and Infrastructure New Zealand, has commissioned Shamubeel Eaqub to provide an economic analysis of this impact. This should be available around 24 April 2026. However, we are mindful that government consideration is already underway, so we didn't want to hold up our initial submission pending that analysis.

We wish to bring two aspects of economic disruption to your attention.

4a. Disruption to the civil construction sector

It is critical that throughout this disruption, New Zealand ensures that the civil construction sector remains healthy and intact. One key component of keeping the sector healthy is a consistent programme of work.

Without that confidence in the work programme, employers cannot continue to invest in people and capacity, in plant and equipment, and in new technology. In the 18 months leading up to Christmas 2025, a lack of work saw businesses downsize (around 20,000 people left the broader construction sector during this time), and construction company liquidations dramatically increase. This must be avoided during this current disruption, and work programmes must continue at some scale during this time.

We know, and the economic analysis will support this, that pausing or cancelling existing or planned projects will not necessarily produce immediate fuel usage benefits and will inevitably lead to higher project costs when they eventually come to market. Pausing, cancelling or re-prioritising projects risk significant consequences:

- It is risky to make assumptions about works already underway. For example, if a water or wastewater main, road corridor, or treatment upgrade project is part-way through, those projects need to continue to completion (regardless of whether they're tagged "maintenance" or "capex"). Stopping those projects mid-stream can create safety and public health risk and will often lead to more fuel being used overall (shutdown, stabilise, restart) than just continuing to finish the project.
- A lot of what might be deemed "capex" is actually the renewal of existing infrastructure, not discretionary new work. These renewals and replacements need to be considered separately, so it would be wrong to assume that all capital works can be paused.
- Pausing live works will not necessarily save fuel; it can increase total consumption due to demobilisation or remobilisation, and the need to keep sites safe and secure while paused.

4b. Disruption to communities

It is important to note that most of the projects that our members are currently working on or expect to come to market in the near future are not "nice to haves" but are fundamentally important if our communities are to have access to first world infrastructure. By pausing or cancelling these projects we would be denying communities of public benefit and wasting the work that is put into planning and logistics for those works.

We also need to consider the flow on consequences of pausing civil work. Our economic analysis will look at this in more detail, but crudely for the purpose of this submission we know that for large civil construction companies fuel is about 3 per cent to 5 per cent of their total cost structure; for medium sized companies maybe up to 10 per cent, and for smaller companies it is somewhat higher again.

Allowing for the modest margins civil construction companies make (typically under 10 per cent if projects go according to plan), the figures crudely show the substantial levels of economic investment (upwards of 80 per cent to 85 per cent of total cost structures) that flow back to the local communities by way of wages, purchase of products and services, rates, etc. This would all be at risk if work is paused or cancelled, or if our industry is forced to downsize, which could have catastrophic consequences for our communities.

To reiterate, our position is that work should be able to continue where possible, as disruption to infrastructure construction is a clear cost to the community that is unlikely to be equalled by any corresponding savings achieved through minimising fuel use.

5. About Civil Contractors New Zealand

Civil Contractors New Zealand (CCNZ) is the industry association for horizontal construction in New Zealand.

We represent more than 860 member businesses and organisations involved in horizontal infrastructure construction, including 510 large, medium-sized, and small businesses in civil engineering, construction, and general contracting. Our 350 associate members provide valuable products, support, and services to contractor members. We live and work in all communities across New Zealand.

Our members play a vital role in the development of our country, our economy, and our way of life. They are responsible for the physical construction and maintenance of NZ's transport networks, water networks that bring fresh water to houses and wastewater to treatment plants, cables that bring the internet to homes and businesses, ports, airports and private developments. These are the services a modern and developed economy must have to compete efficiently in world markets and to deliver high living standards and wellbeing for all New Zealanders.

6. About the Aggregate and Quarry Association

The Aggregate and Quarry Association (AQA) is the industry body representing construction material companies which produce an estimated 48 million tonnes of aggregate and quarried materials consumed in New Zealand each year.

Playing a vital role in supporting civil construction and maintenance including roading, water infrastructure, housing etc., the AQA has a mandate to increase understanding of the need for aggregates to New Zealanders, improve our industry and users' technical knowledge of aggregates, and assist in developing a highly skilled workforce within a safe and sustainable work environment.

7. Conclusion

We trust this information is helpful for MBIE when considering what activities will be included in each band should prioritisation be necessary. We will provide our economic analysis to you once we have it to support our submission.

We are happy to work with MBIE on behalf of the civil construction and aggregate and quarry sectors as you work through this process.

Kind regards,



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