



MINISTRY OF TRANSPORT
TE MANATŪ WAKA

Delivering the Government's transport investment priorities

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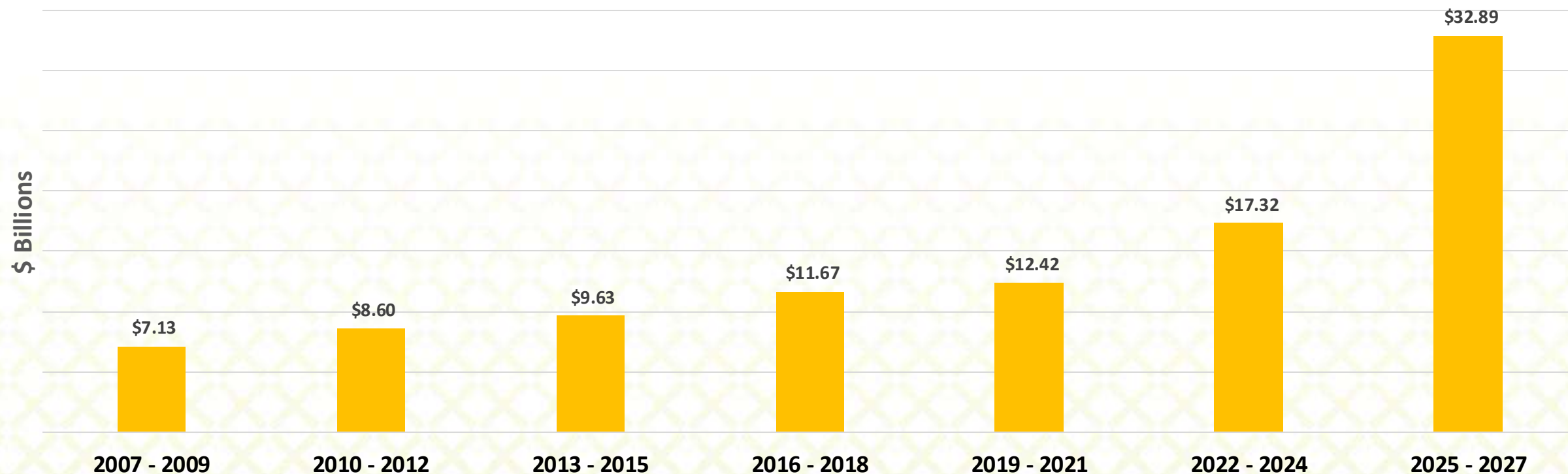
Ministry of Transport

4 December 2025



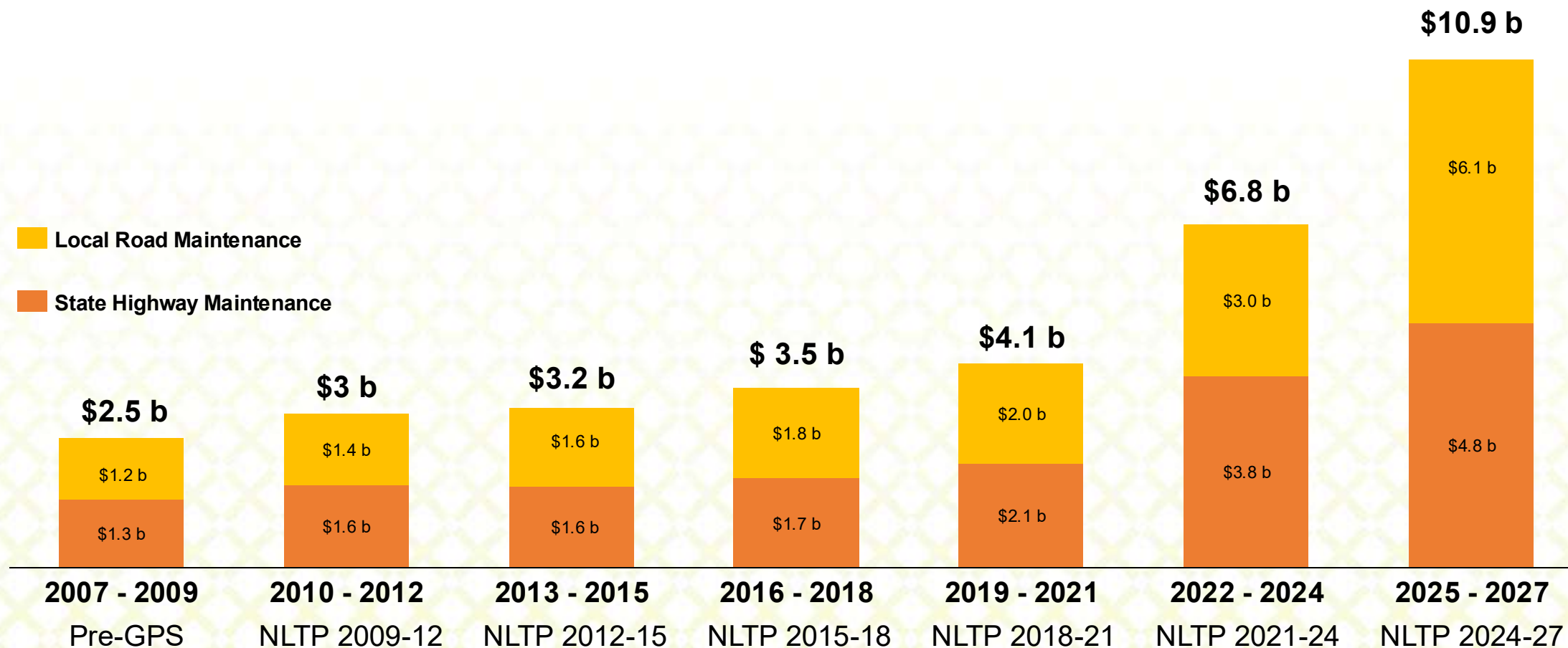
Looking back: historical investment trends

Expenditure on transport has increased significantly....



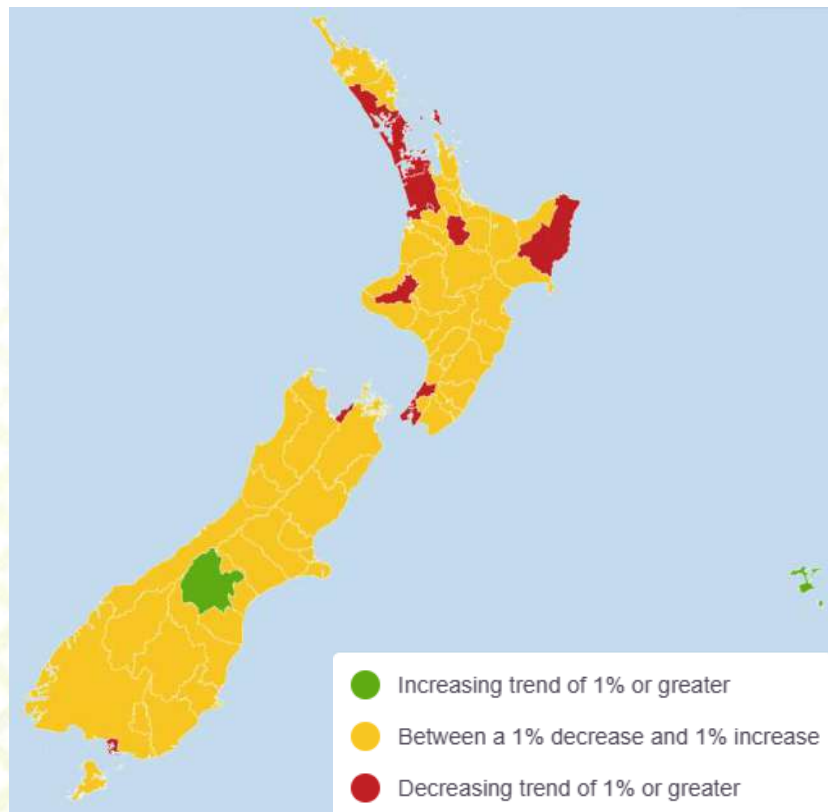
Note: Based on all Government spending on Transport (NLTP + Direct Crown contributions)

... driven partly by increased maintenance spend



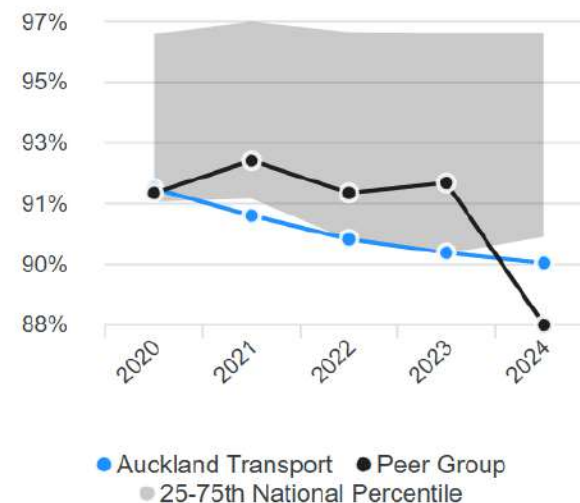
But we haven't seen a corresponding increase in service levels

Road Condition

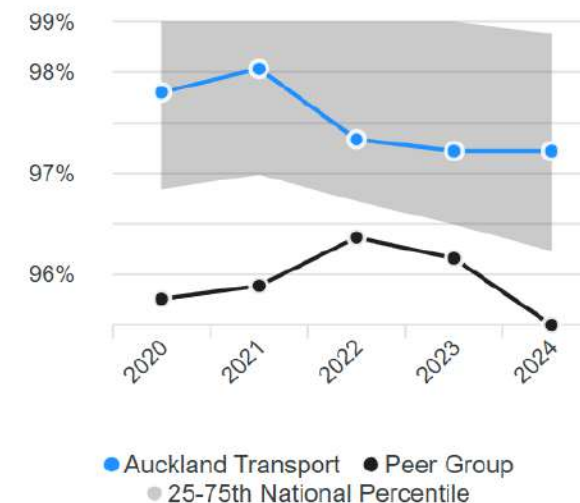


Auckland's network condition

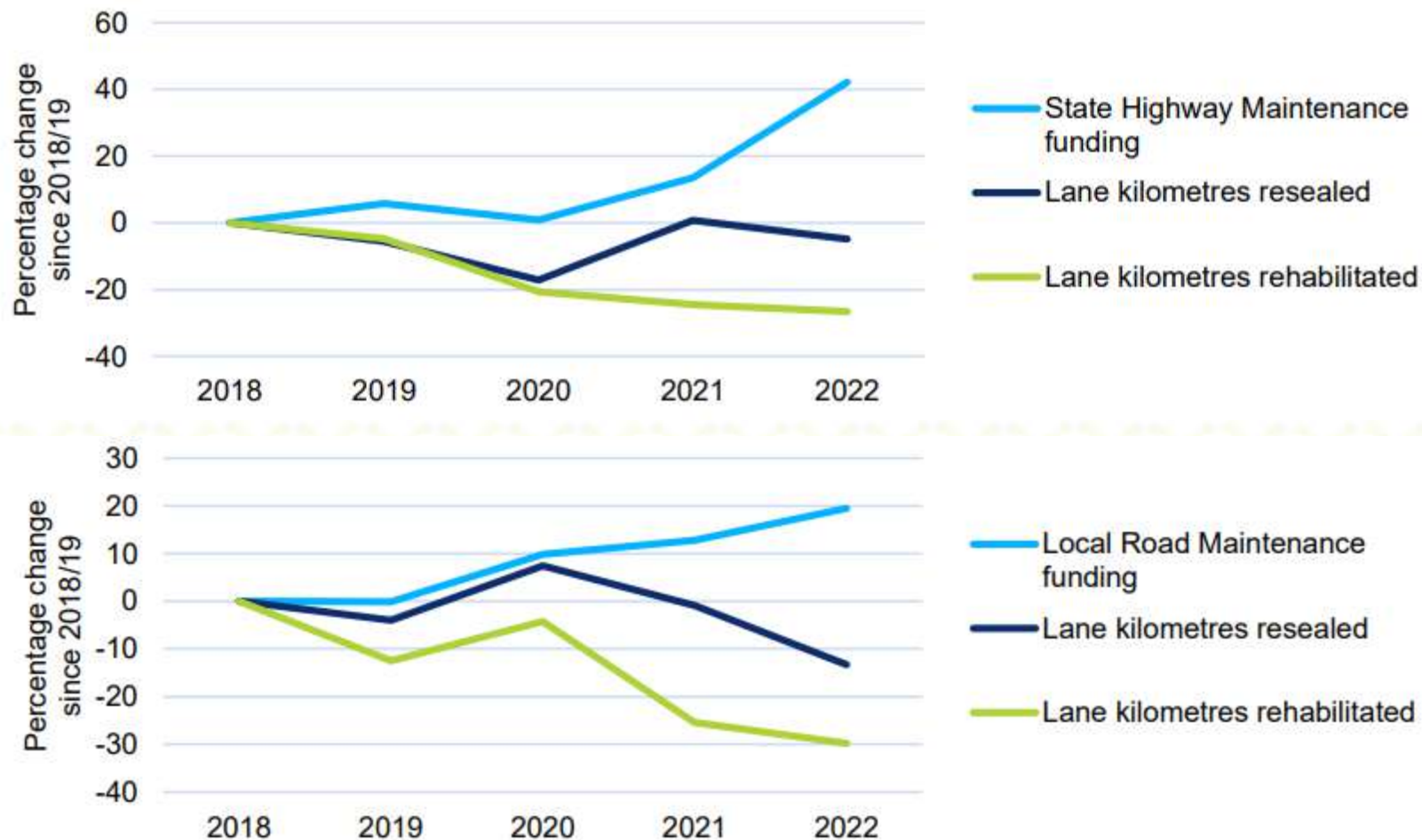
Pavement Condition



Surface Condition

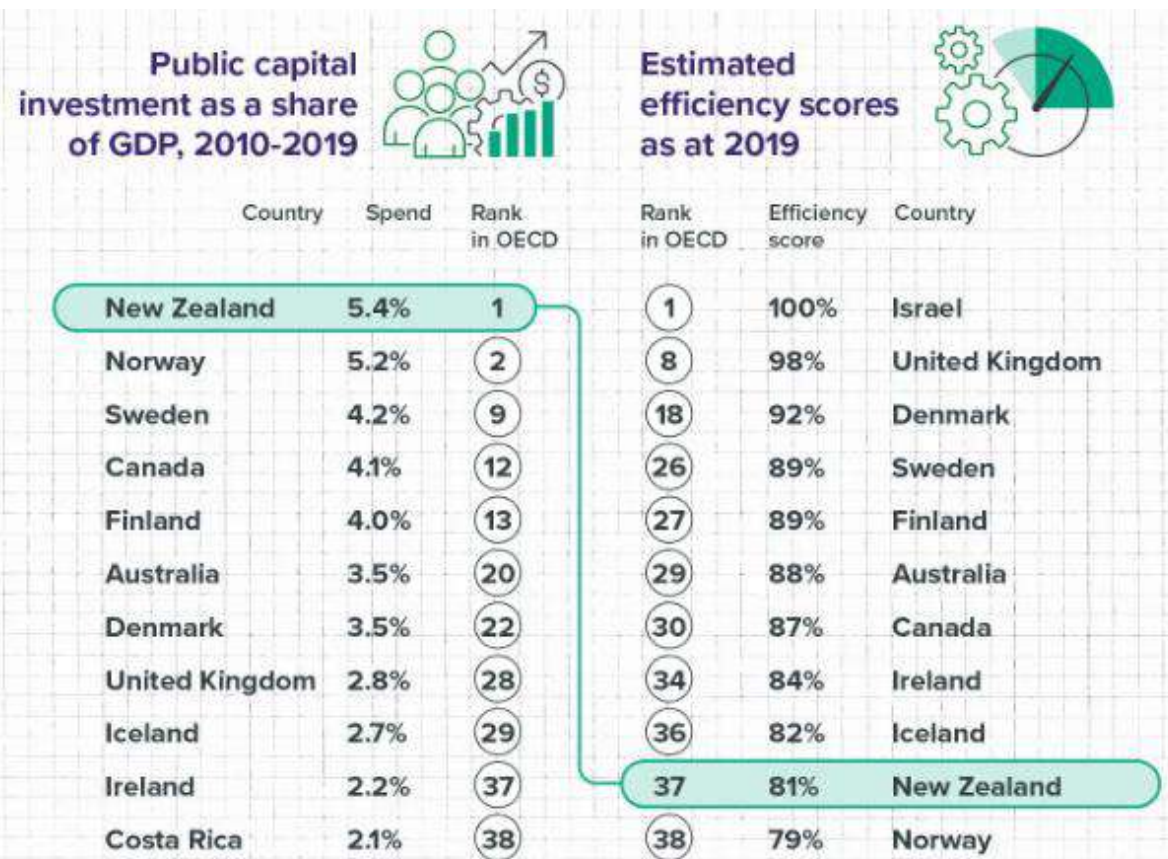


We have been spending more and getting less



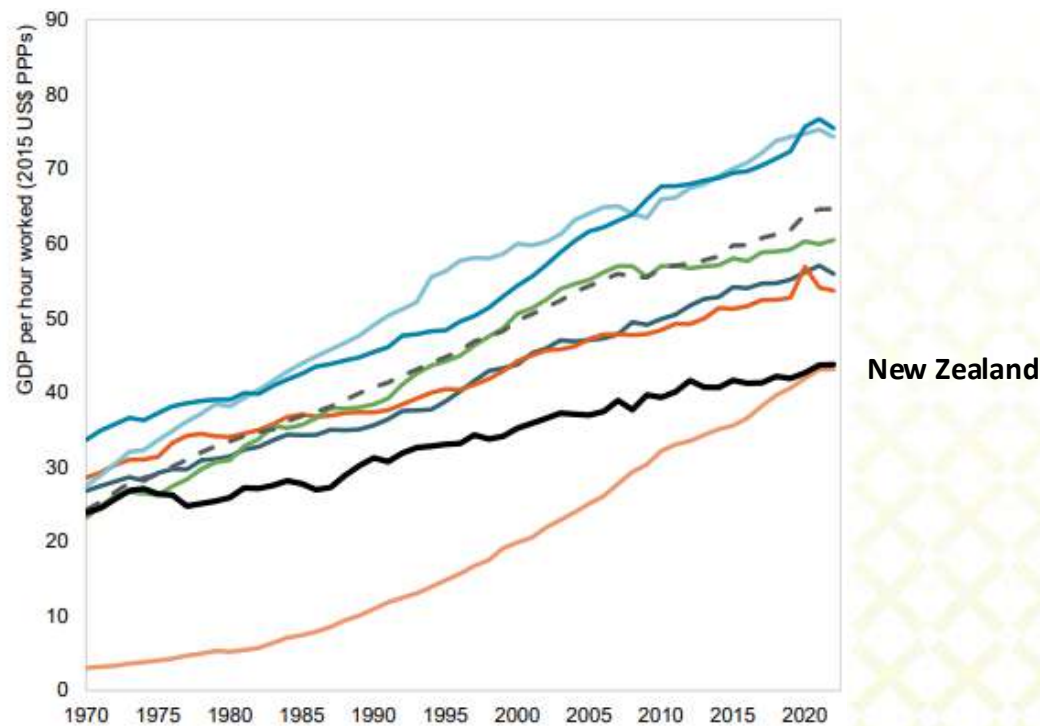
Collectively, we need to lift investment and asset management performance

- New Zealand lags internationally when it comes to asset management and infrastructure delivery
- The Draft National Infrastructure Plan outlined that New Zealand ranks in the top 10% in the OECD for infrastructure spend....
- But we are in the bottom 10% of OECD countries in relation to what we get for that spend
- We need to get better at infrastructure investment, delivery and maintenance



The are a range of factors which are driving this

GDP per hour worked, 2015 US dollars
Purchasing Power Parity (PPP)



Source: OECD productivity database

- Low productivity
- Supply chain constraints
- Increasing requirements around traffic and safety management
- Market capacity and capability constraints



GPS 2024: key shifts

GPS 2024 signalled a shift

Strategic Direction

Four Priorities

- An overarching priority of Economic Growth and Productivity
- Increased Maintenance and Resilience
- Safety
- Value for Money

Roads of National Significance Programme

- Transport corridors that represent an opportunity to support economic growth and boost productivity

Funding

NLTF Revenue

- \$22 billion NLTF revenue for the 2024/25-2026/27 period
 - an over 30 percent increase on the last three-year cycle in GPS 2021.

Activity classes

- New activity classes for pothole prevention
- Changes to what qualifies for funding in several activity classes

Delivery Expectations

A focus on:

- delivery
- core business
- value for money.

Requirements to consider other revenue sources and funding and delivery models

That NZTA ensures RCAs follow the Ministerial expectations in GPS 2024

New Performance and Efficiency Plan

New role for the Road Efficiency Group

GPS 2024 on delivering new capital projects

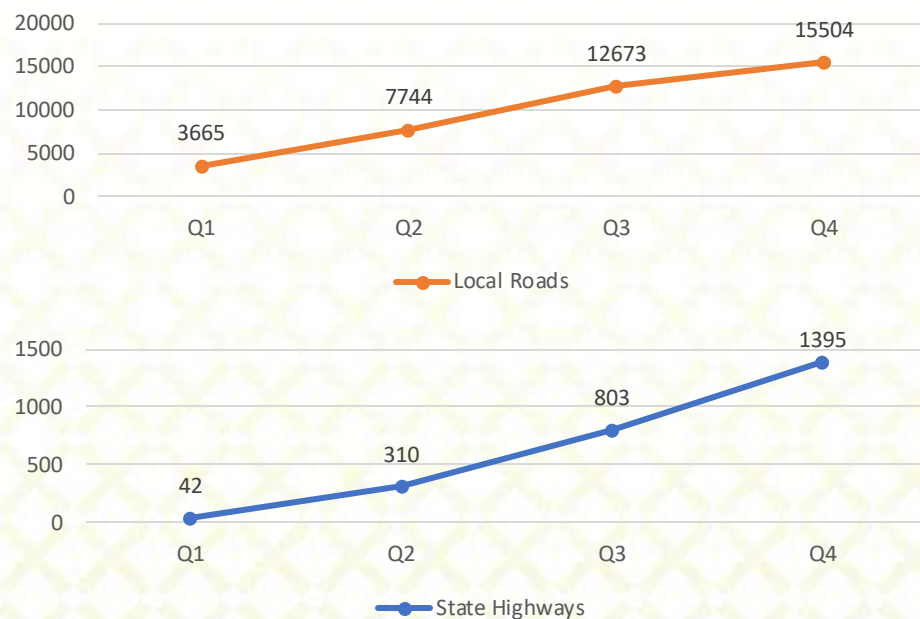
- **GPS 24 also signalled a commitment to deliver capital projects, in particular by reintroducing the Roads of National Significance (RoNS) investment programme**
- **Since GPS 24 was published, investment cases have been completed for each new RoNS**
- **Recently, investment has been committed to acquire land and to progress consenting, design, route protection, site investigations, and some early works**
- **Work is already underway to progress the RONS, with four in construction**
 - Otaki to North of Levin
 - Hawkes Bay Expressway Stage 1
 - SH29 Tauriko – Omanawa bridge
 - Takatimu North Link Stage 1

GPS 2024 has a focus on improving asset management practices and driving value and efficiency

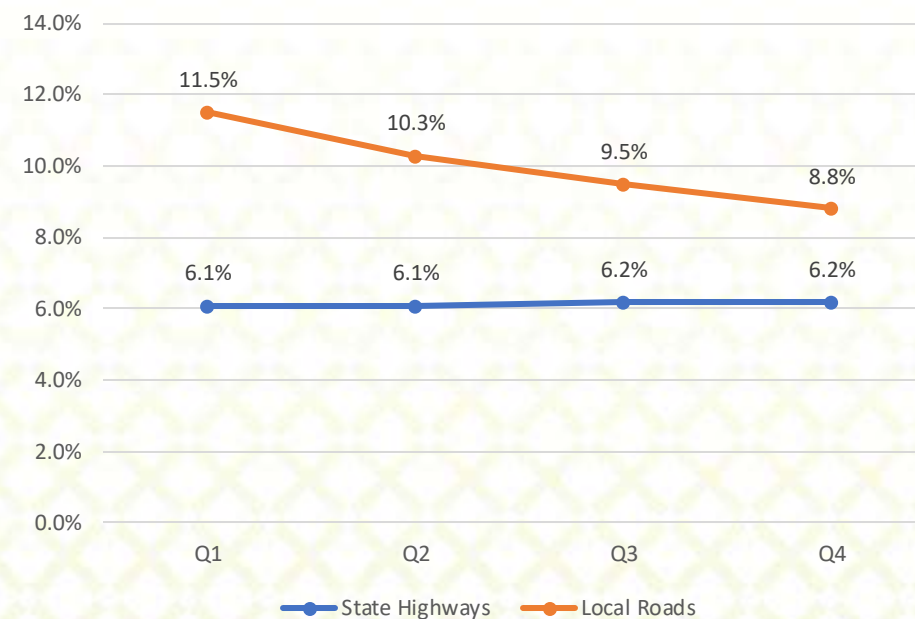
- **GPS 2024 tasks NZTA to deliver key result areas, including:**
 - Finding efficiencies in road maintenance spend
 - Effective maintenance outcomes
 - Reducing expenditure on Temporary Traffic Management (TTM)
 - Maintaining protocols and processes
 - Sector capability and capacity
 - Asset management and effective delivery practices
- **GPS 2024 introduced a requirement for NZTA to produce a Performance and Efficiency Plan to deliver the results outlined above, and ensure ongoing monitoring**

We can already see improvements in some areas

TTM site inspections

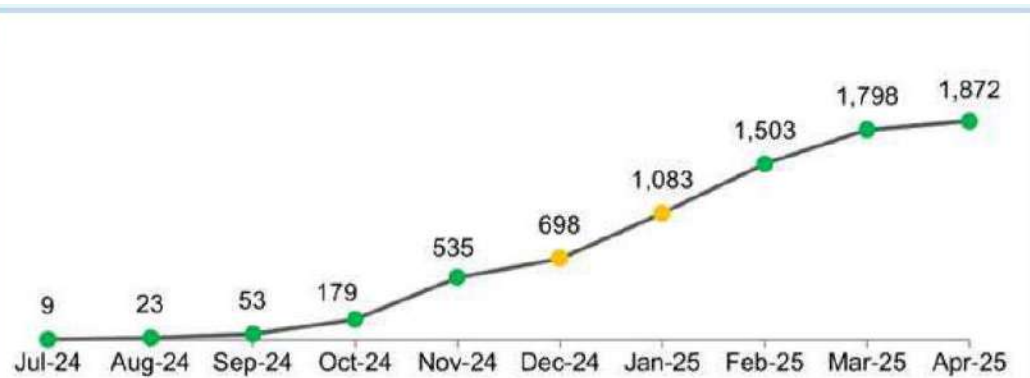


Average cost of TTM as a proportion of project costs

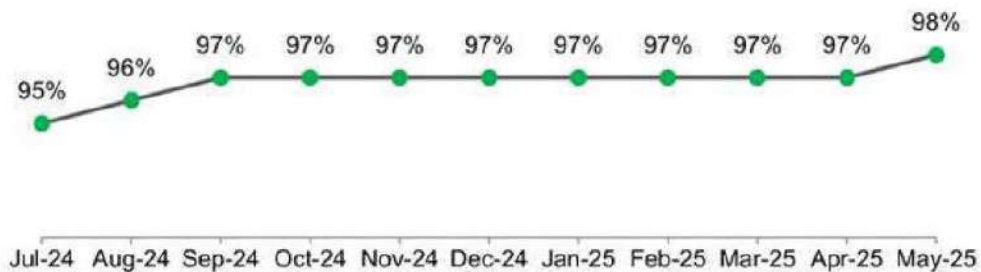


* Note: data above is provisional and unaudited

We can already see improvements in some areas



From July 2024-May 2025, NZTA had resealed 1,872 lane kms (7.67% of the State Highway network), surpassing the annual target of 1,690km



From July 2024-May 2025, 39,133 potholes were repaired with 98 percent repaired within 24 hours (annual target >90%)



GPS 2027: future direction

What to expect: shifting to a longer-term planning horizon

- We expect GPS 2027 to build on the direction set out in GPS 2024
- The focus on value for money, efficiency, and delivery is unlikely to change
- To drive efficiencies across land transport, we need to provide greater confidence over the medium to long term for Councils to plan and for the sector to invest.
- GPS 2024 committed to shifting transport to a 10-year planning horizon, in line with local governments' Long Term Plans
- Work has already started to shift towards a 10-year plan, with the development of Government Policy Statement on land transport (GPS 2027)
- To inform the development of GPS 2027, the Minister has requested NZTA provide 10-year expenditure forecasts, covering:
 - Maintenance, operations and renewals required to maintain service levels
 - Improvements, including mega projects and BAU improvements

The Government is progressing significant changes to the way transport infrastructure is both funded and delivered

Changes to the revenue system:

- Transiting the light vehicle fleet to road user charges (RUC)
- Implementing Time of Use charging, and making use of alternative funding sources

Changes to the planning and delivery system:

- Recently announced changes to the Auckland Regional Transport Committee (ARTC) – a new statutory body to work jointly on a 30 year integrated transport plan for Auckland.
- Longer term planning horizon (10-year GPS)
- City and Regional Deals (CRDs)

How can the sector help?

- **Many of the challenges cannot be addressed by Central Government alone. All entities involved in providing for the land transport system need to work together to improve the system's performance, including by:**
 - Making better use of existing assets and drive a focus on whole-of-life costs to maximise long-run value
 - Innovating and developing new, more efficient, ways of delivering road maintenance
 - Making better use of new or existing digital infrastructure and information systems, where they reduce the cost of physical infrastructure delivery operations

Next steps

