



# Registered Master Builders Association of New Zealand Incorporated

## Submission on the Draft National Infrastructure Plan

August 2025

## Master Builders submission on the Draft National Infrastructure Plan

The Registered Master Builders Association (Master Builders) welcomes the opportunity to submit to the Infrastructure Commission | Te Waihanga on *the Draft National Infrastructure Plan*.

### About Master Builders

The Master Builders represents over 3,000 commercial and residential builders and are the leading sector advocates on the built environment, including vertical infrastructure. Our members have been building the places where New Zealanders live, work, and play, since 1982.

Our sector is a key contributor to the New Zealand economy. For the year ended March 2024, the construction sector contributed 6.2 per cent of the country's real Gross Domestic Product (GDP) accounting to over \$17.2 billion<sup>1</sup>. It also employed 294,100 people (or 10 per cent of the country's total workforce) in the year ended September 2024<sup>2</sup>.

We are working hard to lead the change our sector needs by ensuring we have the regulatory systems and processes in place to build faster and better. We are supporting our members to grow their capability and business acumen to ensure a strong and healthy sector; to innovate and make the most of new technologies so we meet the climate change challenge; and to attract, train and retain skilled talent. We are proud to be New Zealand's best builders.

At Master Builders we are committed to transforming the sector and rebuilding our economy. We are focused on building better homes, communities and workplaces, and ultimately better lives for all New Zealanders. We want to ensure that the houses that we build now are well-built, accessible, affordable, and appropriate to the needs of our ever-changing society. We are building a better New Zealand.

Our members are supported on the ground by 23 branches across 6 regional hubs:

Branch hub	Serving
Auckland	Auckland, Northland, Coromandel
Midlands	Waikato, Tauranga, Whakatāne, Rotorua, Taupō
Central North Island	Taranaki, Whanganui, Hawke's Bay, Manawatū, Gisborne
Cook Strait	Wellington, Wairarapa, Nelson, Marlborough, West Coast
Canterbury	Canterbury, Ashburton, South Canterbury
Southern	Otago, Central Otago, Gore, Southland

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<sup>1</sup> Statistics New Zealand – Infoshare: Gross domestic product – March 2024

<sup>2</sup> Statistics New Zealand – Infoshare: Household Labour Force Survey – September 2024

## **1. Introduction**

- 1.1 Master Builders welcomes the opportunity to provide feedback on the Draft National Infrastructure Plan (the Plan) 2025. As a leading voice for New Zealand's construction sector, we represent firms that deliver the vertical and social infrastructure that underpins everyday life across New Zealand; including hospitals, schools, civic buildings and community facilities.
- 1.2 We are committed to supporting a strong, confident construction sector that is equipped to meet New Zealand's long-term infrastructure needs.
- 1.3 This submission draws on the experience of two of our specialist industry groups:
  - 1.3.1 The Commercial Working Group comprises leaders from major national contractors who deliver large-scale commercial projects, including office buildings, retail developments, and complex private infrastructure.
  - 1.3.2 The Vertical Construction Leaders Group brings together chief executives and senior leaders focused on the delivery of public vertical infrastructure, such as schools, hospitals, social housing, and other community assets.
- 1.4 Together, these groups offer deep, practical insight into the realities of planning, procurement, consenting, construction, and maintenance across the commercial and vertical infrastructure landscape.
- 1.5 We support the overall direction of the Draft Infrastructure Plan and commend the work of Te Waihangā in setting out a long-term vision for New Zealand's infrastructure. Our goal is a Plan that is not only aspirational, but actionable. One that leads to real change on the ground and supports the development of a confident, capable construction sector that is ready to deliver for future generations.

## **2. Establishing Affordable and Sustainable Funding**

- 2.1 Master Builders supports the Plan's 30-year horizon but emphasises that its success depends on stable, transparent and sustained funding settings that gives the sector confidence to plan, invest and grow.
- 2.2 Current funding decisions are fragmented and vulnerable to political and fiscal cycles. This stop-start approach undermines confidence and weakens sector capability. The Ministry of Education's 2023-24 review of 352 school property projects, which led to 110 cancellations or delays, is a recent example. Our members reported laying off skilled staff, reducing investment and scaling back operations, eroding capacity that takes years to rebuild.
- 2.3 A predictable pipeline of construction work is fundamental to supporting a resilient economy. When firms have confidence in future demand, they are more likely to invest in workforce development, adopt new technologies, and scale up delivery capability. This sustained investment lifts productivity, reduces inefficiencies, and ensures better outcomes over the life of built assets. Predictability also helps cushion the sector from the volatility of boom-bust cycles, containing cost pressures during periods of high demand and maintaining skilled employment and capability through downturns. By promoting continuity and smoothing the

flow of projects over time, a reliable pipeline enables long-term planning, supports innovation, and strengthens the sector's capacity to deliver.

- 2.4 The Plan must be embedded in funding and policy decision-making to give industry the certainty needed to plan ahead, smooth economic volatility, and deliver better value for taxpayers.
- 2.5 Key recommendations:
  - 2.5.1 Provide statutory recognition of the Plan to ensure durability and alignment with long-term funding strategies.
  - 2.5.2 Embed multi-year funding commitments into agency baselines to support continuity of delivery across political cycles and reduce reliance on annual appropriations.
  - 2.5.3 Maintain a transparent, regularly updated capital pipeline with clear project-level detail, phasing, and costings.
  - 2.5.4 Apply prioritisation tools that weigh project readiness, community outcomes, regional equity, and local benefits, not just agency preferences.
  - 2.5.5 Use procurement settings that reward quality and value, recognising non-price attributes such as delivery performance, whole-of-life costs, and health and safety.
  - 2.5.6 Set clear expectations for local economic benefits by encouraging Māori, Pacific peoples, and other underrepresented groups, alongside regional businesses, apprentices, and local supply chains. This will strengthen regional resilience and ensure a broader cross-section of communities benefit directly from public investment.

### **3. Clear the Way for Infrastructure**

- 3.1 Master Builders supports the Plan's vision for a more coordinated, efficient infrastructure system but stress that systemic barriers must be addressed if it is to succeed. Procurement, consenting, compliance, and project close-out processes are too fragmented, slow, and uncertain, raising costs, reducing productivity, and discouraging investment.
- 3.2 A fundamental shift in procurement models is needed. Contracting approaches that reward performance, enable collaboration, and support long-term value must be prioritised. Current practices often impose excessive risk on contractors, with little recognition of performance or lessons learned across projects.
- 3.3 More consistent use of integrated delivery models, particularly early contractor involvement (ECI), design and build (D&B) and collaborative working agreements (CWA), is essential to delivering better outcomes. These models bring buildability and delivery expertise into the process early, enabling better-informed design decisions, reducing rework and variation and supporting more balanced allocation of risk.
- 3.4 The delivery of the corrections facilities such as the Auckland Regional Women's Correctional Facility and the Otago Regional Correctional Facility, both delivered through CWAs, offers a compelling precedent. These projects demonstrate the value of shared governance, joint

problem-solving, and fair risk-sharing. Such approaches should be more widely adopted and underpinned by clear documentation and performance-based incentives.

- 3.5 A persistent and systemic barrier to effective infrastructure delivery is the insufficient commercial and construction expertise within government procurement teams. Too often, procurement decisions are made without a strong understanding of construction methodologies, sequencing, cost structures, or the long-term implications of design and delivery choices. This results in poorly scoped projects, unrealistic risk allocation, and inefficient contractor engagement, ultimately increasing costs, delaying delivery, and undermining sector confidence.
- 3.6 Addressing this capability gap is critical. Government agencies, particularly those responsible for major vertical infrastructure, should invest in building commercial acumen and construction literacy within their procurement and project delivery functions. Embedding experienced construction professionals within procurement teams will improve planning, foster more productive partnerships with industry, and lead to better outcomes for public infrastructure.
- 3.7 Procurement settings should actively support local participation if the Plan is to achieve its goal of building regional capability. Some current government practices are making it harder for New Zealand companies to participate in major projects. In particular, pre-qualification criteria in recent tenders have required bidders to demonstrate delivery of multiple large-scale projects, such as those exceeding NZ\$150 million in Australasia, or NZ\$50 million design and build projects in Australia within operational environments like justice, health or defence, often within the last 5–10 years. These types of requirements can significantly disadvantage capable domestic firms, particularly those without an Australian footprint, effectively limiting competition to foreign-owned or offshore-backed entities.
- 3.8 Few wholly New Zealand-owned companies meet these narrow thresholds, despite having deep delivery experience and strong relationships with local consenting authorities, suppliers, and subcontractors. The cumulative effect may preclude many local firms and joint ventures from tendering, regardless of their suitability for the work.
- 3.9 Revisiting these thresholds, expanding the recognition of equivalent domestic experience, and allowing longer bid timeframes would give New Zealand contractors greater opportunity to form consortia, build scale, and participate in projects of national significance. Strengthening local participation in this way will help grow domestic capability while still ensuring competitive outcomes and better aligns with the Plan's aims of supporting regional economies and fostering a confident, resilient construction sector.
- 3.10 It is important to emphasise, particularly on behalf of our members, that vertical construction delivers significantly higher employment per investment dollar than horizontal infrastructure. This distinction is often misunderstood or overlooked in government planning and investment decisions. Vertical projects typically require a broader range of skilled trades and involve more labour-intensive activity throughout the project lifecycle. Recognising this employment intensity is essential to ensuring that infrastructure investment decisions are aligned not only with long-term asset needs, but also with the Government's broader objectives around job creation, skills development and regional economic resilience.

- 3.11 Consenting delays under the Resource Management Act (RMA) continue to be a major constraint to infrastructure delivery. Approvals are often subject to long, unpredictable timeframes and are inconsistently interpreted across local authorities. Our members frequently report being stalled by decision-makers who lack the appropriate technical knowledge, delaying progress on critical projects. Councils often act as a blocker rather than an enabler. Reform must focus on practical implementation, with a strong emphasis on decision-making capability, consistent interpretation of rules, and more efficient processing. Where performance is lacking, alternative delivery models such as CWAs or alliance arrangements can help cut through delays and accelerate delivery.
- 3.12 The government must lead in addressing these structural issues by standardising procurement practices, improving design quality, and encouraging the uptake of modern delivery models. Standardisation of design and delivery is essential. Too often, we see schools and other public infrastructure entirely redesigned each time, despite serving similar user needs. Adopting more repeatable, modular solutions can reduce costs, shorten timeframes, and deliver better long-term performance.
- 3.13 Finally, the current “boom-bust” cycle in infrastructure investment undermines industry capacity. When budgets tighten, firms scale back investment and skilled workers leave the sector. During booms, capacity is stretched, and costs rise. A stable, long-term pipeline (especially for mid-sized, repeatable projects) will help smooth delivery, retain talent, and support resilience.
- 3.14 Removing these systemic barriers will lower delivery costs, improve productivity, and give the sector the confidence to invest, unlocking faster, more reliable infrastructure delivery and stronger economic returns for communities.
- 3.15 Key recommendations:
- 3.15.1 Standardise procurement settings across agencies to ensure fair risk-sharing, reward performance, and embed clear weightings for non-price attributes, such as workforce development, local jobs, and social outcomes.
  - 3.15.2 Encourage wider use of collaborative models (ECI, D&B, CWAs) by providing clear guidance on their structure, risk allocation and performance incentives.
  - 3.15.3 Invest in targeted upskilling of government procurement staff, particularly those involved in vertical infrastructure, through practical training in commercial construction processes and greater exposure to project delivery environments.
  - 3.15.4 Review pre-qualification criteria and bid timeframes to improve access for New Zealand-based firms to support regional capability.
  - 3.15.5 Expand the use of standardisation and repeatable solution, particularly in social infrastructure, to reduce duplication, lower cost, and improve speed of delivery.
  - 3.15.6 Align consenting processes with RMA reforms by introducing clearer national direction, consistent implementation, and stronger accountability for council performance.

3.15.7 Maintain a stable, long-term capital pipeline and avoid pro-cyclical investment surges that inflate costs, create delivery bottlenecks, and undermine industry confidence.

#### **4. Start with the Maintenance**

- 4.1 Our members do more than build new infrastructure, they maintain, upgrade, and extend the life of the assets that communities use every day. Yet maintenance has been consistently under-prioritised in capital planning and Budget processes, leading to asset deterioration, increased risks and higher long-term costs.
- 4.2 Infrastructure planning must view maintenance not as a discretionary cost, but as a critical investment in resilience, safety, and long-term value. Our members consistently report that maintenance and minor upgrades are often the first areas to be deferred or delayed when budgets tighten. Yet these activities (such as weatherproofing, ventilation upgrades, and fire safety improvements) deliver high value at relatively low cost.
- 4.3 Delays to essential maintenance undermine safety and functionality, particularly in schools, hospitals, and community facilities, while creating compounding costs over time. Timely maintenance also supports local contractors, apprentices, and regional supply chains. These projects can often be mobilised faster than large-scale new builds, making them a smart strategy during economic slowdowns.
- 4.4 Maintenance is frequently excluded from forward pipeline visibility, asset planning, and strategic prioritisation frameworks, resulting in fragmented funding, inconsistent delivery, and under-investment in the assets communities depend on most. The Plan must explicitly recognise asset renewal and maintenance as a core pillar of infrastructure delivery, on equal footing with new capital works.
- 4.5 Prioritising maintenance will extend asset life, reduce long-term costs, and keep essential facilities safe and functional, while creating steady regional jobs and delivering faster, more visible economic benefits than large-scale new builds.
- 4.6 Key recommendations:
  - 4.6.1 Include a dedicated focus on vertical asset renewal and maintenance, particularly in public buildings such as schools, health facilities, housing, and community assets.
  - 4.6.2 Establish clear links between asset condition, risk, and investment prioritisation, so that infrastructure budgets respond to evidence, not just project visibility.
  - 4.6.3 Strengthen the alignment between maintenance investment and climate adaptation planning, especially to address water ingress, ventilation, and flood or heat resilience.
  - 4.6.4 Leverage maintenance contracts as opportunities for regional contractors and apprentices, and embed social procurement expectations to support workforce development.
  - 4.6.5 Ensure that maintenance activity is tracked, reported, and visible within national infrastructure dashboards and performance monitoring systems.

## **5. Right-size New Investment**

- 5.1 Master Builders welcomes the Plan's emphasis on long-term thinking and agree that forward planning is critical. To make the most of every dollar spent, however, long-term planning must be paired with smarter delivery that reflects current sector capacity and future needs.
- 5.2 Investment should be scaled and timed appropriately, matching community needs with system readiness and available delivery capacity. The construction sector is navigating significant challenges, persistent skills shortages, high material and finance costs, and increased delivery risks. If investment is poorly sequenced or overly ambitious, it can place additional pressure on the system, driving up costs and creating bottlenecks in key trades and professions.
- 5.3 Smarter delivery means designing infrastructure that is aligned with workforce capacity, adaptable to future demand, and able to leverage innovation and efficiency. Standardisation and modern methods of construction, such as modular and offsite manufacturing, can reduce costs, shorten delivery timeframes, and improve asset performance.
- 5.4 New Zealand's own use of modular classroom design during the Christchurch earthquake recovery demonstrated the speed and adaptability of standardised solutions in high-pressure environments. These approaches should be scaled and supported wherever appropriate, particularly in social infrastructure such as schools and hospitals.
- 5.5 Digital modelling, modular construction, and adaptive reuse of existing structures can all reduce waste, lower carbon emissions, and improve long-term value for money. Supporting innovations like Building Information Modelling (BIM) and smart site planning will help ensure infrastructure delivers both performance and resilience.
- 5.6 Right-sizing investment will stretch every infrastructure dollar further, delivering projects that are affordable, resilient, and fit for purpose, while reducing cost pressures, improving sector productivity, and ensuring lasting value for communities.
- 5.7 Key recommendations:
  - 5.7.1 Adopt clear, consistent prioritisation criteria for new projects, based not only on service need and climate resilience but also on their potential to deliver local benefits such as regional workforce participation, training opportunities, and supply chain engagement.
  - 5.7.2 Strengthen the link between capital pipeline planning and regional skills development, sequencing investment to align with workforce and delivery capacity and avoid placing additional pressure on critical trades.
  - 5.7.3 Incentivise smart and sustainable design practices, including the use of BIM, adaptive reuse of existing structures, and efficient site planning to improve long-term performance and value.
  - 5.7.4 Expand the use of standardised and repeatable solutions, particularly for social infrastructure such as schools and hospitals, to improve buildability, reduce design time, cut costs, and accelerate delivery.



- 5.7.5 Shift the focus from scale and spend to outcomes, prioritising infrastructure that is durable, adaptable, and delivers lasting value for communities.

## **6. Conclusion**

- 6.1 Master Builders supports the direction of the Draft National Infrastructure Plan and commends Te Waihanga for its commitment to long-term planning, sector engagement, and the clear articulation of infrastructure priorities.
- 6.2 However, the success of the Plan will depend on how effectively it is implemented. Turning ambition into delivery will require consistent application across agencies and regions, supported by clear responsibilities and practical mechanisms that give effect to the Plan's intent.
- 6.3 Implementation must instil confidence across the sector. A strong delivery pipeline, supported by stable settings and fair processes, will be essential to improve capability, reduce delays, and ensure that communities see the benefits of infrastructure investment.
- 6.4 Master Builders and our members are ready to play our part. We bring deep expertise in vertical construction, maintenance, and regional delivery, and we are committed to working collaboratively to help realise the Plan's goals.
- 6.5 We thank Te Waihanga for the opportunity to provide feedback and welcome ongoing engagement to support a practical, enduring approach to infrastructure planning and delivery across New Zealand.

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