

Policy 2017



Infrastructure



Investing in a growing economy

Whether it is roads, rail, broadband, hospitals, or schools, New Zealanders all rely on high quality public infrastructure. Without it we simply can't function.

National is the only party that understands just how important infrastructure is to the public and our economy as a whole.

Our track record is marked by investments in transformative projects like the Roads of National Significance, City Rail Link and the Ultra-Fast Broadband network. These are projects that enable New Zealanders to get on with their lives, encourage our economic growth and connect our communities.

That is why Budget 2017 is committing \$32.5b over the next four years to major public infrastructure projects – an unprecedented level of investment.

We want to see this investment go even further. By partnering with the private sector, local government, and investors, National will ensure we have the right infrastructure for the 21st century.

"National is the party of infrastructure. Our investment in roads, rail, broadband, schools and hospitals has been unprecedented, and we're increasing it further."

– Infrastructure spokesperson Steven Joyce

Policy highlights

- Lifting the overall investment in core infrastructure to \$32.5b over the next four years – a 40 percent increase on the previous four years
- Fast-tracking the construction of 60,000 homes through the \$1b Housing Infrastructure Fund
- Making New Zealand's infrastructure investment stretch even further through greater use of PPP models for major projects
- Establishing a specialist infrastructure team, charged with applying PPP models at all levels of government
- Committing \$11b to infrastructure spending in 2017, \$4b higher than the previous year
- Getting growth to pay for growth by setting up new models of local infrastructure funding to speed up home construction

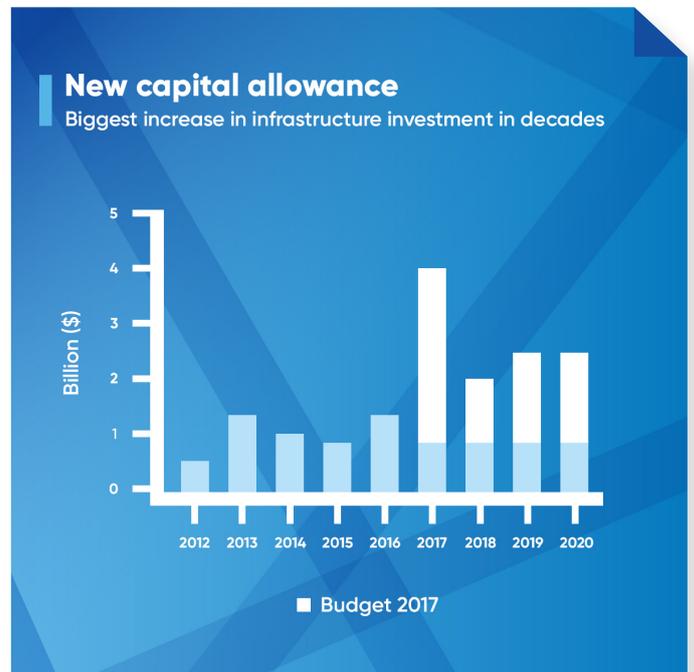
National is...

Ramping up critical infrastructure investment

Budget 2017 commits an extra \$4b to infrastructure projects, taking total capital spending to \$11b over the 12-month period, the biggest increase in decades.

This includes:

- \$150m additional investment in new health facilities to meet the needs of a growing population
- \$392m for new schools and classrooms across New Zealand, totalling 304 classrooms nationwide
- \$812m to reinstate State Highway 1 between Picton and Christchurch following the Kaikōura earthquakes
- \$984m investment to support rail, including \$436m for phase one of the City Rail Link



Investing in long-term economic success

Overall we are investing \$32.5b in core infrastructure over the next four years, a 40 per cent increase on the last four years. This includes:

- \$4.85b investment in new schools and classrooms, with additional Private Public Partnership funding to deliver 11 schools by 2021
- \$2.72b investment in housing to deliver 34,000 houses over the next 10 years through the Auckland Housing Programme
- \$9.17b investment in critical roading projects to free up congestion in our fastest growing cities and regions
- \$2.39b investment by the Crown and DHBs in health facilities around the country

Our results...

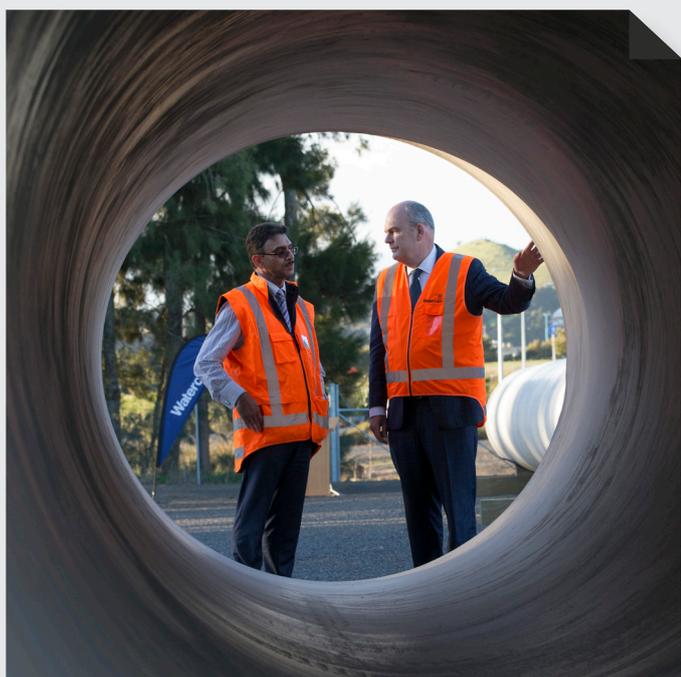
Helping build 60,000 homes

- Funded by Budget 2017, the \$1b Housing Infrastructure Fund is helping build critical infrastructure in five of New Zealand's fastest growing areas
- It accelerates the supply of residential sections by bringing forward the construction of local roading and water projects by several years
- Land opened up for development by the fund's investment in local infrastructure will accommodate 60,000 new houses
- The fund eases the financial pressure on the high growth areas of Auckland, Hamilton, Queenstown, Tauranga and Waikato



Developing innovative funding models

- We are repurposing the Ultra-Fast Broadband company as Crown Infrastructure Partners, whose new job is to develop new funding models for housing infrastructure
- Crown Infrastructure Partners will co-invest \$600m alongside local councils and private investors in network infrastructure for big new housing developments
- Two of the first projects being assessed have the potential to accelerate the development of 23,300 homes
- It will increase the supply of development-ready land so more Kiwis can achieve the goal of home ownership



What we will do next...

Use PPPs to make our investments go further

- We will turbocharge Budget 2017's \$32.5b infrastructure investment by creating the National Infrastructure Commission to lead more PPP projects
- PPPs are very effective at getting quality long-lasting infrastructure built more quickly and stretching the country's capital budget even further
- The first projects the Commission will consider for a PPP will be the \$1.2b Dunedin Hospital, the biggest hospital rebuild in New Zealand history, and a \$60.4m rebuild of Whangarei Boys High School
- The Commission will be made up of highly specialised skilled people drawn from the private sector and the government



Don't put it all at risk

- Labour has no comprehensive infrastructure plan to keep the economy growing
- Labour and the Greens are focused on urban commuter rail, ignoring the need to invest in the regional roading network that is the backbone of our economy
- Labour is opposed to finding innovative ways of funding infrastructure investments, meaning Kiwis will have to wait longer and pay more for the new roads, hospitals and schools they need