

Infrastructure Commission – National Infrastructure Plan

Submission from National Road Carriers

Introduction

National Road Carriers Association (NRC) is New Zealand's progressive nationwide organisation representing 1500 supply chain company members, who collectively operate over 16,000 trucks throughout New Zealand. NRC advocates on behalf of members and works with central and local government on transport infrastructure and regulations.

NRC members are committed to providing an efficient, productive, resilient, safe and value for money service that supports the wider economy. To achieve this, trucking operators need a safe, efficient, and sustainable operating environment that enables the efficient and safe movement of goods. Our members primarily operate road freight however a number also operate air, sea and rail freight services. As such, NRC advocates for multi-modal freight and supply chain outcomes that benefit the transport system as a whole.

Some 54% of NRC's membership comprises single vehicle operators and 89% employ 10 or fewer.

National Road Carriers is a foundation member of the Northern Infrastructure Forum.

NRC supports the National Infrastructure Plan

NRC commends the Infrastructure Commission's introduction of the National Infrastructure Plan (NIP). We recognise that the Infrastructure Priority Programme (IPP) is a critical step in the maturing of how New Zealand plans and builds infrastructure.

We support the emphasis of heavy road and freight transport, an efficient freight and supply chain is underpinned by aligned, multi-modal transport infrastructure planning. We see the NIP as enabling better transport infrastructure decisions, based on a clear understanding of the value delivered, as well as costs and the opportunity cost.

The IPP will bring much needed transparency and economic rigour which will make visible what is being taken into account when infrastructure projects are selected (or not). This evidence-based approach will play a significant role in holding government decision makers within a 3-year political cycle more accountable for decisions made on 50-year infrastructure investments.

Our hope is that the framework outlined by Infrastructure Commission in the NIP will lead to transport-system and network level investment, rather than cherry-picking individual projects based on a silo view of benefits as happens all too often today.

Challenges in transport infrastructure

Networks have not been maintained over time. NZTA and councils are in catch up mode on roading rehabilitation as many parts of the network fail due to underspend on renewals. As the NIP points out, there is a noticeable trend towards declining surface quality on lower-traffic roads, which NRC believes is caused in part by local authorities diverting roading budgets into other initiatives.

Transport investments have often not been business cased widely enough, with the value brought to the wider economy and society not always properly understood.

Joined up planning between transport modes is rare – decisions are usually made on investments at the project level, but these may be less attractive at the system level when network efficiency and opportunity costs are taken into account.

What freight operators want from transport infrastructure investment

Freight transport operators seek a consistently maintained and resilient transport network—one that prioritises timely repairs, robust alternative routes, and the rapid reopening of closed highways to minimise costly delays. They want all funding collected from road users to be transparently spent on road maintenance and improvements, not diverted to unrelated projects. Greater accountability from councils and infrastructure agencies is essential, alongside smarter, business-case-driven investment that focuses on projects unlocking the most value—those with a Benefit-Cost Ratio (BCR) of 3 or higher.

Freight operators also want to see joined-up infrastructure planning across all transport modes, including road, rail, ports, and maritime links, to ensure a seamless, efficient supply chain.

While transport operators support large, “marquee” projects such as the Roading of National and Regional Significance (RONs and RORs), they feel mid-level projects are often overlooked. There are many \$100-\$300m projects that deliver significant benefit-cost ratios for communities, including freight efficiency.

Beyond infrastructure itself, operators want less political interference and fewer disruptions caused by projects starting and stopping due to changing priorities. They call for a stable and predictable project pipeline that supports long-term contracts, workforce certainty, and industry innovation. Freight operators believe smarter planning and a reliable investment pipeline for transport infrastructure will unlock economic growth and deliver better outcomes for both industry and communities.

Specific feedback to recommendations in the NIP

Governance is clarified for land transport investment

NRC strongly agrees. The disciplines brought by external oversight or regulatory settings are not present in land transport investments, and this needs to be addressed. Stronger business case criteria is required in decision making, including capturing multimodal transport system benefits and opportunity costs.

We also strongly agree with the statement that better coordination in investment between local councils and central government is needed in infrastructure planning. Bundling national and local infrastructure projects where interdependencies exist can lead to reduced costs and improved benefits.

Two recommendations are made to improve oversight and accountability mechanisms.

1. Consumer protection: All infrastructure providers, regardless of sector have clear and well-understood transparency and accountability mechanisms that ensure that consumer interests are protected.

We support this recommendation.

2. Transport system reform: The land transport funding gap is closed by requiring user charges to fully fund planned investment.

We do not fully support this recommendation.

We do not agree with the principle that the Crown agencies providing land infrastructure (NZTA and KiwiRail) should be self-funding from *only* user charges. We agree that the user pays model is applicable and appropriate for funding road and rail infrastructure. We also agree that user charges should fully fund maintenance of networks, and some capital projects.

However, the societal and economic benefits of transport and freight and supply chain networks extend far beyond the direct users of the infrastructure, so Crown investment still has a role to play in infrastructure capital investment outside of direct user funding.

New Zealand has a transport infrastructure deficit after over 30-years of under investment that cannot realistically be addressed solely by user pays funding. The scale of investment required for second harbour crossings, and four-lane highways in the golden triangle will require some Crown grants.

NRC supports cost recovery tools such as road tolls and congestion charges to help pay for new roading infrastructure that delivers freight and supply chain efficiency and resilience.

Tackling policy flip-flops between governments

The largest threat to successful infrastructure planning is sovereign risk, namely the temptation for short-term politicians to drive or cancel investments based on political expediency (i.e. electoral votes) rather than business case driven discipline. This risk will always remain, but we believe the NIP, and the Infrastructure Commission's wider work will help reduce it significantly.

Transparency of government decision making will be significantly aided by the independent forward guidance provided by the quality review of funded and planned projects. This is in the public interest, and will allow interested parties and the wider public to understand the benefits of individual projects and advocate for them.

Evidence-based decision-making also means that politicians will be obliged to provide robust justifications to cancel planned and funded projects which are already in the pipeline, making opportunism at election time much harder.

The strengthened framework for infrastructure investment, underpinned by the quartet of the National Infrastructure Funding and Financing Limited (NIFFCo), Crown Infrastructure Delivery, Treasury and the Infrastructure Commission itself will also make it harder to flip-flop on decisions. The establishment of these agencies shows that New Zealand is maturing in how we manage infrastructure, and sends a signal to overseas investors that we are serious and credible in long-term infrastructure planning.

Establishing this credibility, and offsetting sovereign risk for prospective overseas investors in public-private partnerships is crucial to growing our infrastructure. Having a robust framework for making investment decisions, and also a long pipeline of infrastructure projects provides confidence to investors looking to establish long-term partnerships in New Zealand.

Recent signs of a bi-partisan approach from both sides of the political isle is pleasing. Parties have pledged not to reverse projects underway, i.e. where the first sod has been turned. This needs to be extended further upstream, with agreement that once significant spend has occurred on detailed design, the project will go ahead.