

## Feedback for the New Zealand Infrastructure Commission on the draft National Infrastructure Plan:

1. The Plan highlights and notes that **New Zealand's ageing population may drive greater demand for hospitals and reduce the need for new schools**. We think that this inference oversimplifies a complex issue as national averages can mask localised pressures and needs. Infrastructure planning must account for the significant regional variation in population growth across the country. While there may be a flattening and slight decline in student numbers over the next 5–10 years, but this trend is not uniform across the country. Significant local variation exists for both growth and decline areas, requiring careful planning and targeted investment.
2. **The top-down estimates for education investment identified in the Plan are confirmed against the Sector estimates**. There may be a discrepancy between the Table 3 changes indicated (moving from 0.4% of GDP to 0.2% of GDP from now for the next 30 years) and the Sector estimates which identify a moderation of investment from 1% of GDP to 0.7% in the future.
3. The Commission may want to **acknowledge that education infrastructure also benefits from a longer-term investment horizon**. A graph on page 150 shows an increasing gap between the spending predicted by the Treasury's Investment Management System and the Commission's investment demand outlook. We are of the view that this graph can be misleading, as it may only be considering the amount of funding that is committed to certain projects, not the demand for projects. While the investment planning horizon might be shorter, our demand planning has a longer-term focus even in a context of great uncertainty and this is supplemented by the insights drawn from our participation in spatial planning processes across the country.
4. The Plan may encourage **other agencies to undertake initiatives like our (Value for Money) VFM initiative**. In 2023-24 the Ministry of Education undertook a comprehensive VFM review of property projects in their pre-construction phase. This initiative was part of a broader effort to enhance value for money and identify opportunities for greater efficiency. Compared to the costs the Ministry had been forecasting, it is estimated that savings of around \$2 billion have been achieved through this process. This approach offers valuable lessons for other government agencies and highlights the benefits of proactive project review, early intervention, and disciplined investment decision-making in achieving fiscal sustainability and improved outcomes in the public sector.

5. We also **propose certain minor adjustments** to the Commission regarding the wording. For example, Charter schools do not necessarily have the same property arrangements as state-integrated or private schools as implied. They can be either in Crown or non-Crown property.
6. The Commission can **encourage other government agencies (e.g., Immigration New Zealand and Stats NZ) to share their fine grain data** in a timely fashion. This will allow planning departments to have better visibility of the population trends and projections and make robust annual projections for their infrastructure planning purposes.