

6 August 2025

New Zealand Infrastructure Commission – Te Waihanga
Via online submission portal

To whom it may concern,

RICS SUBMISSION: DRAFT NATIONAL INFRASTRUCTURE PLAN

I write on behalf of the Royal Institution of Chartered Surveyors (RICS) in New Zealand to provide our organisational response to the consultation draft National Infrastructure Plan (NIP). This submission focuses on principles of approach and reflects the experience of our membership, both in Aotearoa and internationally, incorporating specific feedback from our New Zealand Policy Advisory Group (PAG). We trust the submission is clear but would welcome the opportunity to expand on any matter and engage further with the New Zealand Infrastructure Commission as appropriate.

About RICS

Established in 1868, the **Royal Institution of Chartered Surveyors (RICS)** is the world's leading professional body for those working across land, property, construction and environmental sectors. RICS sets and upholds international standards for more than 130,000 members and candidates and regulates over 10,000 firms in more than 140 countries.

In Aotearoa New Zealand, there are approximately 750 Chartered Members (MRICS and FRICS), alongside around 200 candidates progressing toward Chartered status. RICS operates in the public interest, providing independent guidance, setting global standards, and regulating its professionals and firms to ensure confidence in the built environment.

Operating in the public interest, our work is centred around promoting trust, transparency and resilience in the built environment as the mark of property professionalism. For and on behalf of our regulated firms and members, we provide:

- **International standards** (e.g., Red Book Valuation, International Construction Measurement Standards (ICMS) for cost reporting)
- **Independent guidance** on viability, land value capture and infrastructure funding
- **Advocacy** for sustainable, climate-aligned planning systems

Summary Position

The RICS firmly welcomes the consultation draft. It is a significant contribution to the debate about how best to bring forward infrastructure and a welcome recognition of the challenges faced at present in New Zealand; that we spend a lot without value-for-money and that it is possible to lift our game. To all intents and purposes, RICS agrees with the fundamental principles underpinning the proposed approach; that to get it right we need to empower the public sector, secure certainty from central government and this depends on a clear and fully-funded approach to development.

Accordingly, the RICS strongly supports the objective of establishing a more strategic, integrated approach to infrastructure planning and delivery. However, we believe that the current draft requires a clearer focus on

delivery realism, governance maturity, spatial alignment and housing viability. These elements are critical if the Plan is to enable long-term, efficient investment that supports well-functioning urban environments, resilient communities and sustainable growth.

This submission sets out key areas where RICS considers the National Infrastructure Plan can be strengthened to align with global best practice and standards. In doing so, this response draws on, but does not replicate, a submission provided to the Government's draft National Policy Statements for Infrastructure (NPS-I) and Natural Hazards (NPS-NH).

RICS Perspective on Current Challenges

Our submission is framed by the experiences of our members who actively support and deliver investment, development and management activities in the New Zealand market today. The RICS has made several representations over the past year to the Government on matters from housing and infrastructure to skills and training. Some key themes which run through these representations are as follows:

- **Certainty and Investor Confidence**

RICS recognises that regulatory volatility poses a significant challenge by creating uncertainty that adversely affects market signals, demand and asset values. This uncertainty extends to capital access, where unclear future standards and high compliance costs deter offshore investment, reducing liquidity and increasing domestic financing costs. Our evidence highlights that such uncertainty acts as a barrier to global capital inflows, risking New Zealand's competitiveness within the Asia-Pacific region. To safeguard investor confidence and maintain a stable market environment, it is essential that regulatory frameworks provide clarity, consistency and predictability.

- **Funding and Financing**

Effective infrastructure planning must carefully consider funding mechanisms. RICS supports the adoption of transparent and simplified infrastructure funding models that link contributions to land value uplift, underpinned by principles of development viability and phased implementation to avoid market disruptions. Equally important is ensuring fairness and equity in cost sharing, whereby all beneficiaries of infrastructure contribute proportionately (not only developers). This approach promotes sustainable infrastructure financing while safeguarding the health of the property market.

- **National Policy Statements and Spatial Planning**

RICS endorses the use of National Infrastructure Plans as critical instruments for providing certainty and fostering alignment across sectors. However, we caution against the risk of policy silos developing (such as separate, uncoordinated frameworks for energy, transport, and natural hazards) and misalignment between national direction and local implementation. Furthermore, insufficient guidance on conflict resolution between competing infrastructure priorities undermines effective decision-making. Addressing these challenges is vital to ensure any such Plans are implementable and effective in delivering integrated, sustainable infrastructure outcomes

1. Viable and Deliverable Infrastructure

RICS is firmly of the view that any National Infrastructure Plan must be grounded in economic feasibility, fiscal realism and delivery capacity. Any and all infrastructure investment must be financially viable across its lifecycle and strategically prioritised based on realistic funding pathways and market dynamics.

In practice, too many planning frameworks around the world include infrastructure that is not supported by fully costed delivery programmes, sound feasibility assessments or secure funding. They can also lack the long-term, cross-party support that is required to ensure projects retain momentum from conception to delivery. This undermines confidence in a planning system and leads to reduced investor appetite, poor sequencing of development, missed targets and inefficient public spending.

RICS recommends that the final Plan places greater emphasis on robust financial appraisal tools including lifecycle costing, cost-benefit analysis and risk-adjusted economic evaluation. RICS also endorses the idea that infrastructure planning must be integrated with zoning and land use decisions in a way that reflects the feasibility of delivering the necessary infrastructure within appropriate timeframes.

2. Infrastructure Governance and Decision-Making

New Zealand faces significant challenges in infrastructure governance. Comparative OECD research ranks New Zealand **fourth to last** among peer nations in terms of infrastructure asset management and governance maturity. This reflects a lack of national consistency, unclear responsibilities and limited institutional capability.

The National Infrastructure Plan provides a timely opportunity to remedy this situation. RICS considers these reforms to provide the basis for improvements to governance systems and a chance to promote stronger alignment between planning, funding and delivery.

RICS recommends the development of a nationally consistent infrastructure governance framework that achieves the following four goals:

- Establishes clear roles and responsibilities across government and delivery agencies
- Enables evidence-based prioritisation of infrastructure investment
- Promotes integrated spatial and infrastructure planning
- Supports the use of project assurance, accountability mechanisms, and continuous improvement

RICS also recommends developing a national maturity model for infrastructure governance, enabling central and local government to benchmark current practices and identify pathways to lift performance.

3. Professional Capability, Standards, and Procurement Reform

Infrastructure delivery is fundamentally a human endeavour. It is the result of effort by our members and those they work with across the built environment sector. RICS is clear, therefore, that lifting performance across the system requires investment in people, standards and processes.

One opportunity in this regard is to ensure that, alongside the proposed reforms, there are supporting changes made to immigration. The RICS has written separately to the Minister of Immigration, the Hon Erica Stanford,

jointly with the New Zealand Institute of Building Surveyors (NZIBS), to encourage the addition of building surveyors to the 'green list'. Not only is there a shortage at present, but no New Zealand based provider of tertiary education in this area. Without this type of human capital, the ability to deliver upon the aspirations of the draft National Infrastructure Plan will be severely compromised. Support of the National Infrastructure Commission in advocating for such reforms would be hugely impactful.

In addition to enabling overseas professionals to relocate, RICS is keen to ensure the appropriate training of on-shore expertise. Accordingly, RICS recommends that the Plan embed a stronger focus on capability development; including training and support for professionals in planning, commercial management, surveying, valuation and procurement. RICS provides extensive support in this capacity and currently accredits tertiary teaching programmes at University of Auckland, Auckland University of Technology, Lincoln University, Massey University and Unitec Institute of Technology.

RICS is also of the view that the proposed reforms should explicitly align with and promote consistent use of internationally recognised standards and frameworks such as:

- The **RICS Red Book** for valuation
- The **International Construction Measurement Standards (ICMS)** for cost classification
- **IFRS standards** for infrastructure accounting
- **ISO 55000** for asset management

Procurement practices should also be modernised to enable transparent, outcomes-driven infrastructure delivery. As we have already made clear, this should include the consistent use of lifecycle cost analysis, clear risk allocation and performance-based contracts.

4. Aligning Infrastructure and Housing Growth

A critical weakness in the current planning system is the disconnect between zoning decisions and infrastructure delivery. The Government has rightly recognised this as an opportunity. Planning for housing growth without enabling infrastructure undermines development feasibility, frustrates market responsiveness and ultimately results in worse outcomes for the affected communities.

The National Infrastructure Plan must provide a clear framework for linking infrastructure investment to housing enablement. This should include:

- Prioritising infrastructure that enables housing supply in areas of high demand and price pressure.
- Sequencing infrastructure investment to align with land use changes, ensuring development is financially and practically viable.
- Providing clear guidance for councils on integrating infrastructure planning with spatial strategies and growth projections.

RICS supports the intent of the National Policy Statement on Infrastructure (NPS-I) in beginning to establish these links. However, to ensure these principles are embedded they must apply across the regulatory system. The National Infrastructure Plan must go further in establishing mechanisms to ensure that infrastructure provision supports well-functioning urban environments and realisable housing delivery.

5. Asset Management and Resilience

Improving the stewardship of existing assets is critical to addressing New Zealand's infrastructure deficit. New capital investment alone will not meet future needs unless it is matched by effective management of current infrastructure.

The Plan should therefore promote adoption of internationally recognised asset management frameworks, particularly **ISO 55000**, across central and local government. This should be supported by clear requirements for:

- Lifecycle modelling and costed renewal plans
- Asset condition monitoring and maintenance strategies
- Integration of climate resilience and sustainability into long-term planning

Resilience should not be treated as a standalone theme but embedded throughout infrastructure appraisal, procurement, design and operations. This is more important in nations such as New Zealand than elsewhere given the comparatively small population from which to raise funds, the comparatively large geographic area over which they are spread and the particular vulnerabilities which exist to climate change and seismic risk.

6. Market Certainty and Investment Confidence

Viability is a core consideration for the RICS. Change only occurs where it is deliverable and capital, whether cross-border or domestic, relies on market certainty. Given the scale of investment and term of which returns accrue, the infrastructure sector is particularly dependent upon long-term certainty to make efficient and sustainable investment decisions. Frequent regulatory change, policy inconsistency and unclear funding settings can deter private capital, increase costs and delay delivery.

To build investor confidence and reduce delivery risk, the final Plan should:

- Provide a coherent, stable national infrastructure direction that aligns with land use and environmental planning.
- Clarify funding and financing mechanisms, including tools for value capture, targeted rates, and public-private delivery.
- Support use of transparent, benchmarked business case methodologies aligned with Treasury's Living Standards Framework.

The emerging National Infrastructure Plan is an important opportunity to send clear and consistent market signals; particularly to support housing development, construction sector productivity and regional investment strategies.

Recommendations

To ensure the National Infrastructure Plan delivers on its intent, RICS is eager that the final version adopts the following six recommendations:

1. Embeds financial feasibility, sequencing and delivery realism into all infrastructure planning frameworks.

2. Elevates governance capability by supporting integrated spatial planning, benchmarking and accountability.
3. Invests in professional capability, guided by internationally recognised standards and ethical frameworks.
4. Strengthens the link between infrastructure investment and viable housing delivery through place-based sequencing.
5. Promotes whole-of-life asset management and embeds resilience into infrastructure decision-making.
6. Provides regulatory certainty and transparent evaluation methods to improve investment confidence.

Conclusion

RICS welcomes the ambition of the draft National Infrastructure Plan and supports its role in setting a long-term strategic direction for infrastructure planning and delivery. However, to fulfil its potential, the Plan must go further in addressing feasibility, governance, professional standards, and the integration of infrastructure with housing and place-making.

RICS stands ready to support the New Zealand Infrastructure Commission in this transition by providing:

- Technical guidance on viability and land valuation to ensure fair and deliverable funding mechanisms
- Global best practice insights from over 140 countries balancing economic growth, resilience, and sustainability
- Professional standards and regulation underpinning competent, ethical practice and accountability

Through collaboration, clarity and evidence-based policy, we are confident these NPSs can help New Zealand achieve a resilient, sustainable, and investable built environment. We welcome the opportunity to discuss these insights further.

Yours Sincerely

[Redacted Signature]

Co-Chair, NZ PAG

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For and on behalf of RICS New Zealand

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