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NEW ZEALAND INFRASTRUCTURE COMMISSION
Te Waihanga

Pipeline snapshot

June 2024

The National Infrastructure Pipeline

The National Infrastructure Pipeline (Pipeline) is New Zealand's national dataset of infrastructure project information. It provides an evidence base for how New Zealand maintains, renews, and improves the infrastructure we all rely on.

This snapshot report reflects the Pipeline at 30 June 2024, which included $147.6 billion of active and planned projects from central government, local government, and private sector infrastructure providers from across the infrastructure system.

Informing the National Infrastructure Plan

The Commission has been asked by the Government to develop a National Infrastructure Plan for New Zealand. The Plan will draw on the Pipeline and establish long-term infrastructure requirements, identify the gap between planned investment and long-term investment needs, and present a forward view of intentions.

To support development of the Plan and inform good decision-making across the system, it's crucial that the information in the Pipeline represents a complete picture of activity, and with the support of our contributors, is updated regularly. We are working to rapidly expand the depth of information in the Pipeline to cover a 10-year view of asset creation, renewal, and maintenance for all infrastructure providers. With the finalisation and publication of local government long-term plans, its expected councils will be in a strong position to contribute complete information on their infrastructure project intentions.

Please reach out to contribute or update data, or if you have a question regarding the information in the Pipeline email: pipeline@tewaihanga.govt.nz

Total value in the Pipeline increased to $147.6 billion

In June 2024 the total value of infrastructure projects in the Pipeline stood at $147.6 billion. This total was up 20.7% ($26.4 billion) from $123.3 billion in March 2024 [1]. Almost 60% ($87.7 billion) of the $147.6 billion value comes from projects that are funded, part-funded or have a funding source confirmed. At the time of the update, $3.5 billion worth of projects were recorded as being 'under review' or 'on hold'. The main drivers of the change in value from March 2024 to June 2024 are outlined in the list below and Figure 1.

Increases in Pipeline value of active and planned projects.

- $5.2 billion increase from new organisations providing project data.
- $17 billion increase from additional projects from existing contributors, with 68% of this value from projects that are in planning stages and do not have a funding source confirmed.
- $13.1 billion increase from a lift in the value of existing projects, with 65% of this increase coming from projects planning stages (73%, or $6.2 billion of these projects do not yet have a funding source confirmed), 9% from projects in procurement, and 21% from projects in construction and post implementation.

In some instances, increases in project value are driven by a change in reporting by contributors. These contributors were previously providing expected cost information for part of a larger project, and are now reporting on the full expected cost. Essentially, these increases are a change in scope to the projects we previously reported.

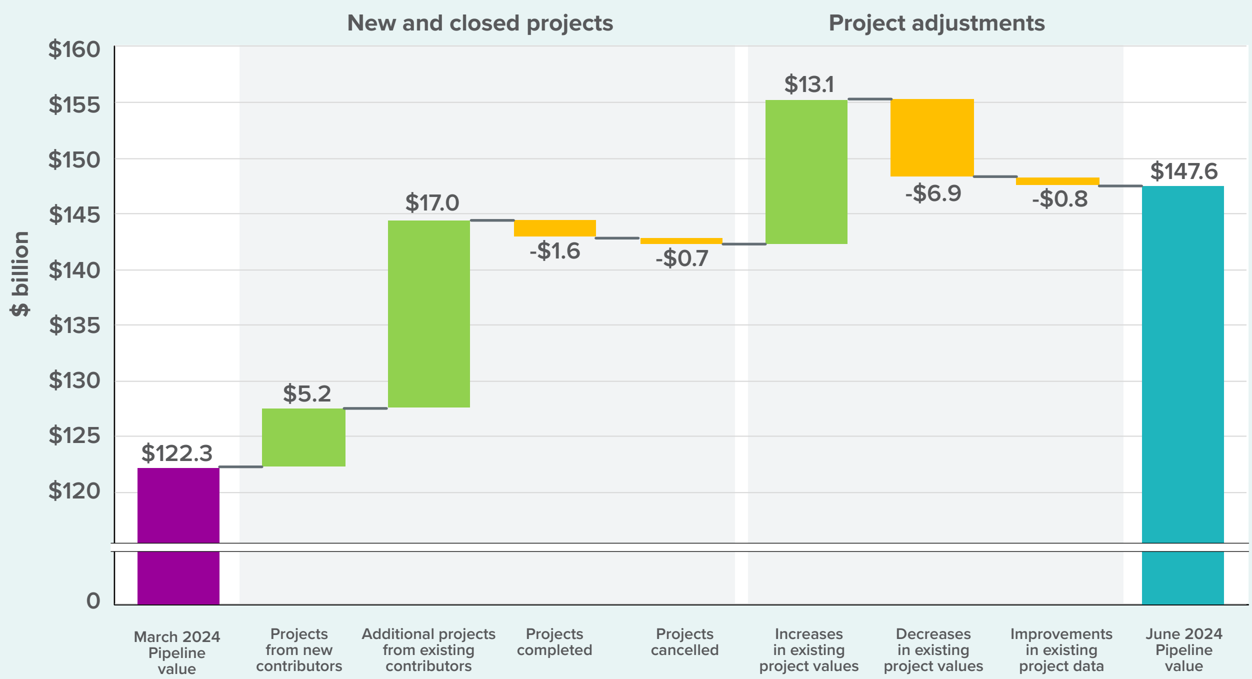
Decreases in Pipeline value of active and planned projects.

- $1.6 billion decrease from projects completed during the quarter.
- $0.7 billion decrease from projects cancelled during the quarter.
- $6.9 billion decrease from a reduction in the value of existing projects, with 48% of this reduction coming from projects in early scoping and planning stages, 19% from projects in procurement, and 25% from projects in construction and post implementation.

We are committed to working with Pipeline contributors to improve data quality. This resulted in a decrease of $0.8 billion in Pipeline value due to improvements in data quality.

Figure 1:

Changes in total Pipeline value, March 2024 – June 2024



[1] The Pipeline is a live system that is updated regularly. Our Snapshot reports are based on best known information at the time of publication. This may cause differences in reported values over time and between publications.

Interactive tool

What's in the Pipeline? Project search

Search the Pipeline project list by upcoming procurement opportunities, project timings, sectors, regions, and more, and download Pipeline data on our insights platform.

Login or register for access at **insights.tewaihanga.govt.nz**

Change from March 2024

1465 +99
Projects greater than $10 million

85 +4
Contributing organisations

$147.6bn +25.3
Total project value

$87.7bn +5.7
Projects with a funding source confirmed

$82.7bn
Transport

$6.7bn
Health

$5.9bn
Community facilities

$8bn
Housing

$9.9bn
Energy

$23bn
Water

$6bn
Education and research

$62.2bn +9.4
In planning

$10.9bn -0.1
In procurement

$47.8bn +3.8
Under construction

Note: Dollar amounts are rounded.

New Pipeline contributors

Eighty-five organisations contribute project information to the Pipeline on more than 6,200 planned and active projects for 121 infrastructure providers. We thank our partners for their efforts with 88% of existing contributors providing project updates, making changes, or confirming their information in June 2024.

Welcome to **Rotorua Lakes Council**, **Vector Limited**, **Waikato Regional Council** and **Quayside Holdings Limited**, who joined as new contributors during this quarter.

Using the Pipeline

Infrastructure providers use the forward view of infrastructure activity to inform, prioritise, coordinate, plan, and make decisions. The construction market uses the Pipeline to understand upcoming business opportunities, and the workforce capability and capacity that will be needed to deliver infrastructure projects. Regional economic and employment agencies use the Pipeline to understand when they need to draw skills to their region.

To support the Waikato region's planning activities, we recently presented Pipeline insights to the Waikato civil construction briefing organised by Hamilton City Council.

The Pipeline highlights procurement opportunities

June 2024 submissions indicated that $10.9 billion across 583 active projects were in procurement at the time of the update. A further $3.3 billion across 174 projects (including $0.8 billion of projects that are fully funded or have a funding source confirmed) are expected to enter procurement during the 12 months starting from 1 July 2024. The projects in procurement and expected to enter procurement in the next 12 months are projected to add between $0.7 to $0.8 billon spend per quarter through to 2027.

The Pipeline includes a further $60 billion in value for projects that are expected to enter procurement in the future. This includes projects that will enter procurement after June 2025, and those where estimated procurement timings have not yet been submitted to the Pipeline. These projects are projected to add a further $0.6 to $1.0 billion spend per quarter through to 2027.

Where to learn more

Learn more on our **insights platform** where you can gain access to a growing range of Pipeline insights and tools:

- Pipeline project list searchable by project timings, sectors, regions and more
- download Pipeline project list data
- interactive Pipeline workforce projection tool

Login or register for access at
insights.tewaihanga.govt.nz

Projected spend by sector

Each quarter we model the projected future spend to deliver projects in the Pipeline. Figure 2 highlights these spend projections across the infrastructure sectors.

These spend projections continue to evolve as projects are completed, new projects are planned and added to the Pipeline, and as new contributors provide project information.

Project certainty and demand naturally decreases over the planning horizon and this rate varies across infrastructure sectors. Factors such as the relative size of an individual project (to the size of the market), project scope, and project complexity influence how far ahead projects are planned within each sector.

The June 2024 update to the Pipeline shows a total of $16.1 billion in projected spend for 2024 excluding projects 'under review' and 'on hold'. This spend equates to 3.9% of GDP and highlights the level of infrastructure activity in the Pipeline – at least over the near term. A more complete Pipeline becomes a powerful tool to support assessment of project deliverability or decisions on supply side policy settings.

The projected annual spend for 2025 is currently $14 billion. Three quarters of all projected Pipeline spend will occur within 5.5 years.

The social sector (including, health, housing, justice, and corrections) accounts for $3.9 billion or 24% of projected spend in 2024. Projected annual spend in the social sector remains above $1 billion until 2027 when it reduces to $0.3 billion.

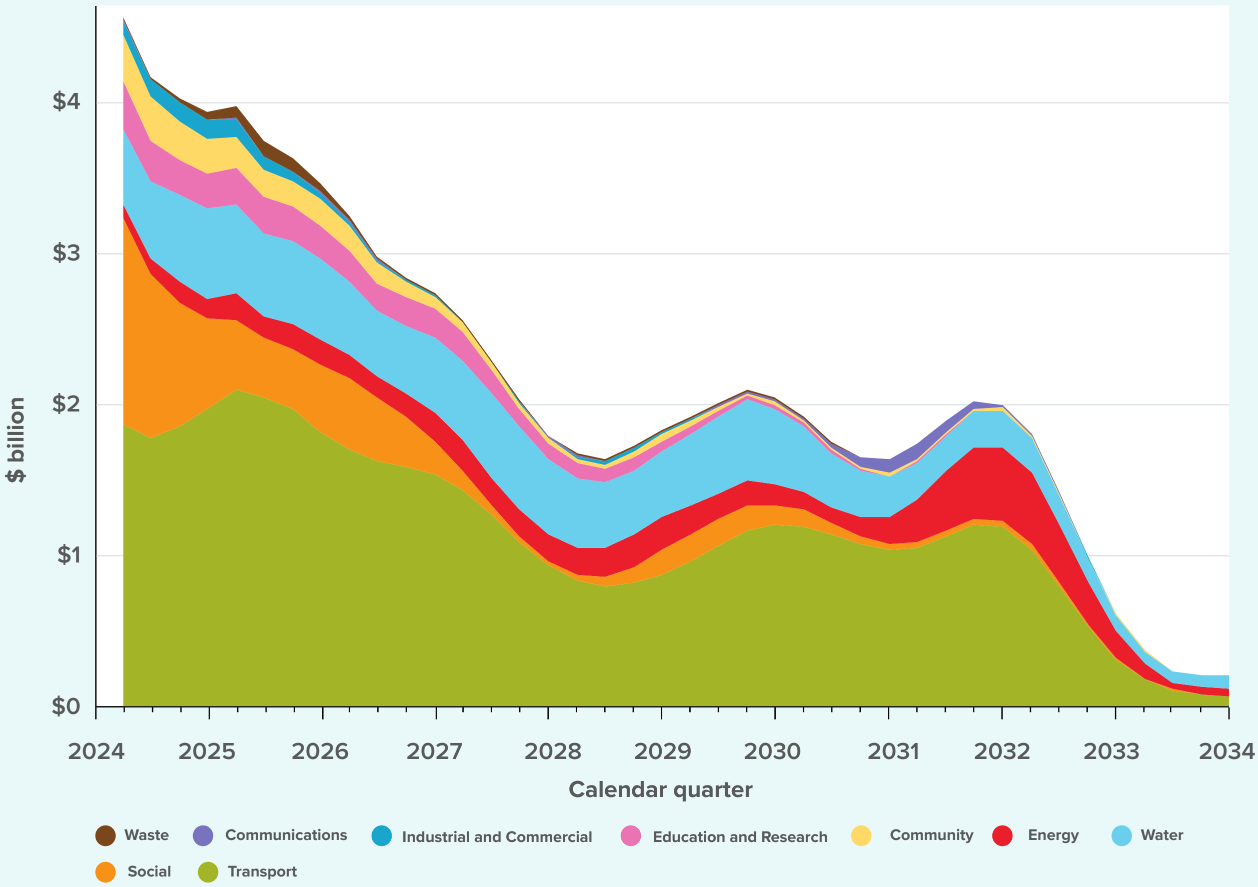
The education sector is reviewing capital and planning requirements which has increased uncertainty in this sector with many projects in the Pipeline represented as 'under review'.

The water sector accounts for $2.1 billion or 13% of projected spend in 2024. Projected annual spend in the water sector fluctuates between $1 billion and $2.2 billion between 2024 and 2031 and drops to $0.7 billion in 2032. We

Figure 2:

Spending in the transport sector continues to dominate over the next ten years

Projected quarterly spend by sector, 2024 – 2034



look forward to receiving more information on expected water sector projects in the September quarter.

Spend in the transport sector (including road, rail, ports, and airports) dominates the Pipeline over the next 10 years. In 2024 transport spend accounts for $7.4 billion or 46% of total projected spend. Spend in this sector remains above $3 billion until 2032 when it drops to $2.7 billion. Over the next ten years the total projected transport spend is $46 billion or 54% of spend across all sectors.

Figure 3 shows that in the next 10 years, $25 billion or 55% of total projected transport spend is from projects where procurement has not been scheduled or the procurement schedule has not been submitted to the Pipeline. As expected, this unscheduled procurement includes, $16.5 billion of spend (65%) from projects that are early in their development process and have project status of 'scoping and problem definition', or 'early planning'. Project status is further highlighted in Figure 4.

Figure 3:

Half of the projected spend in the transport sector is in planning stages and yet to be awarded

Projected quarterly spend by assigned project procurement status, 2024 – 2034

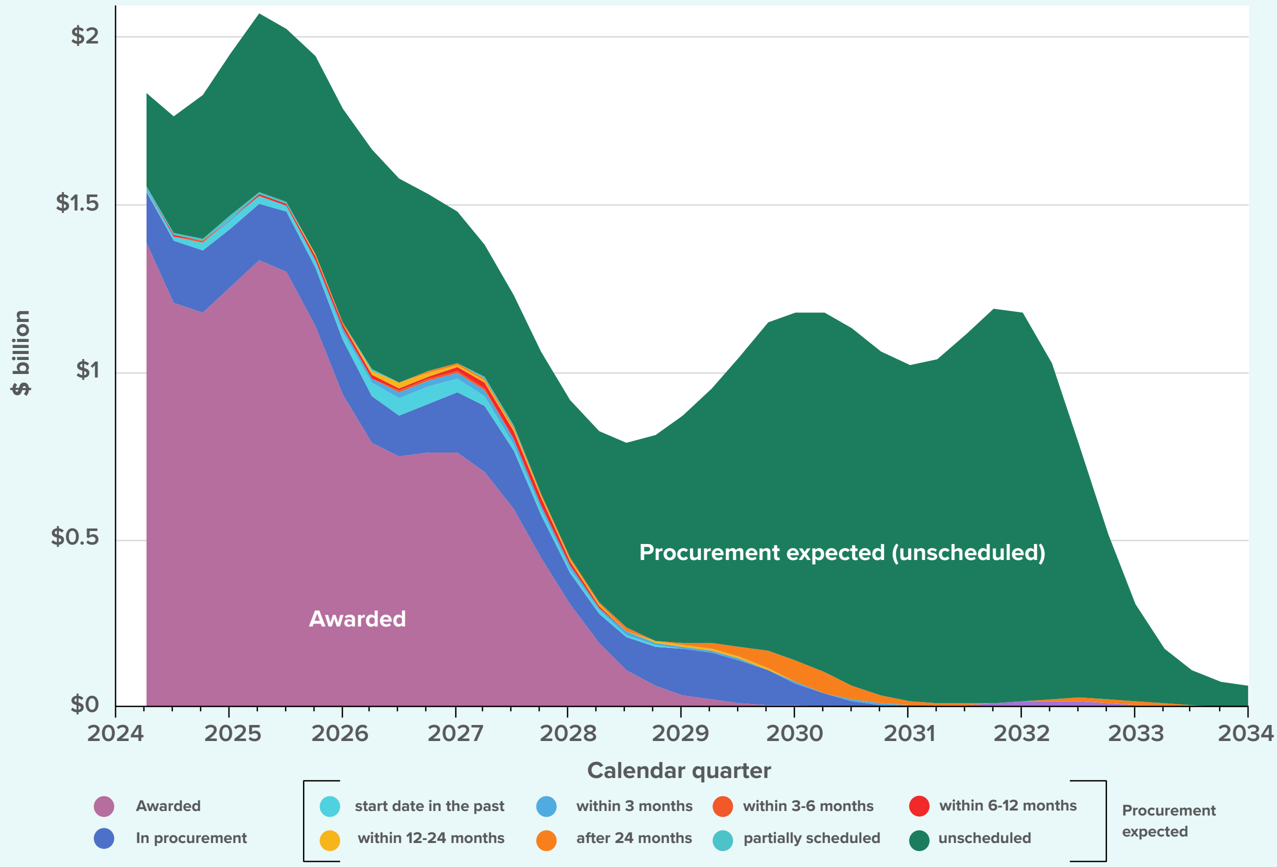
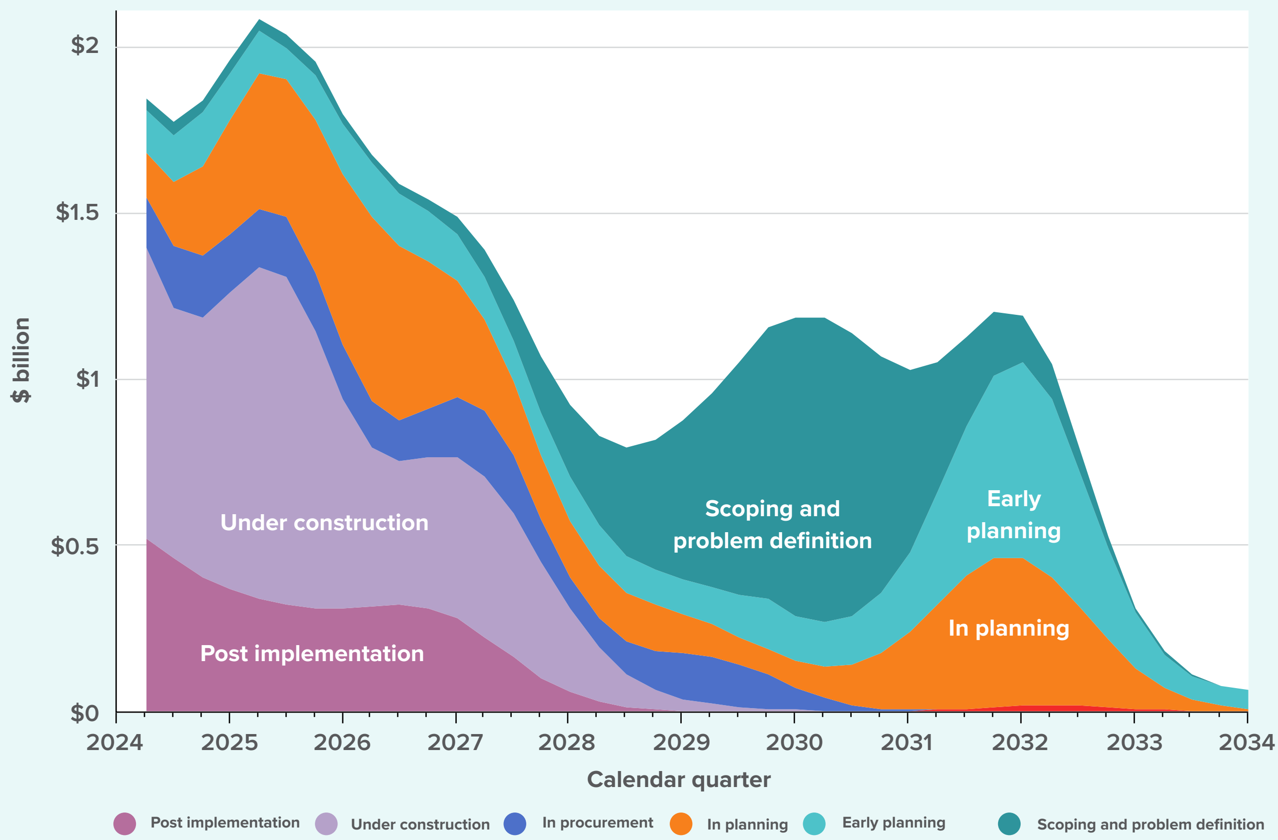


Figure 4:

Current status of transport sector projects within the project life cycle

Projected quarterly spend by submitted project status, 2024 – 2034



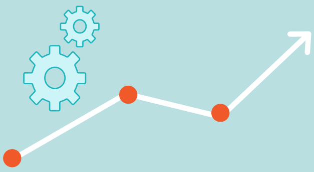
The workforce needed to deliver the Pipeline

Even when faced with challenging market conditions, an early view of workforce demand is important for planning, coordination, and scheduling of work. It also helps training institutions, the construction sector, and regions to make more informed and careful decisions on workforce and capability investments and in attracting the workforce that will be needed.

Each quarter we model the workforce required to deliver projects in the Pipeline. Figure 5 illustrates the national workforce demand by occupation group. [2]

The workforce numbers presented in the projections, include estimates of both workers needed on projects full-time and workers needed on projects part-time. [3] These workforce projections will continue to change, as new projects are planned across the horizon and this information is submitted to the Pipeline.

Interactive tool



Pipeline workforce projections

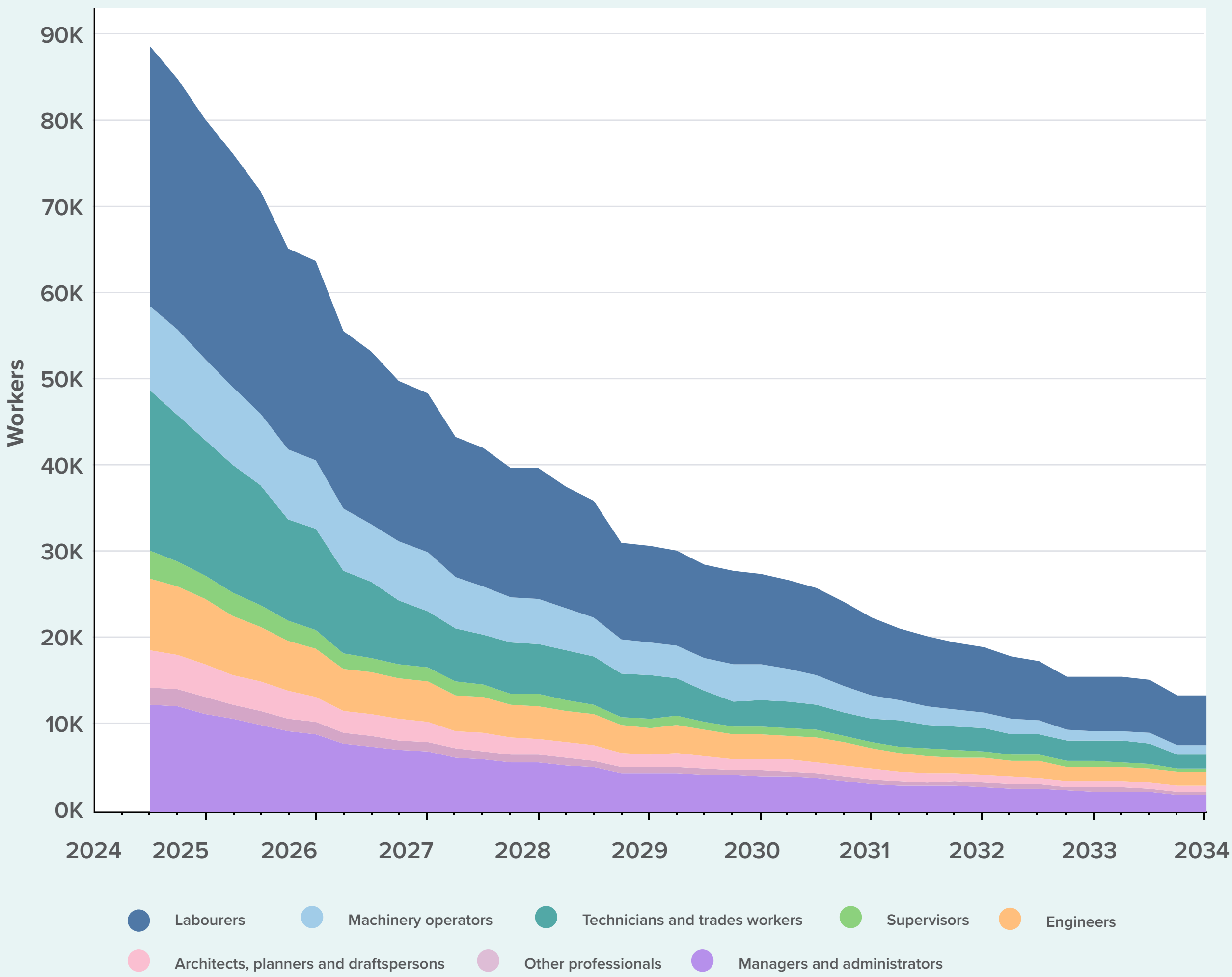
Learn about the projected workforce demand for your area, sector, or industry on our insights platform.

Login or register for access at **insights.tewaihanga.govt.nz**

Figure 5:

Projected workforce required to deliver Pipeline projects

Workers each quarter by occupation group, 2024 – 2034



[2] Our workforce modelling currently uses a different model to the spend modelling and some differences may arise because of this. Over time we will integrate these two models.

[3] Projections of the number of workers needed will generally be larger than the number of full-time equivalents needed due to the presence of workers where specialist skills are only required for part of the time.

Towards a complete Pipeline of infrastructure projects

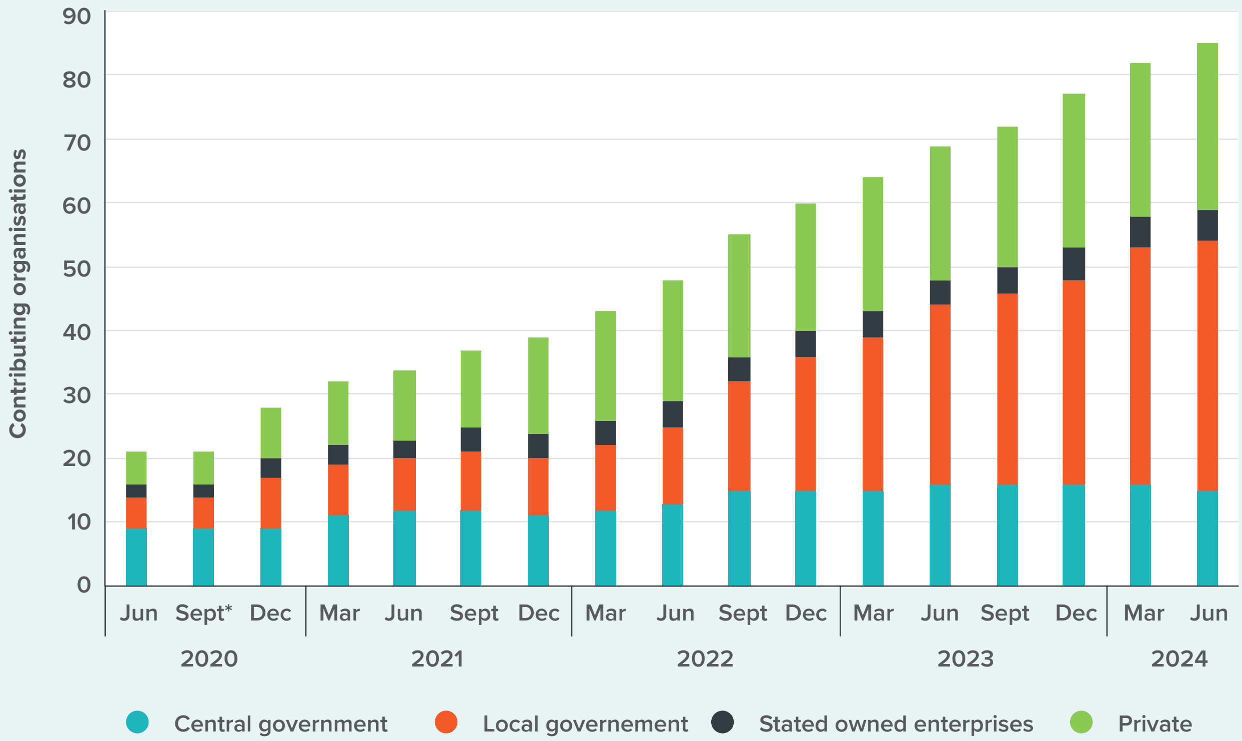
Te Waihanga first published the Pipeline in June of 2020 to support statutory functions required under the New Zealand Infrastructure Commission/Te Waihanga Act 2019.

The Pipeline continues to build towards a trusted and complete view of planned and current infrastructure project activity in New Zealand.

Figure 6:

Pipeline contributors grew by 21.4 per cent in the last 12 months

Pipeline contributors, June 2020 – June 2024 [4]



**Pipeline project information was not updated in the September quarter of 2020*

The June 2024 quarter saw our contributing partners reach 85, up 21.4% on 12 months ago. Pipeline contributors include 15 government organisations, 5 State owned enterprises, 4 electrical lines companies covering 54% of the installation control points (ICPs) across New Zealand [5], and 39 local government contributors.

Local government organisations are responsible for providing many important infrastructure services at a local and regional level. Our council contributors represent over three quarters of all rates revenue collected and are illustrated in figure 7.

[4] In Figure 6 Central government includes Crown entities; state-owned enterprises include mixed-ownership models; private organisations include council-controlled organisations and universities.

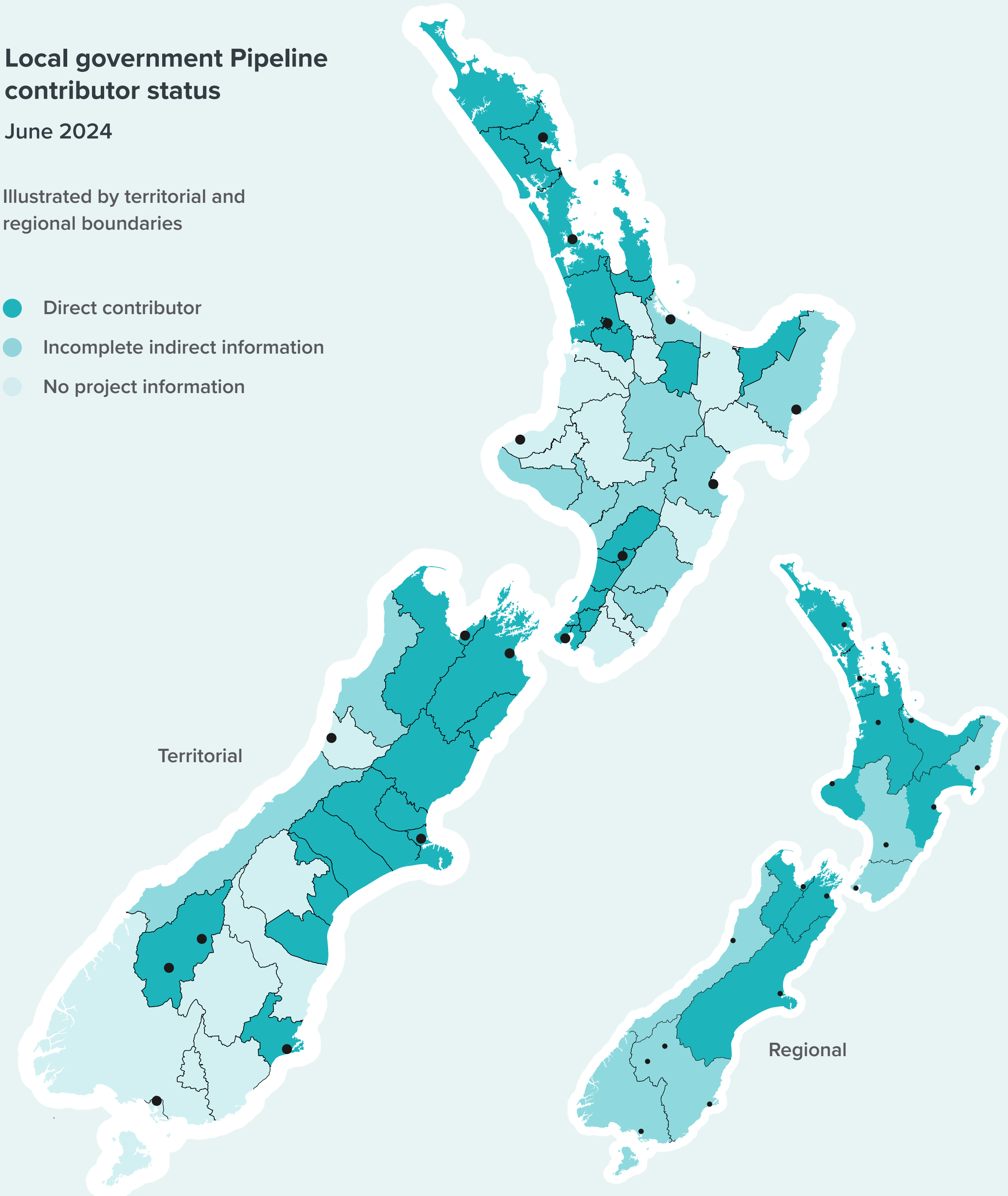
[5] An ICP is an installation control point or the point of connection to an electricity network where an electricity retailer is deemed to supply electricity to a consumer.

Figure 7:

Local government Pipeline contributor status

June 2024

Illustrated by territorial and regional boundaries



Join the Pipeline

If your organisation has project information that is not included in the Pipeline, or you are a current contributor and need a refresher, contact the Pipeline team via **pipeline@tewaihanga.govt.nz** to register for our next onboarding webinar covering the Pipeline's role, value to your organisation, submission process, and data requirements.

We appreciate your support to build a complete picture of infrastructure investment and project intentions around New Zealand.

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