



HOW NEW ZEALANDERS PAY FOR INFRASTRUCTURE

Narrator: Do you know how New Zealanders currently pay for infrastructure?

It's more varied than you might think.

In this series we look at four infrastructure services that most New Zealanders use every day – electricity, telecommunications, water and land transport.

For electricity, the way of paying for services is pretty straightforward – through a regular payment to an electricity retailer. However, many people do not realise the complex system this pays for. It covers producing the energy you use, the national power grid and the local powerlines that transport electricity to your home, your electricity retailer's operating costs, your electricity meter, and regulation of the electricity sector. An electricity retailer's bill typically includes two main charges, the charge for the energy used and a fixed or daily charge that covers the costs for having access to power.

Telecommunications is similar to how you pay for electricity. If you have a landline, you'll pay a fixed charge for the wires and local calls, and a use-based charge for any long-distance calls you made. If you have a fibre connection, you'll typically pay a fixed amount based on how much data you want to use. For fibre and landlines, you might also pay to buy or rent equipment like a modem and phone. And how much you pay to use a cellphone will depend on the type of plan you have and how much data, calls or messages you use. As with electricity, a portion of telecommunication bills pays for the network required, as well as regulation and other important services, such as assistance for deaf and speech-impaired people.

Right now, how you pay for water depends partly on where you live. Households in some parts of the country – like Auckland, Tauranga, Kāpiti or Christchurch – receive a bill for some or all of the drinking or wastewater they used. In other parts of the country, water infrastructure is paid for through local government rates. Homeowners will pay these rate bills themselves, and renters effectively pay for it through their weekly rent costs.

Finally, some people living in rural regions are more likely to need to provide water services themselves, for example, rain collection for drinking water, septic tanks for wastewater.

Land transport is perhaps the most complicated way of paying for infrastructure. The average household pays for transport in a number of ways. Every time you refill your car, a share of the petrol bill goes towards fixing roads, running public transport, walking and cycling facilities, promoting road safety, and road policing.

The same is true for the Road User Charges

that truck and diesel vehicle owners pay. And a portion of the costs of vehicle registration and licensing also goes toward the cost of land transport. If you drive on the toll roads in Auckland and Tauranga, you'll pay a fee every time you use them to contribute toward these specific roads.

Users of public transport pay part of the cost of that service through their ticket fares. And part of the cost of local roads, walking, and cycling infrastructure and public transport comes from local government rates – so you'll either pay that directly as a homeowner, or indirectly as a renter through your rent.

Finally, the Government pays for some large transport projects, which you'll contribute to through your income taxes, company taxes and GST.