



# Improving Asset Management in New Zealand: Setting clearer expectations through guidance and report back on programme – Cabinet material and key advice

## Proactive Release – Cover Sheet

January 2026

[Tewaihanga.govt.nz](https://www.tewaihanga.govt.nz)

## Summary

This document details the information proactively released in respect of the Asset Management Cabinet paper that was subject to final decision on 17 November at the Cabinet Economic Policy Committee (ECO).

In accordance with CO (23) 4 the Cabinet paper, and any attachments or appendices to the paper and associated minutes are proactively released within 30 business days of final decision being taken by Cabinet. In this case by 21 January 2025.

In addition to the Cabinet material detailed above, the New Zealand Infrastructure Commission/Te Waihanga (“the Commission”) is proactively releasing the supporting advice provided to the Minister on the matter in developing the Cabinet Paper.

Consultation on the information to be released was undertaken with both the Treasury and the Minister’s office.

## Information released

The documents listed in the table below are proactively released on the Commission’s website at: <https://tewaihanga.govt.nz/about-us/corporate-documents-official-information/information-releases>

Documents Proactively Released			
Item	Date	Document	Release Status Withholding ground(s)
1	12 Nov 25	Cabinet paper – Improving Asset Management in New Zealand	Released in part s9(2)(f)(iv)
2	12 Nov 25	ECO 25 Min 0183 Minute	Released in full
3	12 Nov 25	ECO 25 Sub 0183 Summary	Released in part S9(2)(f)(iv)
4	12 Nov 25	ECO 25 MIN 0409 Report of the Cabinet Economic Policy Committee Minute	Released in part Out of Scope
5	12 Nov 25	TW-2025-732 Briefing - Asset Management Guidance – Foreword	Released in part s9(2)(a)
6	7 Nov 25	TW-2025-736 Aide Memoire - Improving Infrastructure Asset Management Cabinet Paper - Talking Points	Released in part s9(2)(a)
7	28 Oct 25	TW-2025-720 Briefing - Draft Cabinet Paper - Improving Infrastructure Asset Management	Released in part s9(2)(a), s9(2)(f)(iv)
8	22 Sept 25	TW-2025-683 Aide Memoire - Asset Management Guidance and Performance Indicators	Released in part s9(2)(a), s9(2)(f)(iv)

## Information Withheld

The information for release has been assessed under the [Official Information Act 1982](#) (the Act). Where information has been identified to be withheld the relevant section of the Act has been provided.

Information within the documents above that is out of scope of the release of this Cabinet paper is identified in the documents and withheld.

Where information has been withheld under section 9(1) of the Act, no public interest has been identified that would outweigh the reasons for withholding it.

Key to the withholding grounds under the Act applied in the documents are as follows:

- 9(2)(a): To protect the privacy of natural persons.
- 9(2)(f)(iv): To maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers and officials.

## Accessibility

The Commission is committed to providing information in accessible form and can provide an alternate version of this material if requested. Please cite this document's title or PDF file name when you email a request to [info@tewaihanga.govt.nz](mailto:info@tewaihanga.govt.nz)

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Office of the Minister for Infrastructure

Cabinet, Economic Policy Committee

**Improving Asset Management in New Zealand: Setting clearer expectations through guidance and report back on programme**

**Purpose**

- 1 This paper provides an update on the All-of-Government asset management work programme that Cabinet endorsed in May 2025 [EXP-25-SUB-0049]. It also seeks Cabinet’s support for the Infrastructure Commission to release guidance on Asset Management and Investment Planning, Asset Registers, and Performance Indicators. The development and publication of this guidance is a key deliverable in Phase One of the wider work programme.

**Relation to government priorities**

- 2 The asset management work programme supports the Government’s priorities of building a stronger, more productive economy that lifts real incomes and increases opportunities for New Zealanders; and getting the Government's books back in order. It also supports two policy areas that were a focus in Budget 2025. These are developing a sustainable pipeline of long-term infrastructure investments and lifting economic growth through measures to address New Zealand's long-term productivity challenge.
- 3 My goal is to provide safer, more reliable infrastructure services to Kiwis, and to achieve better value for money by making the most of what we have.

**Executive Summary**

- 4 In May 2025, Cabinet endorsed the All-of-Government asset management work programme that comprised two Phases. Phase One is about providing clarity on what ‘good’ looks like in asset management and providing tools to help central government agencies strengthen their capability. Phase 2 is about driving more fundamental changes to the Investment Management System to ensure that we see sustained improvements in asset management.
- 5 Phase One of the asset management programme is largely complete, delivering a suite of quick, “no regrets” initiatives. Key achievements include release of the Public Investment Management Assessment (PIMA) report, progressing investigations on a National Underground Asst Register, development of guidance on asset management and performance indicators, and continued support for the asset management community of practice.
- 6 The new guidance sets clearer steps, methods, and metrics that will help agencies meet their planning, performance, and accountability requirements under Cabinet Office Circular CO (23) 9: *Investment management and asset performance in departments and other entities*. This Circular sets the rules and requirements of the Investment Management System.

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- 7 At a high-level, the guidance outlines *what agencies need to do and how they should do it* with regards to asset and investment management plans, asset registers, and performance reporting and monitoring (see paragraphs 23-36). The goal here is to address long-standing weaknesses in the public sector such as lack of comprehensive, long-term planning; lack of asset registers, and a paucity of asset data (e.g., on condition, capacity, utilisation, age, location, demand, service-level requirements, reliability, deferred maintenance, value etc.).
- 8 As I have noted in previous papers, this lack of information has made it difficult for agencies and Ministers to make good, value for money investment decisions.
- 9 At this stage, I propose the new guidance be non-binding. However, its release sends a strong signal to agencies on the required direction of travel. Ministers can reinforce expectations by engaging with their agencies to adopt this guidance.
- 10 Phase Two of the asset management work programme will commence in 2026. It will be informed by the Commission’s National Infrastructure Plan (the Plan) but will ultimately be implemented through the Government’s formal response to the Plan, which I expect will include changes to the Investment Management System.  
s9(2)(f)(iv)
- 11 Improving asset management activities will support our fiscal, economic, and productivity objectives; improve outcomes New Zealanders get from public services; and (over time) address challenges with infrastructure delivery. For instance, better planning will reduce the risk of cost blowouts and delays and will allow government agencies/entities to better signal upcoming activity to market and get build activity/cash out the door more reliably.
- 12 Cabinet is invited to note the programme progress, support the release of the guidance, and agree Ministers engage directly with agency leaders to promote improved asset management practice.

## Background

- 13 Public infrastructure is an essential social and economic enabler for the prosperity of New Zealand. Realising these benefits relies not only on building infrastructure, but also on its ongoing management and maintenance. Effective asset management is critical to ensuring we can continue to rely on our infrastructure to support the provision of essential services such as education, health, and transport.
- 14 The public sector has a poor track record of asset management planning and delivery, with numerous high-profile failures and a growing evidence base of unacceptable asset management practice. Too many agencies are not meeting their obligations and not prioritising good asset management practice.
- 15 Asset management is defined as “the coordinated activity of an organisation to realise the value from its assets.” It’s not just about maintenance and renewals – it requires agencies to plan across every stage of an asset’s lifecycle – from the setting of level of service requirements to acquisition of new assets through to operations, maintenance renewals, and (potential) disposals.

## Improving Asset Management in New Zealand

16 In May this year, Cabinet endorsed a two-phase asset management work programme. As part of the programme Cabinet agreed that I would provide an update on the work programme before March 2026. As Phase One of the programme is largely advanced, I am providing that update now. Table 1 below provides an update on Phase One items.

*Table 1: Phase One of the All-of Government Asset Management work programme*

Workstream	Description	Completed
Public Investment Management Assessment (PIMA) Report	The report found evidence of weaknesses across New Zealand’s Investment Management System. The PIMA report has informed the Commission’s development of the draft National Infrastructure Plan. In central government, it was found that there was a weak connection between long-term asset investment strategies and asset management, insufficient visibility of maintenance and renewal funding requirements, and inadequate asset data which impacted the ability of agencies to produce robust asset management plans.	June 2025
Update of BBC and Gateway	See paragraphs 20 to 22 overleaf.	Mid 2026
Asset Management Guidance	The development and release of asset management guidance to support agencies. See paragraphs 23 to 36.	December 2025
Underground Asset Register	Work is well underway on a review to look at options for strengthening underground utility records. This review will identify key issues and root causes leading to poor compliance and records, the scale and cost of these issues (e.g., asset strikes), options to improve planning and management processes as well as any new institutional arrangements that may be needed to support effective corridor management.	Review completed early 2026
Asset Management Community of Practice	The Commission and Āpōpō (the lead association for infrastructure asset management professionals in New Zealand) have partnered to establish a government-only community of practice for asset management. Three events have been held to date and have allowed asset management practitioners to share experiences, common problems and barriers and learn from others to improve capability.	Established and ongoing
Local Water Done Well <i>(led by Minister for Local Government)</i>	This reform programme includes councils having to report on the current state of water assets and intended capital expenditure over the next 10 years (as set out in their water service delivery plans). The Commerce Commission is establishing information disclosure as a first step towards economic regulation of councils and council-controlled organisations in the water sector and has released its initial proposal for consultation. Wastewater standards will be introduced to assist with reducing operational costs for councils for new or renewed consents for wastewater treatment plants, with the first tranche of standards expected to be in place by December 2025.	Ongoing

- 17 The purpose of Phase One is to provide clarity on what ‘good’ looks like and ensure that there are better tools to help agencies build capability and succeed. All Phase One deliverables are tracking to schedule and either have met or will meet their target milestones.
- 18 Setting expectations and building capability is not enough. We also need to ensure that agencies are meeting their obligations. For example, transparency could be strengthened to ensure that Ministers, Parliament, stakeholders and the public can better understand the state of our assets and stronger assurance and oversight may be required to help agencies meet their asset management obligations.
- 19 Phase Two of the programme considers more fundamental changes to system settings as detailed in the Infrastructure Commission’s draft National Infrastructure Plan which will be further informed by the Government response due mid next year. Other Phase Two deliverables include a refresh of CO (23) 9 which, as noted above, sets the rules and requirements of the Investment Management System and is the vehicle through which any updated system settings will be implemented/operationalised.

### **Better Business Case and Gateway review**

- 20 A key activity of the Update of the Better Business Cases (BBC) and Gateway Frameworks – Tranche 2 is to streamline all business case templates to focus on key information Ministers need to make well-informed decisions and in doing so, significantly reduce the size of business cases and the time and cost it takes agencies to develop these.
- 21 On 11 July 2025, the Treasury published the Approval to Deliver template replacing the Implementation Business Case template, sharpening its purpose and reducing the template from 29 pages to 12 pages. The Treasury is now reviewing the remaining business case templates and plan to publish the new templates and guidance by 30 March 2026. The Treasury has convened a working group consisting of representatives from the capital-intensive agencies to ensure the new templates include user feedback.
- 22 Other Treasury activities completed or underway as part of the update include:
  - 22.1 training over 200 agency participants in August 2025 to lift agency capability and understanding of the Investment Management System.
  - 22.2 working with the Ministry for the Environment to publish new guidance on how agencies should incorporate resilience into investment planning.
  - 22.3 sharing trends and insights from Gateway reviews with agencies to ensure agencies apply lessons from past reviews into future investment proposals.
  - 22.4 developing products for Ministers, Chief Executives, and agency senior leaders to outline key roles and responsibilities, how decision-makers engage with the Investment Management System, and high-level business case guidance to support agency senior leaders with their investment planning and business case reviews.

## Asset Management and Investment Planning Guidance

- 23 The Infrastructure Commission has largely completed the development of its Asset Management guidance and (subject to incorporating agency feedback and its Board approval), intends to issue it before the end of the year. The Circular CO (23) 9 provides for System Leaders<sup>1</sup> to issue guidance which agencies must apply to their strategic planning and asset management activities.
- 24 The guidance has been developed as a “good practice” document which clarifies what is required to meet Cabinet’s planning and performance expectations and will support agencies’ compliance with CO (23) 9. It has been purposely drafted to be consistent with ISO 55000 (the international standard for asset management) and is intended to improve several key areas of weakness:
- 24.1 the current lack of visibility of consistent, cohesive and comprehensive asset investment plans;
  - 24.2 the lack of robust asset data to inform asset management and investment planning and performance reporting; and
  - 24.3 the lack of visibility of agencies’ asset management performance.

### *Consistent, cohesive and comprehensive investment plans*

- 25 It is currently difficult for Ministers to scrutinise and approve agency long term investment plans with confidence. Existing plans are presented differently, have different focusses (e.g., on new capital investment required as a result of increases in demand), do not always set out whether current depreciation and operational funding will adequately look after the existing asset base, and may not expose service level trade-offs. In addition, long-term plans often don’t provide a strategic view of agencies’ network of assets to show asset rationalisation or recycling opportunities resulting from forecast reductions in demand.
- 26 The guidance will support agencies to develop well-structured and evidence-based strategic investment plans which clearly set out their approach to planning, delivering, operating, maintaining, and renewing assets – and clearly link these activities to core service delivery while demonstrating they are driving long term value. This will help Ministers and Cabinet make better investment decisions.


### *Robust asset data*

- 27 The quality of agencies’ asset registers is variable. Good asset data is the foundation of sound asset management and should be used as the basis of all informed asset investment decisions. It is difficult to have confidence in investment planning, if the underlying asset data is poor.
- 28 The guidance addresses this by setting out the minimum data attributes that agencies should be collecting and storing in their asset registers to better inform their planning and performance against plan.

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<sup>1</sup> The Commission is designated as a System Leader for the purposes of CO (23) 9.

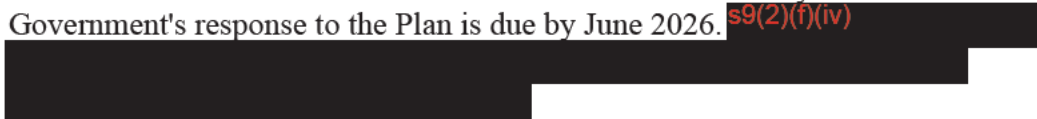
*Lack of performance information*

- 29 Access to appropriate performance reporting will provide assurance to Ministers and the public that agencies are looking after the Crown's assets with appropriate care, which is currently difficult to assess. For example, once implemented it will provide visibility that depreciation funding is being applied to capital renewals as intended, or highlight instances where this is not occurring. I suspect this has happened in the past given some high-profile asset failures in recent times coupled with significant new capital funding requests for asset renewals.
- 30 The guidance sets out a number of annual performance metrics which will allow Ministers and the public to scrutinise an agency's financial, service and risk performance against the performance targets set out in their asset management and investment plans. Performance metrics cover asset condition, utilisation, reliability, deferred maintenance and renewals, asset renewals spend relative to depreciation, spend against plan, insured value against asset value and quantified risk value for natural hazards and climate change.
- 31 The guidance draws heavily on the principles of information disclosure. These principles are used in the regulated sector to promote transparency and trust and provide a level of accountability to improve practice and outcomes. Information disclosure has been required for electricity transmission and distribution companies for over a decade and there has been a noticeable improvement in our understanding of the key drivers of cost and performance of the regulated entities.
- 32 For example, the Commerce Commission periodically publishes performance trend analysis across all electricity distribution companies which looks at the changes in prices over time and explores the causes of those price changes as well as assesses the changes in reliability over time. Having access to similar performance data will support us and our agencies to ensure we are focussed on prioritising looking after what we have got and knowing that when we do need to build new, we are clear about the reasons and confident in the rationale.
- 33 The primary role of the guidance is to support agencies to improve practice in meeting the existing requirement of the Circular CO (23) 9. s9(2)(f)(iv)  

- 34 Releasing the guidance ahead of the update to the Circular will allow agencies to familiarise themselves with good practice expectations and prepare for any uplift in capability that is required to improve their asset management practices. Further, it will allow us to develop a better understanding of the potential costs of a transition to better practice, including resourcing requirements within agencies.
- 35 Irrespective, it is important that as a Government we improve asset management. To reinforce Cabinet's expectations, I recommend that Cabinet invite responsible Ministers to engage the Chief Executives of their agencies to discuss this guidance, the importance of asset management, and the role of leadership in driving change.

*Agency engagement and feedback*

- 36 The Commission undertook extensive engagement with the 7 capital intensive agencies (accountable for 80% of the central government asset base) through the development of the guidance and performance indicators. It more recently sent the draft guidance out to all central government agencies in scope of the Circular for feedback.
- 37 Feedback was received from fifteen agencies, and nearly all acknowledge and support the intent of lifting asset management performance across central government. Key reservations include the high compliance bar and the potential resourcing burden. One capital intensive agency has quantified this, indicating additional resourcing of 2 FTE to comply with the guidance and implement the appropriate performance monitoring and reporting frameworks.
- 38 The question of how agencies would comply if the guidance became binding was raised, with many of them indicating the need for a phased implementation approach. Learnings from the regulated sector would suggest that it would take at least five years for immature agencies to comply with the guidance.
- 39 Many agencies indicated a need for additional tools, training and clarity on practical application, especially on novel areas such as valuing the risk presented by natural hazards and climate change.
- 40 The draft guidance is also being independently peer reviewed and this, along with the agency feedback, will shape the final guidance in time for its release in December.

**Next Steps**

- 41 The Asset Management and Investment Planning guidance is being issued by the Infrastructure Commission in their role as an IMS System Leader under the Circular. It is expected the Commission's Board will approve the guidance for release in mid-December.
- 42 The final National Infrastructure Plan is due at the end of the year and the Government's response to the Plan is due by June 2026. §9(2)(f)(iv)  

- 43 The Treasury will commence the update of Cabinet Office circular CO (23) 9, *Investment Management and Asset Performance in Departments and Other Entities* in January 2026. This update will consider broader system reforms to strengthen long-term planning and asset management requirements, simplify and streamline business case and assurance processes, and reconsider investment decision-making thresholds based on agency capability and maturity.
- 44 The Treasury will engage with Ministers and Cabinet on these system reforms between April and June 2026, with publication of the new circular scheduled for September 2026.

### **Cost-of-living Implications**

- 45 Addressing cost-of-living issues is not a primary objective for the Improving Infrastructure Asset Management programme. However, improvements to the infrastructure asset management will support efficient infrastructure management, which will support economic growth and fiscal management and have long term impacts on the cost-of-living.

### **Financial Implications**

- 46 This work programme is expected to be funded from baselines.

### **Legislative Implications**

- 47 There are no legislative implications in this paper.

### **Impact Analysis**

#### **Regulatory Impact Statement**

- 48 There are no regulatory impacts with this paper.

#### **Climate Implications of Policy Assessment**

- 49 There are no CIPA-related implications with this paper.

### **Population Implications**

- 50 There are no direct population implications with this paper. This comprehensive work programme will unlock a substantial improvement in living standards for all New Zealanders.

### **Human Rights**

- 51 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### **Use of external resources**

- 52 An external contractor with significant experience in asset management practice was engaged to lead the development of guidance and provide advice to support the development of the National Infrastructure Plan.

### **Consultation**

- 53 Capital intensive agencies, including Police, have been involved in the development of the Asset Management guidance.
- 54 Condensed timeframe means that agency consultation on the Cabinet paper occurred at the same time as Ministerial consultation. The following agencies were consulted: New Zealand Transport Agency, Health New Zealand, Kainga Ora, Department of Corrections, Ministry of Justice, Ministry of Education, New

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Zealand Defence Force (Estate and Infrastructure), and NZ Police.

**Communications**

- 55 I intend to write the foreword to the guidance. The Commission will conduct its own promotion upon release of the guidance.

**Proactive Release**

- 56 This paper will be proactively released as per Cabinet Office Circular (23) 4 within 30 business days of final decision being taken by Cabinet.

**Recommendations**

The Minister for Infrastructure recommends that the Committee:

- 1 **note** that phase 1 of the Improving Infrastructure Asset Management programme is progressing well with all workstreams meeting their respective milestones
- 2 **note** the release of the Infrastructure Commission's Asset Management and Investment Planning guidance in December
- 3 **invite** Ministers to work with their agencies to engage with the guidance once published, noting the importance of asset management and the need for agencies to improve current practice.

**Authorised for lodgement**

Hon Chris Bishop

Minister for Infrastructure



# Cabinet Economic Policy Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Improving Asset Management in New Zealand

**Portfolio**                      **Infrastructure**

On 12 November 2025, the Cabinet Economic Policy Committee:

- 1        **noted** that in May 2025, the Cabinet Expenditure and Regulatory Review Committee endorsed the two-phase Improving Infrastructure Asset Management programme and invited the Minister for Infrastructure to report back on progress and next steps by March 2026 [EXP-25-MIN-0049];
- 2        **noted** that phase one of the Improving Infrastructure Asset Management programme is progressing well, with all workstreams meeting their respective milestones;
- 3        **noted** that the Infrastructure Commission's Asset Management and Investment Planning guidance is intended to be released in December 2025;
- 4        **invited** Ministers to work with their agencies to engage with the Infrastructure Commission's guidance once published, noting the importance of asset management and the need for agencies to improve current practice.

Rachel Clarke  
Committee Secretary

**Present:**

Hon David Seymour  
Rt Hon Winston Peters  
Hon Nicola Willis (Chair)  
Hon Chris Bishop  
Hon Shane Jones  
Hon Brooke van Velden  
Hon Dr Shane Reti  
Hon Tama Potaka  
Hon Simon Watts  
Hon Chris Penk  
Hon Penny Simmonds  
Hon Andrew Hoggard  
Hon Mark Patterson  
Hon Nicola Grigg  
Hon James Meager  
Hon Scott Simpson  
Simon Court MP

**Officials present from:**

Office of the Prime Minister  
Office of Hon Chris Bishop  
Officials Committee for ECO

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ECO-25-SUB-0183



# Cabinet Economic Policy Committee

## Summary

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### Improving Asset Management in New Zealand

<b>Portfolio</b>	Infrastructure
<b>Purpose</b>	This paper provides an update on phase one of the Improving Infrastructure Asset Management programme (the programme) and notes the planned release of Infrastructure Commission (the Commission) guidance on asset management and investment planning.
<b>Previous Decisions</b>	In May 2025, EXP endorsed the programme and invited the Minister to report back on progress and next steps by March 2026. [EXP-25-MIN-0049].
<b>Proposal</b>	<p>Phase one of the programme is largely complete, with the release of the Public Investment Management Assessment report, investigations on a National Underground Asset Register, development of guidance on asset management and performance indicators, and continued support for the asset management community of practice (detailed in <b>Table 1, page 3</b>). Phase two, which considers more fundamental changes informed by the Commission's National Infrastructure Plan, will commence in 2026.</p> <p>The Treasury is leading work to improve agency capability and decision-making in the investment management system. This has included reviewing and replacing business case templates and guidance, providing training to agencies, and developing products for Ministers, Chief Executives and senior leaders.</p> <p>The Commission intends to issue its Asset Management guidance by the end of 2025, subject to Board approval. The guidance is designed to be a "good practice" document, consistent with international standards, and clarifying what is required to meet Cabinet's expectations and the requirements in the Cabinet Office Circular 23(9) <i>Investment management and asset performance in departments and other entities</i>.</p>
<b>Impact Analysis</b>	Not required.
<b>Financial / Legislative Implications</b>	None.
<b>Timing Matters</b>	The final National Infrastructure Plan is due at the end of 2025, with the Government response due by June 2026. s9(2)(f)(iv)

The Treasury will be engaging with Ministers on system reforms and an updated Cabinet Office Circular (23) 9 between April and June 2026.

**Communications** The Infrastructure Commission will promote their guidance.

**Consultation** Paper prepared by Treasury. Corrections, Kāinga Ora, Education, MoJ, NZDF, Police, Health New Zealand and NZTA were consulted.

The Minister indicates that the Prime Minister, Minister of Finance, Minister for Economic Growth, Minister of Housing, Minister of Transport, Minister of Health, Minister for State Owned Enterprises, Minister of Education, Minister of Justice, Minister of Defence, Minister of Corrections, Minister of Police, Minister of Conservation, Minister of Local Government, Minister for Building and Construction, Minister for Land Information, Minister for the South Island, the Parliamentary Under-Secretary to the Minister for Infrastructure, the ACT Party and New Zealand First were consulted.

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**The Minister for Infrastructure recommends that the Committee:**

- 1 note that in May 2025, EXP endorsed the two-phase Improving Infrastructure Asset Management programme and invited the Minister to report back on progress and next steps by March 2026 [EXP-25-MIN-0049];
- 2 note that phase one of the Improving Infrastructure Asset Management programme is progressing well with all workstreams meeting their respective milestones;
- 3 note that the Infrastructure Commission's Asset Management and Investment Planning guidance is intended to be released in December 2025;
- 4 invite Ministers to work with their agencies to engage with the Infrastructure Commission's guidance once published, noting the importance of asset management and the need for agencies to improve current practice.

Rachel Clarke  
Committee Secretary

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**Hard-copy distribution:**  
Cabinet Economic Policy Committee  
Minister of Defence  
Minister of Corrections



# Cabinet

## Minute of Decision

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### Report of the Cabinet Economic Policy Committee: Period Ended 14 November 2025

On 17 November 2025, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 14 November 2025:

Out of scope	[REDACTED]	[REDACTED]
Out of scope	[REDACTED]	[REDACTED]
Out of scope	[REDACTED]	[REDACTED]
Out of scope	[REDACTED]	[REDACTED]
ECO-25-MIN-0183	Improving Asset Management in New Zealand Portfolio: Infrastructure	CONFIRMED
Out of scope	[REDACTED]	[REDACTED]
Out of scope	[REDACTED]	[REDACTED]
Out of scope	[REDACTED]	[REDACTED]

Out of scope

[REDACTED]

[REDACTED]

Out of scope

[REDACTED]

[REDACTED]

Out of scope

[REDACTED]

[REDACTED]

Rachel Hayward  
Secretary of the Cabinet



**Te Kāwanatanga  
o Aotearoa**  
New Zealand Government

## Asset Management Guidance - Foreword

**Date:** 12 November 2025

**Report No:** TW-2025-732

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	<p><b>a. Approve</b> the foreword for the Commission's Asset Management Guidance.</p> <p><b>b. Invite</b> the Minister of Finance to be a joint signatory to the foreword.</p> <p><b>c. Refer</b> this report to Minister of Finance for consideration and agreement.</p>	18 November 2025

### Attachments

**Appendix 1.** Asset Management Guidance - Minister's Foreword

### Contact details

Name	Role	Phone
Siobhan Procter	Special Adviser	s9(2)(a)
Andy Hagan	General Manager, Investment	s9(2)(a)

### Purpose

1. We provide a draft Ministerial foreword to the Infrastructure Commission's Asset Management and Investment Planning guidance (the Guidance) for your approval, which is on track to be released in December.

## Analysis

2. The Guidance is being issued by the New Zealand Infrastructure Commission/Te Waihanga (the Commission) in their role as an Investment Management System, System Leader, under Cabinet Circular CO 23 (9).
3. As advised in TW-2025-720, the Guidance is not mandatory for agencies to allow for transition and implementation issues to be worked through by agencies, and to allow asset management expectations to be considered as part of the phase two of the work programme, including the update to CO(23)9.
4. Ministerial endorsement and support of the guidance helps set expectations across government of the importance of lifting asset management practice and will enhance its uptake. You have previously agreed to provide a foreword to the Guidance to this effect.
5. We are seeking your approval of the foreword. We also suggest you invite the Minister of Finance to be a joint signatory to the foreword, reflecting the important of asset management to achieving better fiscal outcomes from Crown infrastructure.
6. Should you wish to review the entire guidance document before agreeing the foreword, we can provide a final version in the next week or so, once agency feedback has been addressed and internal approvals have been completed
7. We also welcome feedback on other potential opportunities to promote its uptake.

## Next steps

8. You presented the Cabinet Paper: Improving Infrastructure Asset Management Cabinet Paper to Economic Policy Committee on 12 November (TW-2025-720 refers), with intended Cabinet confirmation on 17 November.
9. Below is the proposed timeline for publication post Cabinet.

Item	Date
Cabinet meeting	17 November
Minister (s) approval of the Foreword	18 November
Guidance finalised for Board approval	20 November
Guidance release	December 2025

## Recommended actions

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We recommend that you:

- a. **Approve** the foreword.  
Yes / No
- b. **Agree** to invite the Minister of Finance to be a joint signatory to the foreword.  
Yes / No
- c. If yes to (b), **agree** to refer this report to the Minister of Finance for consideration.  
Yes / No

*For Minister of Finance*

- d. **Agree** to be a joint signatory to the foreword.  
Yes/No



Andy Hagan  
**General Manager, Investment**

Hon Chris Bishop  
**Minister for Infrastructure**      \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Hon Nicola Willis  
**Minister of Finance**      \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

# Appendix 1

## Asset Management Guidance - Minister's Foreword.

Asset management means taking a whole-of-life approach to our infrastructure – from defining the level of service we need, to planning, investing, operating, maintaining, renewing, and, when appropriate, retiring assets. In short, it's how we make sure our infrastructure delivers the best value for money outcomes for New Zealanders.

Too often, we don't measure up. Across the public sector, poor asset management has led to leaking school roofs, sewage leaks in hospitals, and deteriorating public buildings.

We can, and must, do better.

This guidance defines what good asset management looks like. It sets clear expectations and supports agencies to improve their planning and delivery and encourages them to regularly monitor their performance. Aligned with international good practice, it targets the areas where improvement is most needed:

- consistent and transparent asset investment planning and delivery focussed on value for money outcomes
- robust, reliable asset data to inform better decisions
- clear visibility of asset performance across agencies to provide assurance that we are looking after what we have

When we get these things right, decision-makers have the insight they need to make sound, evidence-based choices – and the public can have confidence that agencies are being responsible stewards of the infrastructure they manage on behalf of all New Zealanders.

This guidance challenges every agency to raise the bar. Every agency leader has a responsibility to lift their asset management performance – not as an optional exercise, but as a core part of delivering public value. The time for incremental improvement has passed. We cannot continue to accept avoidable failures, wasted investment, or short-term thinking. I expect chief executives to actively adopt this guidance, embed it in their decision-making, and hold their organisations to account for implementing it.

By managing our assets well, we can avoid costly failures, make smarter investments, and deliver better infrastructure for all New Zealanders.

## Improving Infrastructure Asset Management Cabinet Paper– talking points

**Date:** 7 November 2025

**Report No:** TW-2025-736

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	<b>Note</b> the contents of this aide memoire	7 November 2025
<b>Attachments</b>		

None

### Contact details

Name	Role	Phone
Siobhan Procter	Special Adviser	s9(2)(a)
Andy Hagan	General Manager, Investment	s9(2)(a)

### Purpose

1. This aide memoire provides you with talking points for the Cabinet paper on Improving Asset Management (ref TW-2025-720).

### Talking Points

2. I am bringing you a report back on the asset management programme that I kicked off in May of this year. The programme aims to improve infrastructure asset management in central government.
3. Good progress has been made to date on the work programme, but more work is needed to improve asset management practice.
4. Public infrastructure enables the prosperity of New Zealanders. We rely not only on building new infrastructure, but also on maintaining and renewing the infrastructure we already have. Asset management is the process by which agencies acquire, maintain, upgrade, renew and dispose of our infrastructure assets.

5. Central government has a poor track record of asset management. This has resulted in a series of high-profile failures: schools with leaking roofs; rundown classrooms; sewage leaks in our hospitals; mouldy defence accommodation; service outages of commuter rail and ferries; and police stations with black mould, leaks, and asbestos. Poor asset management results in expensive renewals and emergency works, poor infrastructure quality, asset failures, and less funding for new services.
6. Despite Cabinet expectations and mandatory requirements through Cabinet Office Circular (23) 9, the current system is not working. In May, you agreed to a two-phase work programme to improve asset management practices and processes.
  - Phase One aimed to provide clarity on what ‘good’ looks like and ensure that there are better tools to help agencies build capability and succeed. All Phase One deliverables are tracking to schedule and either have or will meet their target milestones.
  - Phase Two of the programme considers more fundamental changes to system settings. This will be informed by the Infrastructure Commission’s National Infrastructure Plan, Treasury’s work on a refresh of Cabinet requirements for asset management.
7. One of the key deliverables from phase one is the Commission’s “good practice” asset management document which clarifies what is required to meet Cabinet’s planning and performance expectations and will support agencies’ compliance with CO (23) 9. The guidance, when applied, should address our current lack of visibility of asset investment plans, the lack of robust asset data which should form the basis of agency planning and enable us to track the performance of agencies across a number of KPIs.
8. Feedback on the draft guidance was received from several agencies, nearly all of whom acknowledge and support the intent of lifting asset management performance across central government.
9. Key reservations included the high compliance bar and the potential resourcing burden. These are legitimate concerns, although my view remains that asset management is a core requirement of their function as stewards of crown assets and so better practice is needed and arguably should be happening now.
10. The new guidance, which will be released in December by the Commission, is not mandatory, which allows agencies to determine the best approach to meeting the expectations in the guidance whilst managing resourcing pressures.
11. Release of the guidance sends a strong signal to agencies on the required direction of travel. To reinforce this, and recognising that better leadership is fundamental to better practice, I invite you all to reinforce these expectations by engaging with your agencies on how they will adopt this guidance.



**Te Kāwanatanga  
o Aotearoa**  
New Zealand Government

## Draft Cabinet Paper on Improving Infrastructure Asset Management

**Date:** 28 October 2025

**Report No:** TW-2025-720

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	<p>a. <b>Provide</b> feedback on the attached draft Cabinet paper</p> <p>b. <b>Approve</b> the circulation of the draft Cabinet paper for Ministerial Consultation from 30 October</p>	29 October 2025

### Attachments

**Appendix 1.** Draft Cabinet paper: Improving Asset Management Processes and Practices in New Zealand: – Setting clearer expectations through guidance and report back on programme

### Contact details

Name	Role	Phone
Siobhan Procter	Special Adviser	s9(2)(a)
Andy Hagan	General Manager, Investment	s9(2)(a)

### Purpose

1. We provide a draft Cabinet paper which updates progress of the All-of-Government asset management programme and updates Cabinet on upcoming release of the Infrastructure Commission's Asset Management and Investment Planning guidance (the Guidance) in December.
2. We are seeking your feedback on the draft Cabinet paper prior to Ministerial consultation on 30<sup>th</sup> October 2025 and can discuss this with you at your meeting with Infrastructure officials on 29<sup>th</sup> October.

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## Analysis

3. You requested a Cabinet paper on the Guidance being produced under the asset management work programme (TW-2025-683 refers). The purpose being to notify Cabinet of the release of the Guidance to continue momentum on work improving asset management practice. In addition, we propose using the Cabinet paper to provide a report back on progress on stage one of the work programme which will meet your commitment to Cabinet to report back by March 2026.
4. The Asset Management and Investment Planning guidance is being issued by the Infrastructure Commission (the Commission) in their role as an Investment Management System, System Leader, under the Circular. Reflecting the need of clear accountabilities and ownership, the Cabinet paper does not request Cabinet formally agree to the Guidance or approve its release. Instead, the paper sets out the objectives and key components of the Guidance and asks Cabinet to note its release and invites portfolio Ministers to engage with their agencies to promote its uptake. You may wish to provide feedback on this framing.
5. As advised in TW-2025-683, the Cabinet paper also notes that the Guidance is not mandatory for agencies to allow for transition and implementation issues to be worked through by agencies, and to allow asset management expectations to be considered as part of the phase two of the work programme, including the update to CO(23)9.
6. The non-mandatory status furthers the need for Ministerial engagement with agencies to promote improved asset management practice upon release of the Guidance. We also propose that you provide the Guidance foreword to further reinforce its importance. The Commission will manage its own programme of release and promotion. We also welcome feedback on other potential opportunities to promote its uptake.
7. Formal agency feedback on the Guidance has just closed. Overall feedback was positive, with the following concerns being raised:
  - a. some agencies indicated that significant investment would be required to lift capability and improve systems – one capital intensive agency suggested at least an additional two staff members would be required
  - b. calls for greater clarity on compliance status and applicability
  - c. requests for practical tools and implementation support including templates, data models, training
  - d. the need for clearer expectations of timeframes to meet standard
  - e. support for ongoing sector collaboration through communities of practice
8. Treasury has provided specific input to the Cabinet paper on their work programme responsibilities. The overall draft Cabinet paper has been shared with the Treasury, and their feedback has been incorporated.

## Next steps

9. The proposed timeline for consultation and lodging the Cabinet paper is set out in the table.

Item	Date
Initial draft to Minister (attached)	28 October
Minister feedback	29 October
Ministerial consultation	30 October – 5 November
Departmental consultation	30 October – 5 November
Lodged for ECO	6 November
ECO Committee	12 November
Cabinet	17 November

10. Agency consultation will occur with the seven capital intensive agencies plus Police alongside Ministerial consultation. We do not consider that broader agency consultation is warranted. Note that we consider the risk of material changes arising from agency feedback is low given we have already completed consultation on the draft Guidance.

11. In parallel, the Commission will continue to finalise the Guidance including incorporating any agency feedback. Subject to any feedback from yourself and/or Cabinet, and its Board approval process, the Commission intends to release the Guidance in December this year.

## Recommended actions

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We recommend that you:

- a. **Provide** feedback on the draft Cabinet paper to be incorporated before Ministerial consultation.
- b. **Approve** the circulation of the draft Cabinet paper for Ministerial Consultation from 30 October.

YES / NO



Andy Hagan  
**General Manager, Investment**

Hon Chris Bishop  
**Minister for Infrastructure**

# Appendix 1

Note: Final Cabinet Paper is released as Item 1.

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## Asset Management Guidance and Performance Indicators

**Date:** 22 September 2025

**Report No:** TW-2025-683

To	Action sought	Deadline
Hon Chris Bishop, Minister for Infrastructure	a. <b>Refer</b> this briefing to Hon Nicola Willis, Minister of Finance b. <b>Agree</b> to take draft guidance and performance indicators to Cabinet for noting in December 2025	For discussion at Infrastructure Official's Meeting on 29 September

### Attachments

1. Appendix A: Investment Management diagram

### Contact details

Name	Role	Phone
Siobhan Procter	Special Adviser	s9(2)(a)
Andy Hagan	General Manager, Investment	s9(2)(a)
Rebecca Robertshawe	(Acting) General Manager, Investment	s9(2)(a)


### Actions for the Minister's office staff

**Return** the signed briefing to the NZ Infrastructure Commission | Te Waihanga

**Forward** the signed briefing to the Minister of Finance, subject to the Minister's agreement

### Minister's Comments

## Executive Summary

1. In May this year, you announced a two phase work programme to improve asset management processes and practices, as noted by Cabinet (refer CAB-25-MIN-0157).
2. This briefing provides information on the phase one asset management guidance and performance indicators being developed by the New Zealand Infrastructure Commission (the Commission), for release in December this year.
3. Good asset management is not just about maintenance and renewals – it requires agencies to plan across every stage of the asset lifecycle. The proposed phase one asset management guidance will outline what agencies should include when developing and presenting a comprehensive plan of their proposed asset investments in an Asset Management and Investment Plan (AMIP).
4. Additionally, the guidance will articulate how agencies can link planning to performance by way of regular performance reporting. It will include a number of performance metrics that agencies should regularly monitor and report against to ensure continuous improvement.
5. The phase one guidance has been developed as a “good practice” document which clarifies Cabinet’s planning and performance expectations and will support agencies’ compliance with Cabinet Office Circular (23)9.
6. However, the guidance does not place any binding requirements on agencies. s9(2)(f)(iv)  

7. AMIPs will also complement information requirements within the current investment management system (IMS). The diagram at appendix A illustrates how the asset management guidance complements existing assurance products across Treasury and the Commission.
8. The final National Infrastructure Plan (NIP) will be released by the end of this year. The Government’s response to the NIP is due in June 2026 and may further inform the Treasury’s planned update to CO(23)9 and phase two of your asset management programme.

## Recommendations

We recommend that you:

- a. **Refer** this briefing to Hon Nicola Willis, Minister of Finance.

Yes / No

- b. **Agree** to take the phase one guidance and performance indicators to Cabinet for noting in December 2025.

Yes / No



Rebecca Robertshawe

**(Acting) General Manager, Investment**

Hon Chris Bishop

**Minister for Infrastructure**

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# Asset Management Guidance and Performance Indicators

## Purpose

9. This briefing provides information on the phase one asset management guidance and performance indicators being developed by the Commission, including:
  - a. the approach taken by the Commission;
  - b. an overview of the proposed guidance and performance indicators; and
  - c. timing considerations should you choose to take the guidance to Cabinet for noting.

## Background

10. In May this year, you took a paper to Cabinet (refer CAB-25-MIN-0157) seeking approval of a two phase work programme to improve asset management processes and practices.
11. Phase one of the programme, which is the subject of this briefing, focusses on providing clarity on what good looks like through more detailed guidance and performance measures.

Deliverable	Responsible Minister	Indicative timing	Lead agency
<b>Asset management and long-term planning performance indicators and guidance</b>  More detailed guidance on expected asset management and long-term planning practice, including which indicators will provide Ministers, stakeholders and the public with confidence that agencies are delivering value for money from their planning and investment activities. Will include the processes for plan requirements and review and assurance mechanisms.	<b>Minister for Infrastructure</b>	<b>Late 2025:</b> Draft asset management indicators and guidance completed	<b>Infrastructure Commission</b>

12. Phase one does not anticipate any new or additional assurance frameworks as this will be addressed in the Government's response to the final National Infrastructure Plan due in June 2026. This aligns to your expectations for Phase two deliverables.

## Current Asset Management Requirements

13. CO(23)9<sup>1</sup> is the fourth iteration of the Cabinet Office circular, first issued in 2010. It includes specific investment and asset management requirements that agencies must comply with and requires agency Chief Executives to attest compliance. The effectiveness of these requirements is undermined by the lack of follow-up asset management assurance activities to incentivise accountability and continuous improvement.
14. CO23(9) is supported by existing Treasury asset management guidance contained in two further documents:
  - a. [Asset Management Guidance for Agencies – November 2023](#)
  - b. [Annual Report Guidance for Departments – August 2017](#)

<sup>1</sup> [CO \(23\) 9: Investment Management and Asset Performance in Departments and Other Entities - 18 September 2023 - Cabinet Office](#)

15. This guidance is very high level. s9(2)(f)(iv)

16. The Treasury's annual report guidance also requires annual reporting on three asset performance indicators: utilisation; asset condition and functionality (fitness for purpose).
17. The Commission reviewed the 2025 annual reports and found that the Ministry of Education (MoE), Department of Corrections (Corrections), Ministry of Justice (MoJ) and New Zealand Defence Force (NZDF) reported on these asset management indicators but Health New Zealand (Health NZ) and Kāinga Ora did not. New Zealand Transport Agency (NZTA) reports on a different set of measures.

## Improving Asset Management

18. Good asset management is not just about maintenance and renewals – it requires agencies to plan across every stage of the asset lifecycle from acquisition of new assets through operations, maintenance and renewals to the eventual disposal of assets.
19. A good AMIP will tell the asset investment story – the why, the what, the where, the how and the required funding. It should provide the full view of all asset investment that an organisation requires to meet a desired level of service. It should also provide robust justification for the plan to demonstrate it has considered how to get the most value at the lowest whole of life cost.
20. The phase one asset management guidance outlines what agencies should include when developing and presenting a comprehensive plan of their proposed asset investments in an AMIP.
21. An AMIP replaces the need for separate planning documents that you may be familiar with such as Long Term Investment Plans, Asset Management Strategies, Asset Management Plans and Investment Intentions. The AMIP brings all the asset planning information into one place.
22. Additionally, the guidance will articulate how agencies can link planning to performance by way of regular performance reporting. It will include a number of performance metrics that agencies should regularly monitor and report to ensure continuous improvement.
23. With all investment planning information in one place, AMIPs will support decision makers to make appropriate trade off decisions between investments by balancing cost with risk and service performance.
24. AMIPs will also complement information requirements within the current investment management system (IMS). This is because AMIPs focus on every stage of the asset lifecycle while the IMS requirements tend to be weighted towards new investments that require Cabinet consideration.
25. A diagram showing how the phase one guidance complements existing reporting and assurance requirements across the Treasury and the Commission is provided in Appendix A.

## Proposed phase one guidance and performance indicators

26. The phase one guidance has been developed as a “good practice” document which clarifies Cabinet’s planning and performance expectations and will support agencies’ compliance with CO(23)9.
27. The proposed guidance is not intended to be a “how to” guide, rather a document that sets a good practice standard for central government agencies. It has been purposely drafted to be consistent with ISO 55000 (the international standard for asset management) and complement existing industry asset management training guides.



Figure 1 – Relationship between Commission guidance, ISO55000 and detailed industry guidance and training

28. The guidance draws heavily on the principles of information disclosure. These principles are used in the regulated sector to promote transparency and trust to people outside organisations, and provide a level of accountability to people within organisations to drive performance, improved practice and outcomes.
29. The guidance sets out what information should be disclosed including providing the Commission with AMIPs and annual performance reporting against a number of performance metrics.
30. We are proposing that while all agencies should use the guidance to support their asset management activities, only the seven top capital-intensive agencies (as referenced in Treasury’s QIR) would disclose their planning and performance information to the Commission.
31. The top seven capital intensive agencies currently comprise, MoE, Health NZ, Kāinga Ora, NZDF (Estate), NZTA, Corrections and MoJ. Between them, they account for 80% of the central government infrastructure asset base.
32. We have chosen to focus on these seven agencies because it will achieve the biggest benefit across the Crown’s asset base during this phase one update. Other agencies are likely to be guided by the performance of these top seven agencies and will be encouraged to refer to the phase one guidance to inform good practice.
33. However, the guidance does not place any binding requirements on agencies.

38. A detailed summary of the proposed guidance and performance metrics is available if required. As we move into formal consultation with agencies and the Treasury we expect some refinement. We plan to update you on the final iteration of phase one post the consultation process.

### **Engagement with agencies during development**

39. There has been strong and positive engagement with the Treasury and the top seven capital intensive agencies throughout the development of the phase one guidance and performance indicators.
40. We have hosted three workshops to elicit feedback and allowed agencies to become familiar with what may be required in the future, specifically with regards to asset data and performance reporting.

### **Improving performance and assurance over the long term**

41. The phase one asset management guidance and performance indicators will only go so far in terms of lifting performance through increasing transparency and accountability.

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<sup>2</sup> ISO 55000 is the international standard for asset management.

42. Leadership is a foundational principle and critical requirement for successful asset management. Agencies will need to change how they do things to meet the expectations of the guidance, and agency leaders will need to drive this change if there is to be improvement.
43. You may wish to write a foreword to the guidance emphasising the importance of asset management and your expectations for change in the sector. We believe this would lend weight to the guidance and encourage compliance. We will discuss this further with your Office.
44. We also propose to engage directly with agency governance and executive teams when launching the guidance.

## Approval pathway and timeframes

45. For you to bring the phase one guidance to Cabinet in December, we propose the following approval pathway and timing:

Deliverables	Papers/ Advice due	Meeting/ Due Date
Formal agency consultation and peer review of draft guidance	8 Oct	22 Oct
Draft Cabinet paper and guidance for Minister for Infrastructure's feedback	6-Nov	12-Nov
Infrastructure and Investment Ministers Group (IIMG)	12-Nov	19 Nov
Ministerial consultation on Cabinet paper	13-Nov	20-Nov
Cabinet paper to Minister for Infrastructure	26-Nov	
ECO Committee	27-Nov	3-Dec
Cabinet meeting –note guidance		8-Dec
Commission Board Sign off – approve for release	3-Dec	10-Dec

Figure 3 – Timeline to publication

## Next Steps

46. Post Board sign-off, we will release the guidance along with a series of communications to agencies in early 2026. We will then work with Treasury to incorporate the guidance in the next iteration of CO23(9) planned for September 2026.
47. The final National Infrastructure Plan (NIP) will be released by the end of this year. The Government's response to the NIP is due in June 2026 and may further inform Treasury's planned update to CO(23)9 and phase two of your asset management programme
48. s9(2)(f)(iv)

# Appendix A: Investment Management Diagram

The diagram below shows, at a high level, how the new guidance fits into existing Commission and Treasury assurance.

Current Treasury requirements are shown in blue and the Commission’s optional assurance products in green:

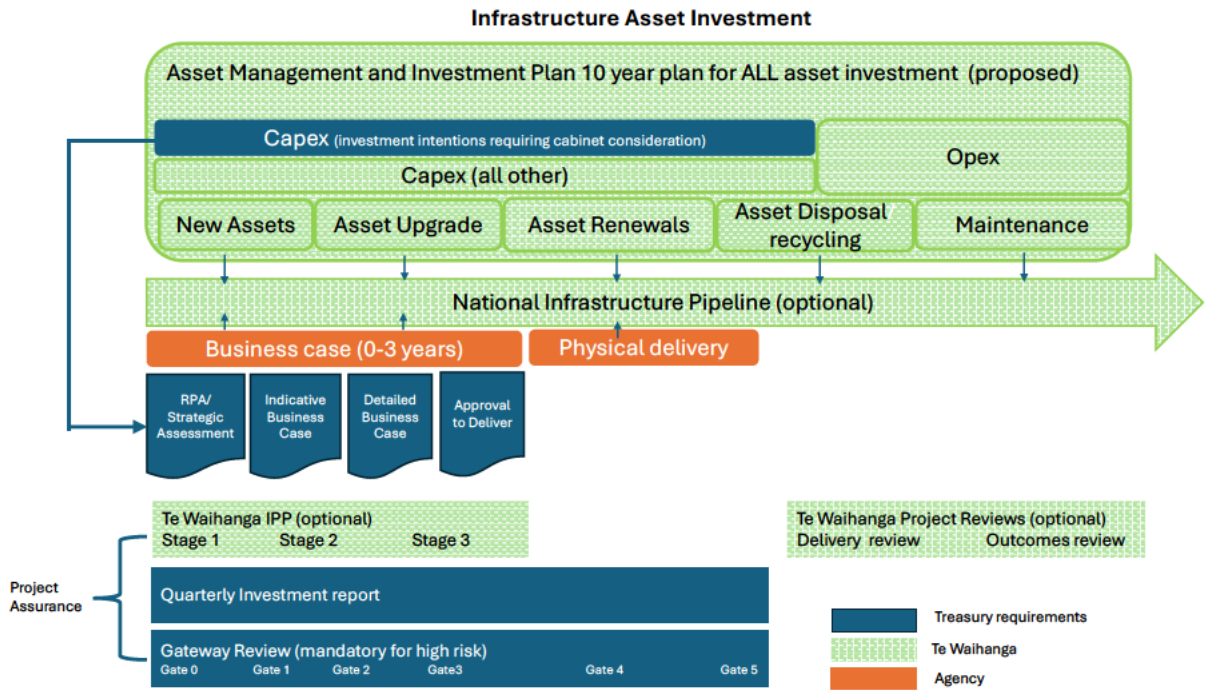


Table 1 – Investment Management and Assurance Requirements

There remains an opportunity to further strengthen investment lifecycle “end-to-end” assurance. The final National Infrastructure Plan will include detail on investment assurance recommendations at the end of this year.