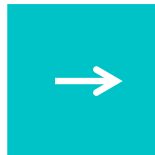


Āpōpō

# Industry Update



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# NZ Infrastructure Crisis



The average Auckland commuter spends over **5 days in traffic per year**



By 2050 **one in four NZers** will be over the age of 65



**\$90 billion bill** to fix up water networks



**\$5 billion** of council infrastructure is exposed to sea level rise



**115,000 more homes** are needed to fix the current housing crisis



There is a **75% chance** of an Alpine Fault rupture by 2070



Electricity generation capacity needs to **increase by 170%**



We need to spend **\$60 on maintenance** and renewal for every \$40 we spend on new infrastructure



New Zealand's population will grow to **6.2 million people** (or more) over 30 years



2/3 of population growth will be in **five major centres**



Infrastructure construction costs have risen **60% faster than prices** elsewhere in the economy

# Sector Challenges

- Capability to undertake effective asset management
  - Competency – investment in people’s skills and knowledge
  - Capacity – attraction and development of talent
- Investment Learning and Development programmes
- Challenges of Rising rates and alternative investment sources
- Transport funding – GPS 2024/27
- Water Reform – Local Water Done Well
- Overlapping priorities across multiple asset types
  - Resilience
  - Climate adaptation
  - Deferred maintenance
  - Renewals
  - Growth



Severn mayor Sam Broughton and Apōpō president Gary Porteous warned of the crippling impact of unsustainable funding models and years of underinvestment in infrastructure.  
PETER MEECHAN / THE PRESS

Broughton also issued a fresh call for new ways of funding cash-strapped councils, saying the pressure on them had reached "tipping point", suggesting collecting rates from the government on Crown land, congestion charging and revised taxes as ways of raising money.

He was joined at Severn's first Wastewater Plant by Gary Porteous, president of infrastructure asset management organisation Apōpō, who warned many years of underinvestment had reached crisis point.



AM 201 – Telling the Story of  
Asset Management

**NZ\$245.00** excl GST



# GPS 2024

The GPS sets out the Government's land transport strategy including:

- what it expects to be achieved from its investment in land transport through the National Land Transport Fund (NLTF)
- what it expects to be achieved from its direct investment in land transport
- how much funding will be provided and how the funding will be raised
- Expect New investment maintenance of state highways

Draft Government  
Policy Statement  
on land transport  
2024-34

March 2024 Not Government policy  
CONSULTATION DRAFT



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PROFESSIONALS

# What can we do?

- Ensure all the players understand the infrastructure management process, understand the role they play, and the consequences of their decision-making
- Build assets with a long-term life cycle in mind, with a focus on the quality of newly built infrastructure
- Secure the appropriate operations and maintenance funding for our current portfolio of infrastructure, and for any new infrastructure that is being built
- Create better systems to report on the current state of infrastructure, and what will happen to it based on investment decisions



# Rank the following, most to least effective, in improving asset management practices:

- A. Access to best practice guidance and resources
- B. Professional development of team members
- C. Filling vacant asset management roles
- D. Executive/elected members recognition of asset management criticality
- E. Increased reliability of planning direction across election cycles
- F. Standard/simplified regulatory requirements.
- G. Improved asset data quality

**Thank you**

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