



THE GROWTH BUDGET

Investing in Infrastructure

**BUDGET
2025**

Hon Chris Bishop
Minister for Infrastructure
22 May 2025

Investing in infrastructure for all New Zealanders

Major investments in new and upgraded hospitals, mental health facilities, school buildings, rail and roads across the country are being funded in Budget 2025, Infrastructure Minister Chris Bishop says.

“Our infrastructure investments will grow our economy, create opportunities and raise living standards for Kiwi families.

“The infrastructure investments in Budget 2025 build on our existing pipeline of infrastructure projects, including by providing funding for some of the projects highlighted at this year’s Infrastructure Investment Summit.

“Total capital expenditure in the Budget reaches \$6.8 billion, with identified savings supporting the overall cost of our investment programme. The capital allowance for this year’s Budget is \$4 billion, which is a little larger than the \$3.6 billion previously signalled.”

Key infrastructure investments in Budget 2025 provide funding certainty for the capital pipeline, including funding over the forecast period for programmes already in delivery:

- \$1 billion investment to upgrade and expand hospitals across the country, including the Nelson Hospital Redevelopment and Wellington Regional Hospital Emergency Department refurbishment, as part of the Government’s commitment to ensuring all New Zealanders can access high quality, modern healthcare
- \$712 million capital and \$234 million operating for new classrooms and school property maintenance, including funding for approximately 10,000 additional student places
- \$50 million for upgrades to mental health facilities to provide safer, more therapeutic care settings for patients
- \$464 million capital and \$141 million operating for rail maintenance to increase the reliability for commuters and freight in the Auckland and Wellington metro areas, and to replace ageing bridges, culverts and other assets to ensure goods can get to and from our farms, manufacturers and ports.
- 240 new high security beds at Christchurch Men’s Prison, along with a new Health Centre and Intervention and Support Unit containing 52 beds. Phase 1 of the redevelopment will be designed, built, financed, and maintained for 25 years under a

public private partnership. Corrections will retain responsibility for operations and custodial management of the facility

- \$167 million capital and \$43.7 million operating over the forecast period to upgrade Defence infrastructure, along with the previously announced \$2 billion plus investment to replace the Defence Force's ageing maritime helicopter fleet
- \$219 million in additional operating funding to complete recovery works on local roads that were damaged in the 2023 North Island weather events.

"These investments confirm funding for key investments in the New Zealand Infrastructure Commission's Infrastructure Pipeline. Data from the Pipeline shows that across central government, local government and the private sector there are around \$46.7 billion of projects under construction, and over \$13.6 billion more of projects which are either in procurement now or are expected to be within the next twelve months.

"The Government has a comprehensive programme of work to deliver more and better infrastructure for New Zealand, including developing a 30-year National Infrastructure Plan, replacing the RMA to make sure infrastructure can be built faster and cheaper, using public private partnerships to leverage private sector capability and expertise, and utilising new funding tools like tolls and value capture to ensure that pipeline consists of high-quality projects with funding certainty.

"The Government has ensured it has plenty of room in its fiscal plan to fund emerging infrastructure needs.

"Budget 2025 builds on the coalition Government's commitment of fixing the New Zealand's infrastructure system, addressing our massive infrastructure deficit, and ensuring we have high quality infrastructure for New Zealanders now and for years to come."