

# The Treasury

## Budget 2023 Information Release

July 2023

This document has been proactively released and is available on:

- The Budget website from July 2023 to May 2024 only at: <https://budget.govt.nz/information-release/2023>, and on
- the Treasury website from later in 2023 at: <https://treasury.govt.nz/publications/information-release/budget-2023-information-release>

### Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

## **Copyright and Licensing**

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

## **Accessibility**

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to [information@treasury.govt.nz](mailto:information@treasury.govt.nz).

## Treasury Report: Quarterly Investment Reporting Results June 2022

<b>Date:</b>	18 August 2022	<b>Report No:</b>	T2022/1548
		<b>File Number:</b>	ST-4-8-2-1-4

### Action sought

	Action sought	Deadline
Hon Grant Robertson <b>Minister of Finance</b>	<p><b>Refer</b> the report to the Associate Ministers of Finance</p> <p><b>Provide</b> feedback on the quarterly reporting approach at the Weekly Agency Meeting on 22 August 2022</p>	22 August 2022

### Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Frederick Thursfield	Analyst, Investment Management and Asset Performance (IMAP) <sup>[39]</sup>	<sup>[35]</sup>	
Erana Sitterlé	Head of Stewardship and Governance, Investment Management and Asset Performance (IMAP)		✓
Craig Murphy	Manager, Investment Management and Asset Performance (IMAP)		

### Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

**Enclosure:** No

# Treasury Report: Quarterly Investment Reporting Results June 2022

---

## Purpose of Report

---

1. This report provides you with:
  - a recommended actions to support prioritisation and sequencing of the Government's investment portfolio through upcoming Cabinet approvals
  - b system-level insights from the June 2022 quarterly investment reporting, and
  - c next steps to enhance the quarterly investment reporting process.

## Background

---

2. You have agreed to implement quarterly investment reporting to provide you with:
  - a clear stage gates for Ministerial and Cabinet decision-making with a focus on decisions earlier in the investment process
  - b visibility of significant investments across the Government's investment portfolio, and
  - c useful insights and actionable advice to support prioritisation and sequencing, and ultimately deliverability of investments [T2022/858 refers].
3. This report accompanies advice about the recommended investments for the centralised cost escalation claims process [T2022/1595 refers] and the investment proposals seeking Budget 2023 funding recommended for evaluation by the Investment Panel [T2022/1548 refers].
4. We have continued to implement the approach to investment reporting undertaken in the March 2022 quarterly reporting. This has a small number of key data points that provide clear stage gates for Ministerial decision-making and is designed to support prioritisation and sequencing and the development of the investment pipeline.
5. We are still in the early stages of the quarterly investment reporting process. The current focus is on getting a full and complete dataset and then improving the quality of the data, to be able to build longitudinal picture of the investment portfolio and support Ministerial prioritisation and sequencing and further development of the investment pipeline to grow market capacity and capability.
6. We have provided an overview of the five largest investment intensive agencies in Annex One, given these agencies comprise the majority of the Government's investment portfolio. For ease of reference, an outline of the Ministerial stage gates for the prioritisation and sequencing framework you have previously agreed is set out in Annex Two [T2022/858 refers].

## Economic Context

---

*A variety of factors are increasing investment costs, although cost escalation should ease as the economy slows*

7. Capacity constraints have contributed to record levels of inflation (although annual inflation is likely to have peaked in the June quarter) and a slowdown in growth is anticipated as interest rates continue to rise. Despite there being some early signs that demand is easing, and supply chains are recovering, the economic outlook remains highly uncertain.
8. Disruptions to global supply chains have contributed to high rates of inflation in many countries. In New Zealand, continued labour and construction supply constraints will likely impact current expected investment delivery timeframes and costs.
9. The Treasury expects both consumer demand and housing markets to cool off over the coming years as central banks around the world tighten monetary policy to rein in high inflation. This should see excess demand for consumer goods and construction materials, which have been key drivers of supply chain pressure, lessen over time.

**There is a need to prioritise and sequence investments to better match, and grow, agency and market capacity and capability**

---

*Total planned investment and the proposed timeline of this pipeline is beyond current agency and market capacity and capability*

10. We expect that some of this is driven by agency optimism bias for the length of time required to undertake investment planning and delivery given the current resource constraints and the capacity of the market to respond.
11. There is a need to sequence investments to better match current levels of capacity. At the same time, it is important to signal a growing pipeline to sustainably increase market capacity and the right capability, including new market participants. In reality, sequencing is already happening as suppliers are prioritising investments more attractive to them given the range and demand for investment. However, that process increases the risk of the Crown competing and crowding itself out in the market which would contribute to rising costs through increased demand for relatively inflexible supply. To mitigate that risk, we recommend a more deliberate approach to sequencing so that capacity and capability is focused on those investments which are most aligned to your priorities.
12. To support this more deliberate approach, we recommend you first provide clear expectations to Ministers and agencies that they should re-baseline investment timelines to provide a more realistic timeframe to undertake activity and secure the required resources. We recommend that agencies engage system leaders to better understand market capacity constraints when re-baselining their timelines.<sup>1</sup>

*Re-baselining investment timelines will support a more sustainable pace of activity*

13. The re-baselining process will support a more deliverable, and credible, forward pipeline of investment to support market development. It will also improve the accuracy and reliability of the information around the schedule of investments coming for Cabinet approval and Budget decisions and support your understanding of when decisions will be needed. This will be important if and when capacity pressures ease,

---

<sup>1</sup> Including Te Waihangā, Government Chief Digital Officer, Government Chief Data Steward, Government Chief Information Security Officer and NZ Government Procurement.

to ensure the Government can respond and maintain a steady rate of investment and delivery.

14. This is consistent with the messages you have signalled will be important for Budget 2023 about the need for agencies to reprioritise activity. If you agree with this more deliberate approach to sequencing investments, we recommend you include this messaging in the Budget 2023 strategy Cabinet paper.
15. In the September 2022 quarterly investment report, we will include high level analysis on the alignment of investments early in planning with key system strategies (including the Infrastructure Strategy, Digital Investment Roadmap, Data Investment Plan and the Emissions Reduction Plan) to support further prioritisation and sequencing decisions.

*We have categorised investments by indicative level of flexibility to support prioritisation and sequencing*

16. In May 2022 we outlined a high-level approach to prioritisation and sequencing [T2022/868 refers]. This approach is designed around the indicative level of flexibility to make scope and timing changes to investments. We have applied this framework to categorise the following groups of investments:
  - a investments seeking Cabinet approval for the shortlist or preferred option (i.e., Indicative Business Case (IBC)) in the September 2022 quarter, and
  - b investments seeking Cabinet approval of the detailed design for the preferred option (i.e., Detailed Business Case (DBC)) in the September 2022 quarter.
17. Options to prioritise and sequence investment proposals could include pausing investment proposals (agencies stopping work), deferring Cabinet approvals, or signalling which Budget an agency should be aiming for (e.g., Budget 2023 or beyond). This information is summarised in Table One, with the detail of each investment set out in Annex Three.

*Table One: Categorised investment proposals by flexibility to prioritise and/or sequence*

<b>Level of Flexibility</b>	<b>Scope to prioritise and/or sequence</b>	<b>Upcoming Cabinet approvals (to Sept 22)</b>
<b>Least flexibility</b> (e.g., where there are legal obligations to undertake the investment, there are legislated timelines to complete the investment, or the investment is already in delivery with contracts awarded)	These investments will be the most difficult either to prioritise or sequence.	-
<b>Limited flexibility</b> (e.g., where an investment has a preferred or approved option and/or a timeline to deliver has already been announced)	It is likely difficult to <b>prioritise</b> these investments  It may be possible to <b>sequence</b> , although it may still be difficult, especially if other investment decisions are dependent on the investment proceeding.	Shortlist/preferred option (IBC): <b>4</b>  Detailed design of preferred option (DBC): <b>14</b>

<b>Greatest flexibility</b> (e.g., where the policy problem and outcome being sought is clear, but the preferred solutions are still being considered and there are various options to address the policy problem)	There is likely to be greatest scope to consider other options, including both prioritisation and sequencing options.	Shortlist/preferred option (IBC): <b>8</b>
--	---	--

## Overview of investments in planning and delivery

### Investments in planning

*There are 159 investments in planning at various stage gates*

18. 26 agencies reported a total of 159 investments in planning as at 30 June 2022 (including both projects and some large programmes). Early engagement meant we received investment reporting from eight additional agencies this quarter.<sup>2</sup>
19. Table Two shows that planned investment levels taper off from Budget 2025. The recommended actions to re-baseline investment timelines should help to smooth this investment profile over the forecast period.

*Table Two: Overview of investments in planning*

Investments seeking funding from Budget								
	Total in planning		B23		B24		B25	
Investment type	No.	Value	No.	Value	No.	Value	No.	Value
<b>Infrastructure</b>	88	\$14.0b	25	\$5.3b	17	\$3.8b	5	\$2.1b
<b>Data and Digital</b>	42	\$3.0b	19	\$2.5b	7	\$0.3b	0	\$0.0b
<b>Specialist equipment</b>	16	\$5.8b	5	\$0.5b	5	\$3.7b	3	\$1.2b
<b>Organisational change</b>	13	\$1.4b	2	\$0.6b	2	\$0.3b	1	\$0.1b
<b>Total</b>	<b>159</b>	<b>\$24.1b</b>	<b>51</b>	<b>\$8.8b</b>	<b>31</b>	<b>\$8.1b</b>	<b>9</b>	<b>\$3.4b</b>

20. The total value sought (\$24.1b) reflects the investments that agencies have signalled funding will be sought through upcoming Budgets. Agencies have signalled an additional \$22.0b of investments in planning but are yet to determine the split of funding between Crown and other funding arrangements.

*Table Three: Allowances<sup>3</sup>*

	B23	B24	B25
Operating allowance (amounts per annum)	\$2.5b	\$2.6b	\$3.0b
Multi Year Capital Allowance (total across capital forecast period)	\$3.0b		

<sup>2</sup> As previously advised due to the level of Crown funding that KiwiRail receives we have included KiwiRail investment data in this report. Agencies provided more complete data this cycle, with completion rates across most agencies of approximately 80 per cent, with Te Whatu Ora Health NZ being a notable exception as it moves into a consolidated entity.

<sup>3</sup> This includes pre-commitments and is based on Budget Economic and Fiscal Update and does not take in account revised figures at future Budget Policy Statements

21. For Budget 2023, agencies have reported 58 investments for which they intend to seek a funding decision. You have received advice on the recommended investments to be evaluated by the Investment Panel which accompanies this report [T2022/1548 refers].

## Investments in delivery

*There are 89 investments in delivery*

14. As set out in Table Four, 19 agencies reported a total of 89 investments with approved budgets over \$50 million in delivery (i.e., post award of contract). Annex Four sets out the list of investments in delivery with forecast completion timeframes.

*Table Four: Investments in delivery (>\$50m) summary*

	Investments forecasted to be delivered in							
	Total in delivery		FY23		FY24		FY25	
Investment type	No.	Value	No.	Value	No.	Value	No.	Value
Infrastructure	58	\$40.2b	4	\$1.2b	13	\$2.5b	14	\$10.0b
Data and Digital	16	\$1.3b	3	\$0.4b	0	\$0.0b	2	\$0.1b
Specialist equipment	10	\$7.3b	6	\$1.2b	4	\$0.2b	1	\$3.9b
Organisational change	5	\$0.3b	2	\$0.1b	0	\$0.0b	1	\$0.1b
<b>Total</b>	<b>89</b>	<b>\$49.1b</b>	<b>15</b>	<b>\$2.9b</b>	<b>17</b>	<b>\$2.7b</b>	<b>18</b>	<b>\$14.1b</b>

*Most investments are still committed to initial investment delivery timeframes*

15. 63 per cent of investments in delivery expect to be completed within the original timeframes set out when contracts were entered into.
16. Where agencies have reported increases in the investment delivery timeframe, 50 per cent of investments have cited increased labour and material constraints as the main driver.

*Cost escalations are reported across the portfolio*

17. 49 per cent (44 of 89) of investments in delivery have reported additional cost pressures. 75 per cent of Data and Digital investments in delivery are experiencing additional time and cost pressures.
18. Separate advice on recommended investments with cost escalations accompanies this report [T2022/1595 refers].
19. Table Five summarises by investment type the count and proportion of investments that have signalled cost pressures relative to approved budgets.<sup>4</sup>

*Table Five: Investments experiencing cost pressures*

Investment type	Investments in delivery	Investments with cost pressures	Total value of investments	Total value of cost pressures
Infrastructure	58	29 (50%)	\$31.0b	\$1.4b
Data and Digital	16	12 (75%)	\$1.1b	\$0.3b

<sup>4</sup> T The total value of cost pressures reported in this quarter is incomplete as a number of agencies reporting in this quarter were in the process of calculating anticipated cost pressures and could not provide a value at the time of reporting.



<b>Specialist equipment</b>	10	2 (20%)	\$1.7b	< \$0.1b
<b>Organisational change</b>	5	1 (20%)	\$0.1b	TBC
<b>Total</b>	<b>89</b>	<b>44 (49%)</b>	<b>\$33.9b</b>	<b>\$1.8b</b>

## Next Steps

---

*We are taking actions now to improve the reliability and utility of quarterly investment reporting over the coming quarters*

20. We are making following changes to the quarterly reporting process to improve the completeness and quality of the dataset, provide greater visibility and support the development of a longer-term pipeline of investments:
  - a Requiring Chief Executive sign-off of the quarterly investment reporting returns from agencies, and submission of the returns to portfolio Ministers at the same time as submission to the Treasury. This will emphasise the importance of the process to agencies, and ensure Ministers are provided with information in a consistent format across all portfolios.
  - b Seeking information on investment proposals that are in the pre-planning phase and have not yet been fully scoped or assessed for risk. This will further improve your visibility of agency planning, enable earlier decision-making and prioritise investment proposals that can form a longer-term pipeline.

## Recommended Action

---

We recommend that you:

- a **note** that the quality of the investment data from agencies has improved this reporting cycle
- b **agree** to set expectations to Ministers and agencies about re-baselining investments to provide more realistic timelines to support sequencing in the Budget 2023 strategy Cabinet paper

*Agree/disagree*

- c **provide** feedback at the Weekly Agency Meeting on 22 August on the quarterly investment reporting approach

- d **refer** this report to the Associate Ministers of Finance (Hon Dr Megan Woods, Hon David Parker, and Hon Kiritapu Allan)

*Refer/not referred*

Craig Murphy  
**Manager**

Hon Grant Robertson  
**Minister of Finance**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

## Annex One – Investment-intensive agency overview

### New Zealand Defence Force (NZDF)

Number of investments in planning	Indicative value of investments in planning	Number of Cabinet decisions next 6 months (IBC & DBC)	Number of reported investments in delivery	Value of investments in delivery	Value of reported cost pressures
47	\$9.0b	12	21	\$6.2b	\$0.2b

1. Investment planning and delivery data provides a comprehensive forward view of business case and stage gate planning, Budget funding sought and anticipated investment start dates.
2. NZDF has a high number of initiatives in planning with large capital costs that are intending to request funding in upcoming Budgets beyond this year's cycle. We understand that the Minister of Defence is discussing the need to rationalise the investment pipeline with NZDF, to more tightly focus on those investments that are most aligned with Government priorities.

### Waka Kotahi

Number of investments in planning	Indicative value of investments in planning	Number of Cabinet decisions next 6 months (IBC & DBC)	Number of reported investments in delivery	Value of investments in delivery	Value of reported cost pressures
8	\$8.8b	6	13	\$12.2b	\$0.5b

3. Much of the reporting is at a programme level and we are working with Waka Kotahi about how to disaggregate this to provide the most useful level of visibility for Ministers.
4. There are significant cost pressures across NZUP, for which you have recently received advice [T2022/1669 refers].
5. <sup>[33]</sup>

### Ministry of Education

Number of investments in planning	Indicative value of investments in planning	Number of Cabinet decisions next 6 months (IBC & DBC)	Number of reported investments in delivery	Value of investments in delivery	Value of reported cost pressures
16	\$4.0b	3	9	\$5.4b	< \$0.1b

6. The Ministry of Education has a broad and deep investment portfolio with investments across all major types, including infrastructure, data and digital, and organisational change. The Ministry's investment function is mature considering the value and complexity of the portfolio.
7. Much of the reporting for Education, like Waka Kotahi, is at a programme level and we are working with Education about how to disaggregate this.
8. Our focus over the next quarter will be on the identification of significant cost pressures across the Education investment portfolio, given the broader inflationary conditions across the construction industry and wider market.

<sup>5</sup> State Highways, some Public Transport Infrastructure and Walking and Cycling programmes

## Te Whatu Ora Health New Zealand

Number of investments in planning	Indicative value of investments in planning	Number of Cabinet decisions next 6 months (IBC & DBC)	Number of reported investments in delivery	Value of investments in delivery	Value of reported cost pressures
20	Incomplete	6	16	\$5.5b	\$0.4b

9. Te Whatu Ora Health New Zealand was unable to provide a complete indicative forward view of investment risks, critical planning stage gates and value of funding sought in future Budgets.
10. The agency is going through a transitional phase and has committed to several actions to help strengthen the data collected.

## Kāinga Ora

Number of investments in planning	Indicative value of investments in planning	Number of Cabinet decisions next 6 months (IBC & DBC)	Number of reported investments in delivery	Value of investments in delivery	Value of reported cost pressures
2	Alternative funding	1	2	\$5.1b	N/A

11. Similar to Education and Waka Kotahi, much of Kāinga Ora's reporting is in aggregate at programme rather than project level. We are working with Kāinga Ora over the next quarter to improve the level of detail and transparency of its investment portfolio to provide us with greater insights.
12. While Kāinga Ora has not specifically reported any cost escalations in its reporting for this quarter, it has conveyed that it is managing cost escalations within its portfolio.

## Annex Two – Ministerial stage gates

Stage gate	Description	Ministerial decision points
1. Risk Profile Assessment	<p>The Risk Profile Assessment is provided to Treasury and provides a <b>system risk assessment</b> of investments (low, medium, high risk).</p> <p>This provides initial visibility of investments in the pipeline and enables system leaders, including Te Waihanga, Government Chief Digital Officer, Government Chief Data Steward and Government Procurement, to provide an assessment of risk and whether an investment is aligned to government strategy (and is therefore likely to be attractive).</p>	<p>This provides an initial stage gate of whether the investment should proceed or not (<b>prioritisation</b>).</p> <p>It also provides an early opportunity for Ministers to provide direction before planning is well underway, including timing of planning (<b>sequencing</b>).</p>
2. Indicative Business Case	<p>The indicative business case is focused on the attractiveness of an investment. It provides an opportunity for Cabinet to engage with <b>the case for change, long list to short list of options and the preferred solution</b>.</p> <p>This data point will provide you with visibility of when (and which) indicative business cases will be coming to Cabinet for consideration.</p>	<p>Whether to proceed with further planning for the investment and the preferred solution, or short list of options, outlined (<b>prioritisation</b>) and when to proceed to the next stage of planning (<b>sequencing</b>).</p>
3. Detailed Business Case	<p>The detailed business case provides an opportunity for Cabinet to <b>confirm the preferred option and way forward</b>.</p> <p>This data point will provide you with visibility of when (and which) detailed business cases will be coming to Cabinet for consideration.</p>	<p>Whether to support the confirmed preferred option and when that option should be considered for funding in the Budget process (<b>sequencing</b>).</p>
4. Budget	<p>This data point will provide you with visibility of <b>when (which Budget year) a funding decision will be sought</b>.</p>	<p>When (and whether) to fund the investment (<b>sequencing</b>).</p>
5. Implementation Business Case	<p>The implementation business case outlines the detailed implementation plan for an investment and <b>confirms that an investment is actually deliverable</b> within the time, budget and scope constraints previously agreed.</p>	<p>Whether to approve an investment to commence delivery (<b>sequencing</b>)</p> <p>This decision could be delegated to Ministerial rather than Cabinet level.</p>

### Annex Three – Investment prioritisation and sequencing flexibility (IBC & DBC approvals sought in the Sep-22 quarter)

Level of flexibility	Agency Name	Investment Name	Investment Description	Investment Type	Risk Rating	Total value of funding (\$Millions)	Year seeking funding from Budget	Approval sought
Greatest	Defence Force	Accommodation Messing and Dining Modernisation - Linton Pilot	Modernising barrack accommodation and messes to deliver a safer, fit-for-purpose living environment for personnel at Linton Camp	Infrastructure	High	[33]		
	KiwiRail	Northern Package - Marsden Point Rail Link	Provides a rail link between Northport to the North Auckland Rail Line, providing increased opportunity for freight transfer to rail from road.	Infrastructure	N/A			
	NZ Police	Emergency Communications Centre Transformation [Computer Aided Dispatch]	The project is aiming to replace core legacy systems within the Emergency Services Sector: Police, Fire & Emergency New Zealand, St John Ambulance, and Wellington Free Ambulance.	Data and Digital	High			
	National Emergency Management Agency (NEMA)	Alternative National Crisis Management Centre	Provide an IL4 resilient alternative NCMC to house up to 240 staff to support Response Ministers, perform functions for crisis governance and accommodation/related infrastructure for crisis responses.	Infrastructure	High			
	Ministry for Primary Industries	National Centre for Native Afforestation	Investment focused on increasing national propagation capacity, automated technology to scale up native seedling production, innovation in seed collection, propagation and forest establishment including restoration, through focused research; and develops a long-term national strategy.	Infrastructure	High			
	Defence Force	Defence Estate Regeneration - Horizontal infrastructure (B22)	In accordance with the Programme Business Case: three-waters, electricity, gas/heating, roading, and ICT/communications networks	Infrastructure	High			
	Defence Force	DERP - Horizontal infrastructure (B23)	In accordance with the Programme Business Case: three-waters, electricity, gas/heating, roading, and ICT/communications networks	Infrastructure	High			
	Ministry of Transport	Hamilton-Auckland Intercity Connectivity Project	An indicative business case on the potential for rapid rail to help deliver the Governments aspirations for growth and economic development in the Hamilton-Auckland Corridor.	Infrastructure	High			

Level of flexibility	Agency Name	Investment Name	Investment Description	Investment Type	Risk Rating	Total value of funding (\$Millions)	Year seeking funding from Budget	Approval sought
Limited	Ministry of Health	BreastScreen Aotearoa (BSA) IT infrastructure upgrade	This project will replace end-of-life components of the IT infrastructure supporting the national breast screening programme, BreastScreen Aotearoa.	Organisational Change	Medium	[33]		
	Ministry of Justice	Rotorua High/District Court and Maori Land Court	New High/District Court and Māori Land Court facilities/services for Rotorua in light of future regional demand and condition and performance of existing court buildings.	Infrastructure	Medium			
	Department of Internal Affairs	Buller District Flood Protection	The Minister intends to seek out-of-cycle funding for a co-investment proposal to support the relevant councils to reduce flood risk in Buller.	Infrastructure	No RPA Completed			
	Ministry of Education	Digital Identity for Online Learning	Digital identity will create a seamless way for learners to verify that they are who they say they are and access the digital services they need for learning.	Data and Digital	Medium			
	Ministry of Health	Hillmorton Hospital Campus Masterplan – Stage 1	Scope to be maximum forensic inpatient capacity within signalled budget (expected to be approximately 30 beds), plus supporting infrastructure, and consistent with the Master Site Plan.	Infrastructure	High			
	Ministry of Health	Mental Health and Addictions service Adult Acute Inpatient Facilities	Construction of a new Adult Acute Mental Health facility, and development of new ways of working within the environment.	Infrastructure	High			
	Waka Kotahi	NZUP - Otaki to North of Levin	The new Ōtaki to north of Levin (O2NL) highway will enable people and goods to move safely and will enable better and more reliable access between the South Island, Wellington and the Manawatū–Whanganui regions and the rest of the North Island.	Infrastructure	High	\$1,500	TBC	DBC
	Waka Kotahi	National Ticketing Solution	To procure, design, configure, test, deploy and operate a single national account-based contactless ticketing system for New Zealand.	Data and Digital	High	\$1,296	TBC	DBC
	Waka Kotahi	NZUP – South Auckland	The South Auckland Package is part of a broader \$2.7b NZUP investment in southern Auckland, alongside three new rail stations.	Infrastructure	High	[33]		
	Waka Kotahi	Safety Camera System	Implement a new regulatory approach to safety cameras, including the transfer of ownership and operation of safety cameras from NZ Police to	Organisational Change	High			

Level of flexibility	Agency Name	Investment Name	Investment Description	Investment Type	Risk Rating	Total value of funding (\$Millions)	Year seeking funding from Budget	Approval sought
			Waka Kotahi and a significant expansion of the camera network.			[33]		
	Department of Internal Affairs	3Waters Reform Digital and Customer - Systems of Record Investment	Systems of Record procurement and implementation investment. Recommendation to Cabinet of implementation of minimum systems for 1 July 2024	Organisational Change	High			
	Ministry of Health	Nelson Hospital Redevelopment	Service and facility redesign of the Nelson Hospital site	Infrastructure	High			
	KiwiRail	Northern Package - Marsden Point Rail Link	Provides a rail link between Northport to the North Auckland Rail Line, providing increased opportunity for freight transfer to rail from road.  NOTE: Northland Package projects funding is currently an allocation which will be confirmed once business cases have been completed. Total funding pool for Waka Kotahi and KiwiRail road and rail projects is \$692m.	Infrastructure	No RPA Completed			
	Kāinga Ora	Eastern Porirua Regeneration Project (Land Development only)	Crown contribution towards a programme of work to undertake land development and infrastructure within Eastern Porirua	Infrastructure	High			
	Waka Kotahi	NZUP - Northland (currently being re-scoped)	The Northland upgrade is part of a wider programme of improvements to safety, access and reliability between Whangarei and Auckland.	Infrastructure	High			
	Ministry of Health	Whangarei Hospital Redevelopment	The project builds new and replacement hospital space at Whangarei Hospital.	Infrastructure	High			
	Defence Force	ERP Upgrade	Transform existing business processes using upgraded technology in line with NZDF priorities via the annual continuous improvement cycle associated with the upgraded SAP platform.	Data and Digital	High			
	Defence Force	Cyber Security and Support Capability (B22)	Development of a Defensive Cyber Operations capability to protect Defence networked capabilities.	Data and Digital	High			



## Annex Four – Investments in Delivery

Agency Name	Investment Name	Region of Delivery	Approved Delivery Budget (\$M)	Current Forecast End Date																	
					FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029					
City Rail Link Limited	City Rail Link	Auckland	4,419	Dec-24																	
Defence Force	Air Surveillance Maritime Patrol	All of New Zealand	2,472	Jun-25																	
Defence Force	CLP Infrastructure	Manawatu-Whanganui	78	Jun-23																	
Defence Force	Dive and Hydrographic Vessel	All of New Zealand	106	Sep-22																	
Defence Force	Frigate Systems upgrade	All of New Zealand	639	Jun-23																	
Defence Force	Future Air Mobility Capability	All of New Zealand	1,504	Jun-25																	
Defence Force	Infrastructure Investment Programme Tranche 1	Multi-Regional	183	Jun-25																	
Defence Force	Maritime sustainment capability	All of New Zealand	523	Dec-22																	
Defence Force	Network Enabled Army Tranche 1	All of New Zealand	106	Dec-25																	
Defence Force	Network Enabled Army Tranche 2	All of New Zealand	107	Dec-25																	
Defence Force	Operational and Regulatory Aviation Compliance Sustainment Project	All of New Zealand	97	Sep-25																	
Corrections	Maori Pathways Programme	Multi-Regional	111	Jun-25																	
Internal Affairs	Te Ara Manaaki Phase II	Wellington	153	Dec-25																	
Kāinga Ora	Arlington Site 1&3	Wellington	295	Jun-25																	
KiwiRail	Drury Stations (DRS)	Auckland	495	Sep-25																	
KiwiRail	Hillside Redevelopment	Otago	105	Dec-26																	
KiwiRail	IRES	Multi-Regional	1,450	Sep-26																	
KiwiRail	Mechanical Facilities	Multi-Regional	209	Jun-25																	
KiwiRail	Northen Package - Whangarei to Otiria	Northland	95	Dec-24																	
KiwiRail	Papakura to Pukekohe Electrification (P2P)	Auckland	375	Sep-24																	
KiwiRail	Rail Network Growth Impact & AMR	Multi-Regional	333	Jun-27																	
KiwiRail	RNIP - Public Transport Infrastructure	Multi-Regional	151	Jun-24																	
KiwiRail	RNIP - Rail Network Investment Programme (first 4 years of 10 for Rail Network)	All of New Zealand	1,654	Jun-25																	
KiwiRail	Rolling Stock	Multi-Regional	1,692	Dec-26																	
KiwiRail	Wairarapa Rail Upgrades	Wellington	156	Sep-25																	
KiwiRail	Wellington Metro Upgrade Programme III	Wellington	139	Jun-24																	
KiwiRail	Wellington Metro Upgrade Programme IV	Wellington	202	Mar-24																	
KiwiRail	Wellington Station Safety	Wellington	88	Dec-24																	
KiwiRail	Wiri to Quay Park (Third Main)	Auckland	318	Mar-24																	



Agency Name	Investment Name	Region of Delivery	Approved Delivery Budget (\$M)	Current Forecast End Date	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
LNZ	Survey and Title Enhancement Programme	All of New Zealand	128	Dec-26													
MBIE	AgResearch's new Lincoln facility	Canterbury	98	Dec-23													
MBIE	Callaghan Innovation Gracefield innovation quarter	Wellington	100	Jun-24													
MBIE	Ōpōtiki Harbour redevelopment	Bay of Plenty	95	Sep-23													
Primary Industries	ETS Forestry Transformation Programme (CCIS)	All of New Zealand	80	Dec-23													
Primary Industries	On-Board Cameras across the inshore fishing fleet	All of New Zealand	68	Jun-25													
Education	Christchurch Schools Rebuild	Canterbury	1,309	Dec-24													
Education	Education Resourcing System (ERS)	All of New Zealand	119	Jun-24													
Education	Māori Medium Education Programme	All of New Zealand	77	Dec-30													
Education	National Education Growth Plan	All of New Zealand	1,584	Dec-30													
Education	National Schools Rebuild Programme	All of New Zealand	1,052	Dec-30													
Education	NCEA Review	All of New Zealand	95	Dec-26													
Education	Online Curriculum Hub (OCH) AKA Curriculum Support Online (CSO)	All of New Zealand	58	Jun-25													
MFAT	Our Place in Antarctica	All of New Zealand	344	Dec-28													
Health	Compliance Works	Canterbury	77	Jun-26													
Health	Elective Capacity and Inpatient Beds and Infrastructure (Totara Haumarū)	Auckland	308	Dec-23													
Health	Facilities Infrastructure Remediation Programme - Tranche 1	Auckland	320	Jun-24													
Health	Facilities Infrastructure Remediation Programme - Tranche 2	Auckland	351	Sep-23													
Health	Manukau Health Park	Auckland	229	Sep-24													
Health	New Dunedin Hospital	Otago	1,470	Jun-28													
Health	Specialist Mental Health Services Relocation	Canterbury	82	Dec-22													
Health	Taranaki Base Hospital Redevelopment	Taranaki	401	Dec-24													
Social Development	Corporate Platform	All of New Zealand	125	Jun-23													
Social Development	SWIFTT / TRACE Re-platform	All of New Zealand	66	Sep-22													
NZ Customs	New Zealand Traveller Declaration	All of New Zealand	99	Jun-23													
Oranga Tamariki	Frontline Workplaces	All of New Zealand	132	Dec-26													
Ōtākaro Limited	Parakiore Recreation and Sport Centre	Canterbury	345	Jun-24													
Ōtākaro Limited	Te Pae Christchurch Convention Centre	Canterbury	422	Sep-22													
Stats NZ	2023 Census	All of New Zealand	269	Dec-25													
Waka Kotahi	NZUP - Peniink	Auckland	830	Jun-26													
Waka Kotahi	NZUP - Takitimu stage 1	Bay of Plenty	655	Dec-22													
WorkSafe NZ	Modernisation of WorkSafe NZ	All of New Zealand	54	Jun-24													

