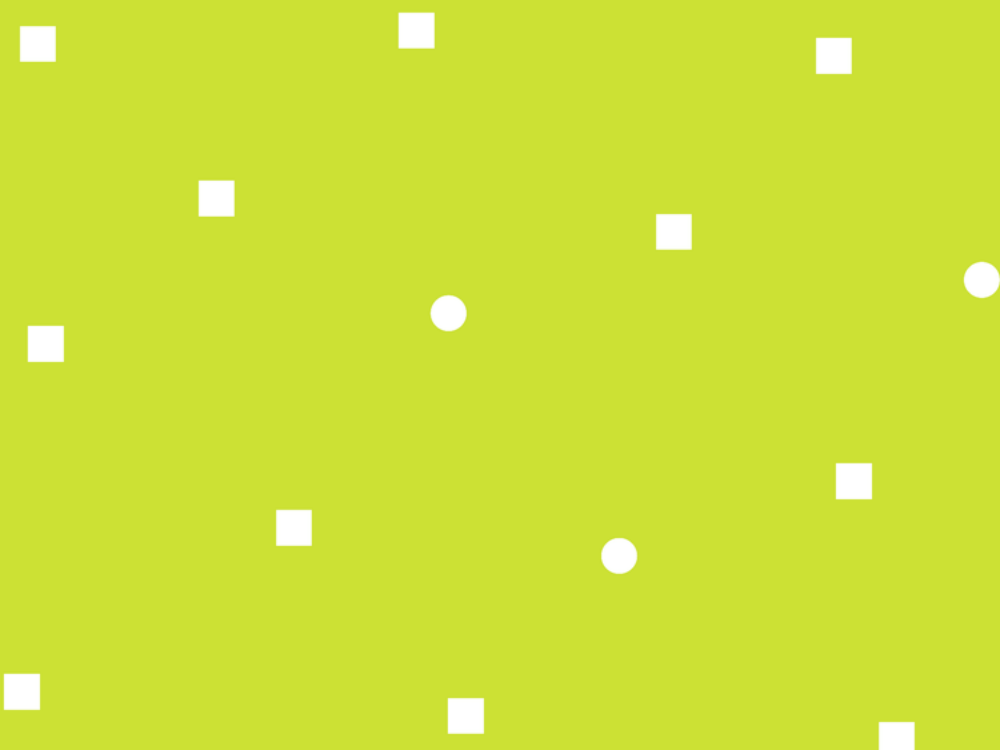




Infrastructure Investment Readiness

What the Infrastructure Priorities Programme is telling us about
better infrastructure decisions

Practical guidance for councils
and infrastructure providers

September 2026

Key Takeaways

Experience from Auckland Council's participation in the IPP, now reinforced by Te Waihangā's wider analysis, points to several recurring issues in how infrastructure investments are developed.

- Infrastructure solutions can become established before the problem is sufficiently defined or quantified.
- Technically mature projects are not necessarily investment-ready.
- Options analysis can favour predetermined or larger solutions rather than genuinely different pathways.
- Costs and value-for-money are often considered too late to meaningfully influence the solution.
- Evidence is sometimes assembled for an approval or prioritisation process rather than used to shape the investment from the outset.
- Infrastructure priorities need to align spatially and over time with growth, network capacity, funding and wider regional priorities.

The practical implication is that investment readiness is less about preparing a better application and more about developing better infrastructure investments.



What is the IPP telling us?

The Infrastructure Priorities Programme introduced a nationally consistent way of testing whether infrastructure proposals are sufficiently well defined, evidenced and developed to support national prioritisation.

Auckland Council participated extensively in the pilot. **Matthew Prasad** (now HG's Technical Director of Spatial + Urban Strategy) led Council's end-to-end involvement, including identifying candidate initiatives, coordinating inputs across Council and CCOs, preparing applications and managing engagement with Te Waihangā.

The experience highlighted an important distinction:

A project can be technically mature or delivery-ready while still being immature as an investment proposition.

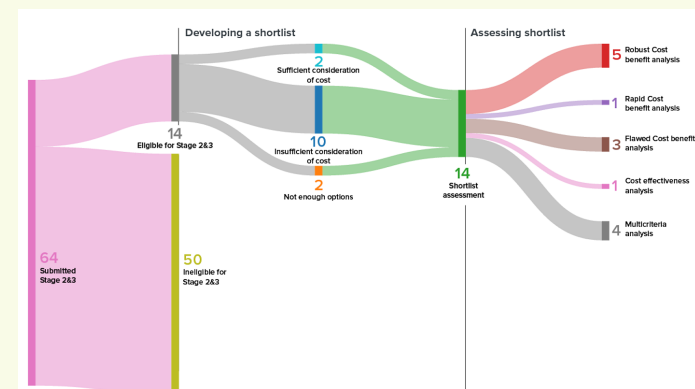
Te Waihangā's subsequent national analysis suggests this was not unique to Auckland.

Across the first three IPP rounds, nearly 150 proposals were received. **Of 64 proposals assessed at stages where options should have been considered, only 14 contained sufficient information** to complete the relevant assessment. Only two demonstrated a robust long-list to short-list process with sufficient consideration of costs.

Te Waihangā also identified a tendency towards larger-scope solutions, with potentially viable lower-cost alternatives being excluded too early.

The issue is therefore bigger than IPP applications. It is about how infrastructure problems, options and investments are developed before they reach a national assessment process.

Value for money assessments for stages 2 and 3 proposals in IPP rounds 1 through 3



Source: Te Waihangā Research Insights series *Making every dollar count: A review of the drivers of infrastructure costs in New Zealand* – Sep 2026

Start with the problem

One of the strongest lessons from the Auckland experience was the importance of defining the infrastructure problem independently of the proposed solution.

Problems were sometimes:

- defined after solution development had already begun;
- framed too broadly to be meaningfully tested;
- weakly quantified; or
- described in terms of the infrastructure thought to be required rather than the underlying impact.

This is materially important because the problem establishes the scale of intervention that can reasonably be justified.

A strong problem definition should establish:

- **What is happening?**
What infrastructure or service issue exists?
- **How significant is it?**
What is the impact in dollars, people affected, service performance, risk or other measurable outcomes?
- **Where and when does it occur?**
What is the spatial extent and how does the problem change over time?
- **What happens if we do nothing?**
What is the consequence of maintaining the status quo?

Key point

If the problem cannot be clearly bounded and quantified, it is difficult to know whether the proposed solution is proportionate

Test real alternatives

Once the problem is understood, the next question should be:

What are the different ways we could solve it?

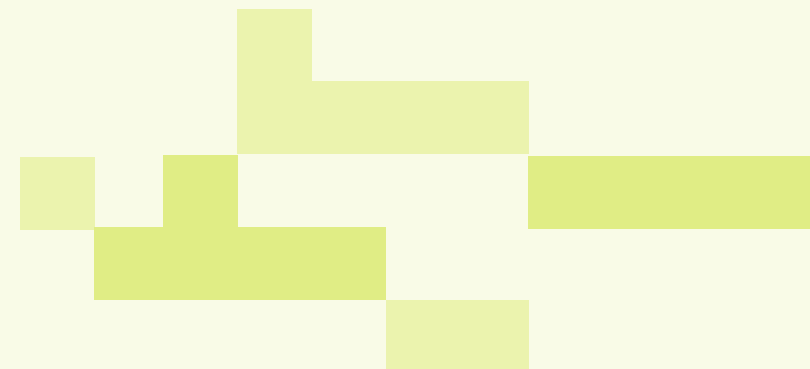
The Auckland experience showed that optioneering was sometimes undertaken after a preferred solution had effectively been established.

Multiple options may exist on paper, but they are not genuinely different if they are simply variations in the scale, alignment or design of the same solution.

A credible long-list should be prepared to test:

- lower-cost interventions;
- staged or deferred investment;
- demand management;
- different service levels;
- policy or regulatory responses;
- better use of existing infrastructure;
- alternative locations or sequencing; and
- different capital solutions.

Te Waihangā's recent analysis reinforces this concern, finding that lower-cost options can be prematurely excluded and that infrastructure proposals can gravitate towards larger-scope solutions.

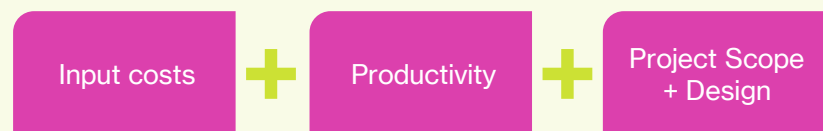


“Options analysis should test different ways of solving the problem, not different versions of a solution already selected.”

Make every dollar count

Infrastructure affordability is not simply a question of finding more funding.

Te Waihanga identifies three broad drivers of infrastructure cost:



While organisations have limited control over many external input costs, they have considerably greater influence over the scope and design of the infrastructure they choose to pursue.

That places greater importance on decisions made early in project development.

If a preferred solution becomes established before the problem, alternatives and costs are properly tested, organisations risk designing more infrastructure than the underlying problem requires.

Cost-benefit and value-for-money analysis should therefore help shape the investment, rather than simply justify it later.

The question should not only be:

“Can we fund this solution?”

It should first be:

“What is the least-cost, highest-value way of solving the problem?”

Build an evidence pipeline

Strong investment decisions depend on evidence being available early enough to influence them.

During the pilot in Auckland Council, information often existed across different parts of the organisation but had not been brought together or developed to the level required to clearly demonstrate:

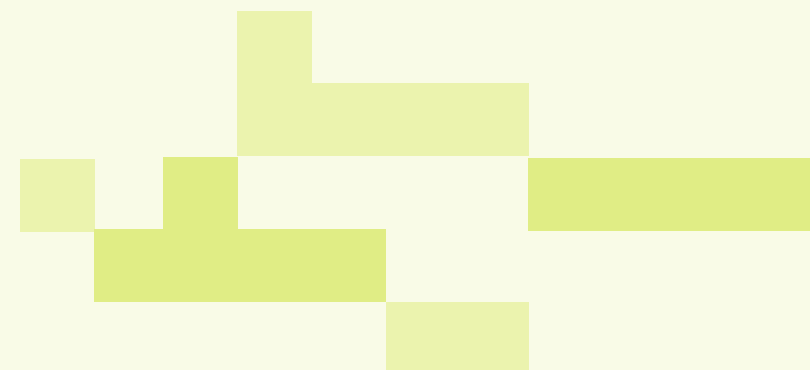
- where and when demand or growth was occurring;
- the scale and consequence of the infrastructure problem;
- existing network capacity and constraints;
- the cost of different interventions;
- the benefits and outcomes expected; and
- how the investment related to other organisational and regional priorities.

Large headline numbers were particularly problematic where the connection between the number, the underlying problem and the proposed intervention was unclear.

The objective should not be to create more information for an IPP application or other funding justification application. It should be to ensure **significant infrastructure initiatives are evidence-ready as part of normal investment governance.**

Key point

Evidence should shape the investment, not be assembled afterwards to support it



Alignment matters

Infrastructure decisions do not sit in isolation

An infrastructure investment can be well developed individually but still be difficult to justify if it does not align with the wider growth, investment and delivery story.

Strong infrastructure programmes increasingly need to demonstrate:

- **Spatial and timing alignment**
The “where and when” of growth or change is matched to infrastructure capacity, investment priorities and funding pathways.
- **Organisational alignment**
Planning, infrastructure and finance teams are working from a consistent problem, evidence base and delivery pathway.
- **Regional and sub-regional alignment**
Local priorities sit coherently within wider regional strategies, growth patterns and infrastructure networks.
- **Partner and stakeholder alignment**
Where relevant, support from neighbouring councils, regional councils, mana whenua, infrastructure providers, economic development agencies and other partners can strengthen the case for wider significance.

“The strongest investment propositions form part of a coherent delivery story, rather than standing alone as individual projects.”



What does investment ready look like

The organisations most likely to respond well to future national investment and assurance processes will be those that embed these disciplines into business-as-usual decision-making.

A useful starting point is to pressure-test significant initiatives:

Problem

Can we clearly articulate and quantify the infrastructure problem independently of the solution?

Options

Have we genuinely tested different ways of solving it, including lower-cost, staged or non-capital alternatives?

Value

Have costs, benefits and value-for-money influenced the preferred pathway early enough?

Evidence

Can the evidence withstand scrutiny beyond the organisation?

Delivery

Are staging, sequencing, funding and whole-of-life implications understood?

Alignment

Does the investment make sense spatially, over time and within wider organisational and regional priorities?

If these questions are difficult to answer, the issue is unlikely to be the quality of an eventual application. It is a signal that the investment itself requires further development

What does this all mean?

The IPP experience provides a useful window into a broader change in infrastructure investment decision-making.

National processes are placing greater emphasis on whether infrastructure problems are clearly defined, alternatives have genuinely been considered, solutions are proportionate, and value-for-money can be demonstrated.

The recent National Infrastructure Plan and Te Waihanga's Making every dollar count work reinforce this direction.

While Te Waihanga is no longer accepting new IPP applications as it works with Treasury on the Government's new infrastructure assurance process, the underlying investment discipline remains highly relevant.

For councils and infrastructure providers, this means the focus should move upstream.

Better problem definition, genuine options analysis, earlier value-for-money testing and stronger spatial, timing and regional alignment will improve infrastructure decisions regardless of the national process through which they are ultimately assessed.

Bottom Line

The investment discipline behind the IPP is here to stay.

Being investment-ready is not about preparing a better application. It is about making better infrastructure decisions before an application is needed.

How can HG help

Strong infrastructure investment decisions are usually shaped well before a business case, funding application or national assurance process begins.

Harrison Grierson works with councils and infrastructure providers upstream to:

- independently stress-test infrastructure problems and investment logic;
- test whether alternative pathways have been sufficiently explored;
- strengthen the connection between spatial planning, infrastructure sequencing and investment;
- bring value-for-money considerations into decision-making earlier; and
- assess whether significant initiatives are sufficiently developed to withstand external scrutiny.

This can support an individual initiative, programme or wider infrastructure pipeline.

The objective is not simply to make projects more submission-ready. It is to help organisations make clearer, more defensible infrastructure investment decisions.

Get in touch

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Matthew brings more than 20 years' experience across architecture, urban design, masterplanning, infrastructure strategy, spatial planning and development advisory. He leads HG's Spatial + Urban Strategy capability and works with public and private sector clients to turn complex evidence and competing priorities into clearer decisions and practical pathways forward.

He led the coordination of the IPP process within Auckland Council and worked with Te Waihanga | The Infrastructure Commission on improvements to the IPP process for future rounds including how councils could embed the IPP as a standard business approach.

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