



NATIONAL INFRASTRUCTURE
FUNDING AND FINANCING LIMITED

STATEMENT OF PERFORMANCE EXPECTATIONS

1 JULY 2025 – 30 JUNE 2026

June 2025
Presented to the House of Representatives
pursuant to the Crown Entities Act 2004

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1: INTRODUCTION

This Statement of Performance Expectations (SPE) is submitted by the Board of Directors of National Infrastructure Funding and Financing Limited (the Company), pursuant to the Crown Entities Act 2004. It sets out the performance expected of the Company for the period 1 July 2025 to 30 June 2026 (FY25/26).

This SPE includes information on reportable classes of outputs, including what each class of output is designed to achieve, expected revenue and proposed expenses, and how the performance of each class of outputs will be assessed. It is comprised of programme descriptions, metrics, targets and impacts.

This document is designed to be read in conjunction with the Company's Statement of Intent 1 March 2025 - 30 June 2029 which includes information on overarching programmes, including expected outcomes. The information provided in this SPE is for National Infrastructure Funding and Financing Limited (the Parent, and the Company) and its controlled subsidiaries (the Group).

STATEMENT OF RESPONSIBILITY

The Company is responsible for the statements contained in this document, including the appropriateness of the business assumptions underlying them. The Company is also responsible for internal control systems that provide reasonable assurance as to the integrity of its financial reporting.



Mark Binns, Chair
30 June 2025



Alan Dent, Director
30 June 2025



Thermal Dryer, New Plymouth – IRG

2: STRATEGIC CONTEXT AND ROLE OF THE COMPANY

In December 2024, the Government implemented changes to the New Zealand infrastructure system to establish clearer roles and responsibilities, greater accountability, stronger system leadership and a greater focus on using private capital to deliver public infrastructure projects.

2.1 OUR PLACE IN THE NEW ZEALAND INFRASTRUCTURE SYSTEM

National Infrastructure Funding and Financing Limited (**NIFFCo**) was established on 1 December 2024 by repurposing Crown Infrastructure Partners Limited (**CIP**), to perform the following functions:

- existing CIP functions and responsibilities including the administration of infrastructure funds;
- partner with government agencies to deliver projects involving private finance; and
- connecting investors to relevant funds and ensuring the process for private investment in government infrastructure projects is transparent, consistent and efficient.



Queenstown Arterials Opening, Otago - IRG



2.2 WHAT WE DO

The Company now performs the following expanded functions:

- **Partner on private finance for public infrastructure**
The Company works with government agencies to provide commercial, financing and procurement advice and support to access private finance for public infrastructure. This can be in the form of a Public Private Partnership (PPP), or alternative procurement models where private capital is used to support the delivery of public infrastructure. The Company also works with infrastructure owners and greenfield property developers to utilise the Infrastructure Funding and Financing Act (the IFF Act) tool which unlocks private finance for infrastructure.
- **Acting as a shopfront for infrastructure investment**
The Company engages domestic and international infrastructure investors to promote private capital investment opportunities in public infrastructure, in partnership with government's Invest NZ. The Company manages and assesses Market-Led (unsolicited) Proposals on behalf of the government, providing a single interface for private sector ideas to enhance and improve public services and investment.
- **Infrastructure funds management**
The Company manages government infrastructure funds to deliver infrastructure in accordance with Government policy and funding agreements. The Company reports the performance of infrastructure funds to the Government and the public.

3: THE COMPANY’S OBJECTIVES AND PRIORITIES

This SPE sets out the targets and forward budgets for the Company for FY25/26 which are consistent with the direction from Shareholding Ministers in their Letter of Expectations to the Company, dated 13 March 2025.

The following diagram sets out the Company’s strategic objectives and strategic priorities (which apply across multiple years) as well as FY2025/26 priorities (which apply for the upcoming year).

STRATEGIC OBJECTIVES	STRATEGIC PRIORITIES	FY 2025/26 PRIORITIES
PARTNER ON PRIVATE FINANCING FOR PUBLIC INFRASTRUCTURE	• Partner on private financing for public infrastructure – provide specialist advice, capability and expertise to support agencies to deliver PPPs and other public infrastructure projects financed by forms of private capital.	• Agency engagement formalised with cost recovery. • Provide financing/ capital contribution advice. • Increase PPP expertise and reliance by agencies on the Company’s expertise. • Establish private capital potential investible public infrastructure pipeline. • Alternative Financing models developed.
INFRASTRUCTURE FUNDING AND FINANCING	• Infrastructure Funding and Financing – implement and facilitate funding and financing of infrastructure in accordance with the IFF Act 2020.	• Transact one Greenfield development. • Develop qualified Greenfield pipeline. • Commence evaluation of transport opportunities. • Develop Water Infrastructure funding model. • Standardise documentation and enhance security.
CONNECT INVESTORS TO PRIVATE INFRASTRUCTURE OPPORTUNITIES	• Investor Shopfront – support public infrastructure agencies to access private capital for approved projects.¹ • Market-Led Proposals – serve as a single point of contact for investors on inbound Market-Led (or unsolicited) Proposals for the Crown.	Shopfront: • Maintain debt panel relationships and enhance if necessary. • Broaden institutional options, approach insurers. • Broaden and maintain PPP fund relationships. • Develop Kiwisaver as a funding provider option. • Develop commercial property for strategic leasing. Market-Led Proposals: • Operate secretariat effectively for the Steering Committee. • Administer process according to guidelines. • Promotion to market and agencies.
ADVISORY SERVICES	• Advisory Services – provide corporate finance, commercial and procurement advice to government agencies to inform and/or implement government infrastructure policy as required.	• City Regional Deals – provide commercial, funding and financing advice and support. • Local Water Done Well – support the programme as requested. • Public Safety Network – provide advice and support to NZ Police in the delivery of radio and mobile network infrastructure. • Provide corporate finance to government as requested.
MANAGE INFRASTRUCTURE FUNDS	• Infrastructure Acceleration Fund – provide funding and oversight to local councils for infrastructure that is required to enable housing developments that support growth in areas of need, including transport, and three waters. • Cyclone Recovery Funds – provide funding and oversight of councils in their response to the North Island weather events, including property purchase, construction of flood protection infrastructure, and repair of regional and local transport links. • Infrastructure Reference Group Fund – provide funding and oversight on the delivery of projects approved by Government for IRG funding to support construction, employment and economic activity. • Rural and Marae Drinking Water Funds – deliver safe drinking water to kāinga and other water supplier sites in rural New Zealand through the provision of water treatment plants. • Electric Vehicle (EV) Charging Infrastructure Fund – administer the concessionary loan scheme for EV charging infrastructure to support the roll-out of chargers by making the investment model more financially viable.	• Infrastructure Acceleration Fund – commence fund management and identify improvement areas. • Cyclone Recovery Funds – drive improved delivery for flood protection, commence Whenua Māori Pathways and monitor transport projects. • Infrastructure Reference Group – focus on remaining project delivery and risks. • Rural and Marae Drinking Water – deliver safer drinking water to further marae. • EV Charging Infrastructure – commence administration of the Fund.
IMPROVE CONNECTIVITY	• Rural Broadband – enable rural households and businesses to receive improved broadband capacity or coverage. • Rural Mobile – improve the availability of mobile services to support safety on state highways and regional roads, enhance visitor experience at great walks/cycleways/track-ends and key tourist destinations, and provide mobile coverage to settlements, which do not currently have coverage from any mobile operator.	• Rural Broadband – complete coverage and capacity programmes. • Rural Mobile – focus delivery of remaining key blackspots.

1 See Government Guidance, including: Funding and Financing Framework | The Treasury New Zealand; and Strategic Leasing | The Treasury New Zealand.

4: REPORTABLE OUTPUTS

This section describes the Company's outputs for the period from 1 July 2025 to 30 June 2026 (FY25/26). The outputs which are reportable under section 149E(1)(a) of the Crown Entities Act 2004 are:

Partnering, Shopfront and Advisory

- Partner on Private Financing for Public Infrastructure
- Infrastructure Funding and Financing
- Investor Shopfront
- Market-Led Proposals
- Advisory services

Infrastructure funds

- Infrastructure Acceleration Fund
- Cyclone Recovery Funds
- Infrastructure Reference Group Fund
- Rural Drinking Water Funds
- EV Charging Infrastructure Fund

Connectivity

- Rural Broadband Funds
- Rural Mobile Funds

Financial

- Financial and Operational Efficiency

Performance on these measures will be reported in the Company's Annual Report.

CHANGES FROM THE LAST SPE

Following the repurposing of the Company on 1 December 2024, the Company issued an Amendment to the Statement of Performance Expectations 2024/25 (**the Amendment**) to reflect the changes to its work programmes. The Amendment included new reportable outputs for Partner on Private Financing for Public Infrastructure, Investor Shopfront and for Market-Led Proposals. In addition, the Amendment modified the reportable measure for Infrastructure Funding and Financing (**IFF**).

The Amendment identified Corporate Finance Advisory as a Strategic Objective and non-reportable measure. Consistent with the Company's Operational Funding Agreement with the Government, this has been updated to a new Advisory Services reportable output in the SPE. Incorporated into the Advisory Strategic Objective is the Public Safety Network (**PSN**), which previously was a reportable output under the Connectivity Strategic Objective.

In February 2025, the Minister for Infrastructure announced that the Company would take on management of the Infrastructure Acceleration Fund. A new reportable class of outputs has been included for FY25/26 to monitor performance against this priority.

The Electric Vehicles (**EV**) Charging Infrastructure fund is also in the process of being established and the Company has been appointed to manage this fund of concessionary loans. A new reportable class of outputs has been included for FY25/26 to monitor performance against this priority.



Electric Ferry launch of the first vessel, Auckland - IRG

4.1 PARTNER ON PRIVATE FINANCING FOR PUBLIC INFRASTRUCTURE

4.1.1 Partner on Private Financing for Public Infrastructure - Provide specialist advice, capability and expertise to support agencies to deliver public infrastructure projects financed by forms of private capital

PERFORMANCE TARGETS FOR THE PARTNER ON PRIVATE FINANCING FOR PUBLIC INFRASTRUCTURE PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Number of transactions receiving private finance advice and support	1	3	4

This class of outputs tracks the Company’s progress towards achievement of its Partner on Private Financing of Public Infrastructure Strategic Priority.

Why this is a Strategic Priority: While there is widespread use of private financing to deliver infrastructure in New Zealand, in some sectors it is common for projects to be delayed and deferred until public funding is available. The Government considers that private financing can play a larger role in accelerating delivery, leveraging private sector expertise, and potentially lowering overall costs of public infrastructure investment. It may also help free up public funds for other priorities and transfer risks to those best placed to manage them.

Role of the Company: In late 2024, the Government transferred responsibility for providing advice and support to government agencies on large infrastructure projects that should be considered for private finance to the Company. The Company partners with government agencies to increase access to private financing and alternative procurement models, such as Public Private Partnerships (PPPs). The Company advises on the commercial, financing and procurement elements of an agency’s business case, including the procurement options analysis, funding and financing options and structures, and investor engagement. The Company acts as a commercial and financial advisor for the government agency responsible for delivering the infrastructure project and advises government agencies on funding and financing considerations.

Medium-term objectives: Since being repurposed in late 2024, the Company has been providing advice and support to relevant agencies on PPP projects in the early planning and procurement stages and will continue to provide support throughout the project procurement process, which depending on the project, can be expected to take 18-30 months to reach financial close. Up to four active and/or potential PPPs will receive support from the Company over the next two years, with potential to support additional projects that may benefit from private financing. Following completion of the first transaction, the Company will perform a post-outcome review to inform Government policy settings.

Long-term benefit to New Zealand: Private financing of public infrastructure will support partner-government agencies to realise greater and more consistent value for money sooner with available public resources. New Zealanders will benefit from infrastructure which meets public objectives and is more responsive to demand.

How we measure performance: The reportable measure for this class of outputs has been chosen to monitor the number of transactions supported by the Company. A transaction is a public infrastructure project that is required to be considered by the Company for private financing pursuant to Treasury Circular 2024/18. In addition, as a Non-Reportable Measure, the Company will monitor relationships with agencies, the support provided, and the extent to which the Company is achieving its mandate.

4.2 INFRASTRUCTURE FUNDING AND FINANCING

4.2.1 Infrastructure Funding and Financing – Implement and facilitate funding and financing of infrastructure in accordance with the IFF Act 2020

PERFORMANCE TARGETS FOR THE INFRASTRUCTURE FUNDING AND FINANCING PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Number of transactions initiated	1	1	1

This class of outputs tracks the Company’s progress towards achievement of its Infrastructure Funding and Financing (IFF) Strategic Priority.

Why this is a Strategic Priority: New Zealand’s cities and regions are growing quickly, with housing supply and associated infrastructure often not keeping pace with demand. Councils and some government agencies are responsible for delivering infrastructure such as water and transport, but often face debt constraints. These borrowing constraints can lead to postponements of investment in viable infrastructure projects, including the infrastructure needed for new housing developments. The IFF Act enables infrastructure projects to be delivered outside of local authority or core government financing constraints, while mitigating high upfront costs to developers.

Role of the Company: The Company’s role includes facilitation and execution of transactions, providing equity financing and in certain cases debt financing, as well as investing in and raising finance (debt) on capital markets for Special Purpose Vehicles established under the IFF Act, which finance the infrastructure. Using its expertise, the Company also works with officials on the ongoing development of models, and provides input to Government on IFF Act reforms and other technical matters where requested. The Company successfully transacted the Milldale development that was a precursor to the IFF Act, the initial IFF Act city-wide transactions for a package of Transport Systems Projects (TSP) in Tauranga, and a Sludge Minimisation Facility (SMF) in Wellington, with \$698m of private financing secured to deliver these projects.

Medium-term objectives: In March 2025, a new Greenfield model to support greenfield development, including the availability of \$100m of Crown appropriation, was announced by Government, and further reform to widen the eligibility criteria and application of the Act is expected over time. Reforms may lead to increased IFF activity in the medium-term, with approximately one transaction initiated and one closed every ~18 months.

Long-term benefit to New Zealand: The IFF programme supports infrastructure owners and greenfield property developers to fund infrastructure which previously could not be funded or prioritised due to financial constraints and to allocate the costs of that infrastructure to beneficiaries of investment. New Zealanders will benefit from improved housing, transport, water, climate adaptation and community outcomes.

How we measure performance: The reportable measures for this class of outputs have been chosen to monitor the number of transactions initiated.



Research and Innovation Queenstown, Otago - IRG

4.3 CONNECT INVESTORS TO INFRASTRUCTURE OPPORTUNITIES

4.3.1 Investor Shopfront – Act as the Government’s lead to facilitate private capital investment into public infrastructure

PERFORMANCE TARGETS FOR THE INVESTOR SHOPFRONT PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Number of relationships identified, established and maintained with senior debt panel providers	25	25	25
Number of domestic and international equity infrastructure investors (including specialist Public Private Partnership funds, infrastructure fund investors and others) identified and engaged	4	10	15

This class of outputs tracks the Company’s progress towards the Investor Shopfront Strategic Priority.

Why this is a Strategic Priority: Significant amounts of private capital from domestic and international sources will be necessary for New Zealand to modernise and grow its public infrastructure base, to build a more resilient economy, add to national prosperity, and secure international competitiveness. In December 2024, the Government appointed the Company to act as the Crown’s “shopfront” to strengthen the Government’s investment capability and engagement with domestic and international infrastructure investors.

Role of the Company: The Company promotes opportunities for private capital to invest in New Zealand’s public infrastructure. Working in partnership the Government’s Invest NZ, the Company matches the capabilities and experience of potential international and domestic investors with government agencies and projects that may be appropriate for private finance.

Medium-term objectives: The Company will develop relationships with domestic and international infrastructure investors to increase the availability of private finance for public infrastructure. Over the medium-term, new investment options and more competitively priced debt and equity that meet Government infrastructure investment objectives should reduce the cost of public infrastructure delivery.

Long-term benefit to New Zealand: Connecting investors to infrastructure opportunities will benefit New Zealanders by facilitating domestic and international interest in financing, delivering and operating New Zealand infrastructure. New and additional capital, skills, technology, systems and processes will increase the impact of each dollar invested, helping to improve infrastructure service performance.

How we measure performance: The reportable measures for this class of outputs have been chosen to monitor the number of equity investors engaged by the Company, as captured through the Company’s Investor Relations tracking system. In addition, as a Non-Reportable Measure, the Company will manage and develop relationships and engagement with investors in public infrastructure in conjunction with Invest NZ.

4.3.2 Market-Led Proposals – Serve as a single point of contact for investors on inbound Market-Led (or unsolicited) Proposals for the Crown

PERFORMANCE TARGETS FOR THE MARKET-LED PROPOSALS PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Submission forms, guidance and template documents are made publicly available and internal governance structures are in place to process and evaluate proposals	By end of FY24/25	Achieved	N/A
Recommendation reports for Stage 0 proposals ready for Steering Committee review within one month of agency engagement being completed	-	-	90%

This class of outputs tracks the Company’s progress towards achievement of its Market-Led Proposals Strategic Priority.

Why this is a Strategic Priority: New Zealand has not advanced a Market-Led or unsolicited Proposal (MLP), while other comparable jurisdictions have successfully delivered unsolicited proposals. The Government has signalled that it wants to encourage private sector ideas and innovation and in 2024 developed new guidelines for considering and processing MLPs. The Company has been appointed as a single point of contact for inbound MLPs from proponents.

Role of the Company: The Company receives all MLPs (other than pharmaceuticals) on behalf of the Government and undertakes initial compliance checks. The Company facilitates interactions between proponents and government agencies, and coordinates assessment and responses. The Company performs a substantive role in assessing such proposals for recommendation and consideration by Government.

Medium-term objectives: New guidelines for MLPs became operational in December 2024. The Company will continue to receive and assess proposals and provide secretariat support for MLPs to ensure proponents have a single point of contact with government, and a clear and transparent process for submitting new ideas.

Long-term benefit to New Zealand: A well-managed process to receive and assess MLPs will encourage the private sector to engage in the MLP process, with the aim of stimulating innovation and providing more sustainable and cost-effective solutions for public benefit.

How we measure performance: The reportable measures for this class of outputs have been chosen to monitor the timeliness of the Company’s processing of MLPs received. Stage 0 is the first phase of engagement with government in the MLP process.

4.4 ADVISORY SERVICES

4.4.1 Advisory Services – Provide corporate finance, commercial and procurement advice to government agencies to inform and/or implement government infrastructure policy as required

PERFORMANCE TARGETS FOR THE ADVISORY SERVICES PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Number of government programmes supported with advice	-	-	3
PSN: Mobile implementation	Traffic prioritisation available to all participating agencies	Complete	N/A
PSN: Land Mobile Radio regions completed	2	0.75	4 (total)

This class of outputs tracks the Company’s progress towards the Advisory Services Strategic Priority.

Why this is a Strategic Priority: The Government regularly introduces new infrastructure programmes to address service gaps, leverage new opportunities and promote policy. Sometimes these programmes require specialised infrastructure expertise which sits outside government agencies, and the Government appoints the Company to advise on corporate finance, commercial, procurement, contract management or other matters.

Role of the Company: The Company maintains specialised corporate finance, commercial, procurement and contract management expertise which it provides on request to Government. The Company is currently supporting the Department of Internal Affairs (**DIA**) with advisory services for the Local Water Done Well (**LWDW**) and City Regional Deals initiatives.

The Company is also involved in the Public Safety Network (**PSN**) programme as mandated by Cabinet, and is a signatory to the Priority Mobile and the Land Mobile Radio (**LMR**) contracts (but is not providing funding), where its role is limited to network build components (not ongoing operations or migration of services). The Company has partnered with the Next Generation Critical Communications (**NGCC**) Group of NZ Police as an infrastructure delivery oversight partner. The Company provides procurement, commercial advisory and delivery support to NZ Police.

Medium-term objectives: As part of the Government’s LWDW initiative, water services providers are required to provide Water Services Delivery Plans (**WSDPs**) to DIA in September 2025. The Company has been asked to assist with the review of these plans.

The Company's support to DIA on the City and Regional Deals initiative is expected to result in one deal between the Government and a city-region in late 2025, and a further two deals in 2026.

For PSN, the implementation of the network build components of the Priority Mobile programme that the Company is involved in, is now complete and operating as anticipated. The first two regions of the LMR component are forecast to be commissioned in June 2025 and will be expanded across all New Zealand regions by 2027.

Long-term benefit to New Zealand: High quality advice will enable government to access cost effective private finance, leverage private sector expertise, procure and deliver improved public infrastructure services. Where alternative funding and financing arrangements to Crown funding can be identified, government can accelerate delivery of quality public infrastructure services. The PSN programme will benefit New Zealanders by providing the most up to date, secure, resilient communications capability and coverage for emergency service providers to better serve and improve wellbeing for members of the public.

How we measure performance: The reportable measures for this class of outputs have been chosen to monitor the quantity of the Company’s support to lead agencies. Lead agencies are government infrastructure owners and operators that hold overall responsibility for health, transport, education, justice, corrections or other government infrastructure delivery. The reportable measure for the PSN programme has been chosen to monitor delivery of the built LMR network ready for NGCC testing.



Kemp Road Slip, West Auckland – Cyclone Recovery

4.5 DELIVER GOVERNMENT INFRASTRUCTURE FUNDING

4.5.1 Infrastructure Acceleration Fund – Provide funding and oversight to local councils for infrastructure that is required to enable housing developments that support growth in areas of need, including transport and three waters

PERFORMANCE TARGETS FOR THE INFRASTRUCTURE ACCELERATION FUND PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Complete programme and status review of fund by the end of October 2025	N/A	N/A	Review complete
On completion of review, funding payments to partners based on agreed milestones paid within 30 days of receipt of valid claim	N/A	N/A	100%

This class of outputs tracks the Company’s progress towards the achievement of the Infrastructure Acceleration Fund (**IAF**) Strategic Priority.

Why this is a Strategic Priority: In February 2025, the Government announced that administration of the IAF would transfer from Kāinga Ora to the Company. The IAF is a fund to support delivery of development infrastructure (predominantly water and transport infrastructure) to accelerate the enablement of land for housing.

Role of the Company: The Company will administer and manage the delivery of the IAF. The Company will review and assess existing funding agreements with councils and consider and implement any changes that may be required to support successful delivery of the fund. The Company will approve the release of funds against contracted deliverables, and monitor delivery of agreed services and outcomes. The Company will provide regular reporting to the government and public on progress, including financial and performance reporting.

Medium-term objectives: IAF recipients progress projects in accordance with their IAF Funding Agreements and are achieving payment milestones.



Urquhart Road Culvert Replacement, Franklin – Cyclone Recovery

Long-term benefit to New Zealand: The IAF programme will benefit New Zealanders by accelerating the supply of infrastructure-enabled land for housing. The increase in developed land supply is expected to put downward pressure on urban land prices, supporting housing affordability, and improve housing choice.

How we measure performance: The reportable measures for the IAF programme have been chosen to monitor the Company’s performance against the initial review of the programme and projects and of milestone payments.

4.5.2 Cyclone Recovery Funds – Provide funding and oversight of councils in their response to the North Island weather events, including property purchase, construction of flood protection infrastructure, and repair of regional and local transport links

PERFORMANCE TARGETS FOR THE CYCLONE RECOVERY PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Regional Transport: Number of transport projects advanced, measured by projects completed	24 projects started	30 projects started	18 projects completed*
Category 2 Flood Mitigation: Number of Category 2 flood projects advanced during year, measured by projects started	7 projects started	8 projects started	14 projects started [†]
Flood Resilience: Flood resilience projects advanced during the year measured by funding invested	80% of total spend	70% of total spend	100% completed
Category 3 Buy Outs: Number or proportion of Category 3 property purchases funded during year	450	700	100% completed [^]
Marae pathways projects progress: number of marae commencing construction	N/A	N/A	5

* Cumulative and includes projects started/completed in FY24/25.
[^] Final number of properties still to be confirmed, target for FY25/26 is purchase completion.

This class of outputs tracks the Company’s progress towards the achievement of the Cyclone Recovery Strategic Priority.

Why this is a Strategic Priority: Following highly destructive weather events in 2023, most notably the Auckland Anniversary Weekend floods and Cyclone Gabrielle, the Government established several funds to assist affected regions. Funding will be provided to support contracted councils with the reinstatement of transport links, the construction of new flood mitigation infrastructure, to assist in the buyout of flood affected residential properties where there is intolerable risk to life, and provide relocation support for marae and residents on whenua land.

Role of the Company: The Company manages and oversees the Cyclone Recovery Funds for the Government. The Company monitors the delivery of contracted infrastructure by councils and approves the release of Crown funding as agreed milestones are reached. The Company reports back progress to Ministers and the public.

Medium-term objectives: Projects deliver reinstated transport links and flood mitigation to residential properties where there is intolerable risk to life. Funding agreements are all currently scheduled to expire in 2033. All transport projects are due to be completed in 2027. Flood mitigation projects are currently expected to be complete by 2030.

Long-term benefit to New Zealand: Cyclone Recovery Funds will benefit New Zealanders by providing funding which reduces intolerable risk to life, increases the insurability of residential properties in weather impacted regions across New Zealand, and restores regional and local transport links for communities and commerce. The Cyclone Recovery Funds will also provide funding to councils to support flood resilience projects in the most severely impacted regions.

How we measure performance: The reportable measures for the Cyclone Recovery programme have been chosen to monitor the Company’s performance for each infrastructure class against the amount of funding provided, plus track Category 3 buyouts of private property.

4.5.3 Infrastructure Reference Group Fund – Provide funding and oversight on the delivery of projects approved by Government for IRG funding to support construction, employment and economic activity

PERFORMANCE TARGETS FOR THE INFRASTRUCTURE REFERENCE GROUP PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Project implementation: The Company's projects advanced during year, measured by amount of Government funding invested versus total Government funding approved for projects	90%	90%	95%
Projects completed: minimum number of the Company's IRG projects completed, project to date	35	36	43*

*Target of 43 includes 36 projects completed to FY24/25 plus 7 due for completion in FY25/26.

This class of outputs tracks the Company's progress towards the achievement of the Infrastructure Reference Group Strategic Priority.

Why this is a Strategic Priority: Ministers announced the establishment of the Infrastructure Reference Group (IRG) programme in 2020 to provide economic stimulus recovery post COVID-19. To support the Government's economic objectives and construction employment, an investment programme was identified, ultimately comprising 219 projects. The Company monitors and reports on the overall programme and has responsibility for delivering 46 of these projects, of which 32 have been completed (as of May 2025). The programme will be substantially complete in FY26/27.

Role of the Company: The Company monitors and reports on the overall programme and has responsibility for delivering 46 of the projects.



Orangapai tower, Central Otago, Unifone - Connectivity

Medium-term objectives of the programme: The IRG fund is projected to be fully allocated by 2027. The final projects overseen by the Company will be completed in 2026 and the final projects in the programme completed in 2027.

Long-term benefit to New Zealand: The IRG programme will benefit New Zealanders throughout the country by providing new community facilities such as sports and recreation centres, swimming pools, social housing, increased land supply for housing, improved transport links, social infrastructure (such as The Kind Foundation and City Missions), and increased tertiary education facilities.

How we measure performance: The reportable measures for the IRG programme have been chosen to monitor the Company's performance against both the number of projects delivered and total investment allocated.

4.5.4 Rural and Marae Drinking Water Funds – Deliver safe drinking water to kāinga and other water supplier sites in rural New Zealand through the provision of water treatment plants

PERFORMANCE TARGETS FOR THE RURAL AND MARAE DRINKING WATER PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Rural and Marae Drinking Water contracting and installations: minimum number of kāinga and other rural water treatment plants installed	90	90	122*
Rural and Marae Drinking Water installation satisfaction: minimum number of kāinga and other rural sites satisfied with installation	80%	80%	80%

* Includes total of 90 achieved for FY24/25.

This class of outputs tracks the Company's progress towards the achievement of the Rural and Marae Drinking Water Strategic Priority.

Why this is a Strategic Priority: A large number of small rural settlements and community hubs, including marae and kāinga, do not have access to safe community drinking water supplies. Available potable water from streams, lakes, bores and rivers does not meet New Zealand drinking water standards. The Rural Drinking Water and Marae Drinking Water Funds will fund fit for purpose water treatment solutions to provide safe drinking water to areas identified by Government priorities. The Government has appointed the Company to manage implementation.

Role of the Company: The Company manages the implementation of the Rural and Marae Drinking Water Funds, including liaison with identified rural drinking water operators and marae committees. It manages a contracting delivery partner who engages with identified sites to deliver the water infrastructure, alongside a five-year maintenance and training programme.

Medium-term objectives of the programme: The Rural and Marae Drinking Water Funds are expected to provide safe drinking water to 122 sites. The final facility is expected to be delivered in 2026 and maintenance support will continue to 2031/32. The funds are also intended to build capacity and capability of water treatment plant operators and maintainers in rural areas.

Long-term benefit to New Zealand: The funds will benefit New Zealanders in affected areas through the provision of safe drinking water which improves public health outcomes. Sites benefitting from safe drinking water include those registered as civil defence sites for their communities. The training provided for maintaining water treatment plants is aimed at ensuring communities are self-reliant and resilient.

How we measure performance: The reportable measures for the Rural and Marae Drinking Water Funds have been chosen to monitor the Company's performance both in terms of the delivery of water treatment plants and the satisfaction of customers. Satisfaction will be measured through the surveying of water infrastructure customers.



Fletchers Crossing, Central Hawke’s Bay – Cyclone Recovery

4.5.5 EV Charging Infrastructure Fund – Administer the concessionary loan scheme for EV charging infrastructure to support the roll-out of chargers by making the investment model more financially viable

PERFORMANCE TARGETS FOR THE EV CHARGING INFRASTRUCTURE PRIORITY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
Completion of the RFP process	N/A	N/A	Complete
Loan agreements in place	N/A	N/A	Complete

This class of outputs tracks the Company’s progress towards the achievement of the EV Charging Infrastructure Strategic Priority.

Why this is a Strategic Priority: The Government has a plan to significantly increase the number of public EV chargers for New Zealand, targeting 10,000 charge points by 2030. Challenging economics in providing public EV charging infrastructure is holding back progress, and the previous grant model has been replaced with a concessionary loan model to enable a faster roll out of chargers and provide better value for money.

Role of the Company: The Company’s role from the FY2025/26 year will be to administer the EV Charging Infrastructure concessionary loan scheme. Administering the scheme includes running a contestable co-investment process to award concessionary loans, issuing loans, monitoring deployment and repayment of funds, and managing loan compliance.

Medium-term objectives of the programme: The medium-term objective for the programme is to deploy the capital allocated to the scheme and ensure best value for money is achieved, supporting progress towards the 10,000 charge points by 2030 target.

Long-term benefit to New Zealand: Accelerating EV uptake is a key way for New Zealand to meet its goal of net zero emissions by 2050. Co-investing in EV Charging Infrastructure will enable access to public charging which is a key factor in encouraging faster uptake of EVs, reducing ‘range anxiety’ and making owning an EV as easy as possible. The concessionary loan scheme helps alleviate the ‘chicken and egg’ situation where the private sector won’t invest in charging infrastructure until there is sufficient demand and the demand for charging won’t grow until there are enough chargers.

How we measure performance: The Company’s performance will be measured on completing the RFP process and having loan agreements with successful respondents in place before the end of the fiscal year.

4.6 IMPROVE CONNECTIVITY

4.6.1 Rural Broadband Funds – Enable rural households and businesses to receive improved broadband capacity or coverage

PERFORMANCE TARGETS FOR THE RURAL BROADBAND PRIORITY					
REPORTABLE MEASURE	FISCAL 2024/25			FISCAL 2025/26	TOTAL TARGET*
	PLAN	FORECAST	% COMPLETED	PLAN	
Increase broadband coverage to rural households and businesses	86,000	86,000	100%	N/A	84,327
Rural households and businesses receiving upgraded broadband capacity	64,000	64,470	101%	69,889	69,889

* The Company plans to exceed the cumulative programme target due to lower than expected build costs and incidental coverage (including from commercial partners) and will continue to build to cover more of the remaining gap.

This class of outputs tracks the Company’s progress towards the achievement of the Rural Broadband Strategic Priority.

Why this is a Strategic Priority: While highly populated areas of New Zealand have been provided with very high-quality broadband through the Ultra-Fast Broadband programme (to 88 percent of the population in 412 towns and cities), locations with lower population density and complex geography have not all been able to be serviced by market providers. The Rural Broadband Funds enable rural households and businesses to receive terrestrial broadband either for the first time, or to receive enhanced broadband capacity and performance where prior terrestrial services offered download speeds less than 10Mbps, or in some cases, no service.

Role of the Company: The Company funds and oversees the Rural Broadband Funds. Partners include Mobile Network Operators, Local Fibre Companies, Chorus, and Wireless Internet Service Providers (**WISPs**). The Company monitors the implementation of network extensions and network capacity upgrades on behalf of the government and reports on progress to the government and the public.

Medium-term objectives of the programme: The Rural Broadband Fund is expected to be complete in 2025. The Rural Broadband Capacity Upgrade Fund is expected to be complete in 2026. Programme targets have already been achieved with remaining funding being allocated to identified areas of service need.

Long-term benefit to New Zealand: The Rural Broadband Funds will benefit New Zealanders by ensuring that rural areas in New Zealand have access to improved broadband connectivity, enabling improved education, business, health and social connection outcomes. The Funds will also benefit those who have experienced network congestion or no service due to network capacity constraints.

How we measure performance: Reportable measures have been chosen to monitor the Company’s performance against the original targets for the Rural Broadband and Rural Capacity Upgrade Funds and reflect the total number of beneficiaries of the investment.

4.6.2 Rural Mobile Funds – Improve the availability of mobile services to support safety, enhance user experience and provide mobile coverage to settlements

PERFORMANCE TARGETS FOR THE RURAL MOBILE PRIORITY					
REPORTABLE MEASURE	FISCAL 2024/25			FISCAL 2025/26	TOTAL TARGET [*]
	PLAN	FORECAST	% COMPLETED	PLAN	
Mobile Black Spots: coverage of tourist areas	175	195	111%	202	202*
Mobile Black Spots: coverage of state highways and local roads	1,505km	2,000km	133%	2,075km	2,075km*
Settlements which gain new mobile voice coverage	5	10	200%	13	13*

* Targets cumulative and adjusted to take account of additional funding for mobile black spots from the sale of 5G spectrum.

This class of outputs tracks the Company’s progress towards the achievement of the Rural Mobile Strategic Priority.

Why this is a Strategic Priority: While urban and other highly populated areas of New Zealand are able to be commercially provided with mobile telecommunications services, the needs of locations with lower population density and complex geography have not been able to be serviced by Mobile Network Operators (MNOs). This includes isolated homes and communities, as well as the roads which connect them. The Funds enable members of the public to receive Civil Defence alerts by broadcast text, and contact emergency services through 111 in addition to standard mobile services from MNOs. It will also provide alternative mobile coverage for emergency services agencies, supporting the new Public Safety Network, and allow communities to communicate where no mobile voice coverage previously existed.

Role of the Company: The Company funds, manages, conducts user acceptance testing, and oversees the Rural Mobile Funds. The key partners are the three MNOs and their joint venture, the Rural Connectivity Group. The Company monitors the implementation of the new mobile towers and resulting service on behalf of the government, and reports on progress to the government and public.

Medium-term objectives of the programme: The Rural Mobile Funds are expected to be complete in 2026. Targets are expected to all be achieved and remaining funds are being allocated to agreed projects.

Long-term benefit to New Zealand: The Rural Mobile Funds will benefit New Zealanders by improving public safety. Many state highways and regional council roads with high accident rates, great walks, cycleways, track-ends and rural settlements, do not currently have coverage from any mobile operator. The Funds will enhance access to emergency services and emergency civil defence cell broadcast alerts, improve navigation, and provide other benefits to people living, working or travelling in rural New Zealand. New mobile coverage is also enhancing the experience of international and domestic visitors to key tourism locations.

How we measure performance: The reportable measures for the Rural Mobile Funds have been chosen to monitor the performance of the Company in addressing identified mobile blackspots from all three MNOs in the coverage of mobile services. Mobile coverage is measured by the Company and its partners using a geospatial dataset.



Matakana Valley Road Culvert, Auckland – Cyclone Recovery

4.7 FINANCIAL AND OPERATIONAL EFFICIENCY

4.7.1 Financial and Operational Efficiency – Monitor and manage costs to ensure value for money

PERFORMANCE TARGETS FOR FINANCIAL AND OPERATIONAL EFFICIENCY			
REPORTABLE MEASURE	FISCAL 2024/25		FISCAL 2025/26
	PLAN	FORECAST	PLAN
The Company's net operational cost as percentage of annual investment/grants	4.75%	3%	4.75%

This class of outputs tracks the Company’s operational efficiency of establishing and managing its various infrastructure programmes.

Why this is a Strategic Priority: In April 2024, the Government issued an Enduring Letter of Expectations to all Crown entities, including the Company, which outlined the importance of driving greater value from public funding, understanding cost drivers and performance, and improving the efficiency and responsiveness of services provided. The Company is committed to helping the Government achieve its fiscal objectives.

Role of the Company: The Company manages its time and resources to align with Government direction.

Medium-term objectives of the programme: The Company aims to keep its cost of operations below five percent of its total investments and grants, to ensure that overhead and administrative costs of delivering services remain a small and consistent proportion of overall activities.

Long-term benefit to New Zealand: By keeping back-office costs low and benchmarking performance over the long term, the Company will continue to minimise its dependency on Crown funding and will contribute to getting the Government’s books back in order.

How we measure performance: The reportable measure for financial and operational efficiency has been chosen to monitor the proportion of administrative costs to infrastructure investment delivered.

5: NON-REPORTABLE OUTPUTS

The Company is responsible for a number of outputs which are non-reportable under the Crown Entities Act 2004.

5.1 NON-REPORTABLE COMPANY PROGRAMMES

5.1.1 ECONOMIC GROWTH

The Government has identified economic growth as a top priority to raise living standards and has developed the Going for Growth initiative to drive progress. The Company has a direct role in supporting two of the five Going for Growth pillars. The Company supports pillar three, “Promoting global trade and investment”, by working with Invest NZ to attract more high quality foreign direct investment into public infrastructure through its Connecting investors to Infrastructure Opportunities Strategic Priority. The Company also supports pillar five, “Infrastructure for growth”, by reducing funding and financing barriers to the delivery of public infrastructure delivery, through its Partner on Private Financing for Public Infrastructure Strategic Priority.

5.1.2 CLIMATE CHANGE MITIGATION AND ADAPTATION

The Company’s principal role is to fund and finance infrastructure which is owned and operated by public infrastructure providers. Emissions from the Company’s activities are therefore mainly related to the operation of its head office in Auckland, a small office in Wellington and travel to and from Wellington and the regions. Given the relatively small volume of emissions resulting from the Company’s activities, the Company is investigating cost effective options for monitoring and reducing emissions in line with Government expectations.

5.1.3 PEOPLE AND CULTURE

The Company now has a strategy in place to maintain and grow organisational health and workforce capability, and will in FY25/26 develop a people and culture plan. This plan builds on readiness and resilience in the Company’s foundational people practices, and focuses on engagement and culture through levers such as talent management and leadership learning.

5.1.4 RELATIONSHIP MANAGEMENT AND MONITORING

The Company places high emphasis on building and maintaining strong working relationships across central and local government and the private sector. The CEO will obtain regular informal feedback throughout the year from partners and stakeholders and report the state of key relationships to the board.

5.2 HEALTH AND SAFETY

The Company is committed to the wellbeing, health and safety of its employees, its contractors, and the community. The Company will ensure that it complies with its obligations under the Health and Safety at Work Act 2015, and will continue to encourage its partners to achieve zero serious harm injuries.

For the Rural Broadband, Rural Mobile and Rural and Marae Drinking Water Funds, the Company operates as a Person Conducting a Business or Undertaking (PCBU) under the Health and Safety at Work Act 2015. While the health and safety of partners and their contractors and staff is the responsibility of those partners, the Company monitors performance to ensure that contractual requirements are being met.

In earlier iterations of the SPE, the Company benchmarked this performance against the Total Recordable Injury Frequency Rate (TRIFR). However, due to the scaling down of these funds as they approach completion, the TRIFR, which measures injuries per million hours worked, is no longer appropriate. The Company continues to monitor and report on health and safety performance and recorded five minor injuries across PCBU programmes in CY2024. It is expected that fewer than five minor injuries will be recorded in FY2025/26.



Kereru Gorge Culvert,
Hawke's Bay - Cyclone Recovery

6: FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FORECAST
COMPREHENSIVE REVENUE AND EXPENSE

FOR THE PERIOD 2025-2026

	Forecast 2025 \$000	SPE 2026 \$000
Income		
Interest income	110,884	90,727
Grant income	802,794	817,448
Receipt of right to statutory levy	183,633	235,899
Government agency recoveries	3,822	4,765
Other income	57	-
Net fair value gains on derivatives ²	-	58,222
Net fair value gains on FVTSD term loans ²	-	9,544
Total income	1,101,190	1,216,605
Expenses		
Directors' Fees	270	500
Personnel costs	11,168	15,678
Professional & advisory fees	5,188	6,281
Depreciation expenses	1,493	1,775
Interest expense	21,690	36,780
Other finance charges	868	2,295
Other expenses	4,775	6,206
Grant funding expenses	940,287	1,005,398
Non-grant funded expenses ¹	18,268	20,755
Contribution - loans	3,615	7,370
Net fair value losses on FVTSD investments ²	16,518	113,300
Net fair value losses on derivatives	11,677	-
Net fair value losses on FVTSD term loans	4,811	-
Expected credit loss	177	25
Total expenses	1,040,805	1,216,363
Net surplus/(deficit)	60,385	242

1 Expenses funded by recycled funds received by company.
2 Fair value through surplus or deficit.

CONSOLIDATED STATEMENT OF FORECAST
CHANGE IN EQUITY

FOR THE PERIOD 2025-2026

	Capital \$000	Retained earnings \$000	Total \$000
Opening balance 1 July 2024	1,655,200	(458,536)	1,196,664
Net Surplus/(deficits)	-	60,385	60,385
Capital contributions	-	-	-
Dividend	-	(19,970)	(19,970)
Closing balance 30 June 2025	1,655,200	(418,121)	1,237,079
Opening balance 1 July 2025	1,655,200	(418,121)	1,237,079
Net Surplus/(deficits)	-	242	242
Capital contributions	51,750	-	51,750
Return of capital	(182,612)	-	(182,612)
Closing balance 30 June 2026	1,524,338	(417,879)	1,106,459

CONSOLIDATED STATEMENT OF FORECAST
FINANCIAL POSITION

FOR THE PERIOD 2025-2026

	Forecast 2025 \$000	SPE 2026 \$000
Assets		
Current assets		
Cash and cash equivalents	575,044	393,061
Investments in Treasury Bills	119,701	-
Trade and other receivables	464	606
GST receivables	12,061	12,924
Prepayments	120	120
Total current assets	707,390	406,711
Non-current assets		
Property, plant and equipment	9,340	8,355
Intangible assets - software	828	603
Investments in financed infrastructure	436,534	605,796
Investments in Chorus Debt and Equity Securities	639,564	633,660
Loans asset	218,809	236,383
Interest rate swaps	-	38,349
Total non-current assets	1,305,075	1,523,146
Total assets	2,012,465	1,929,857
Liabilities		
Current liabilities		
Creditors and other payables	69,118	71,414
Grant funds held for distribution	144,495	70,094
Income in advance	81,056	22,626
Employee entitlements	1,530	1,890
Total current liabilities	296,199	166,024
Non-current liabilities		
Borrowings	411,213	631,900
Income in advance	48,100	25,474
Interest rate swap	19,874	-
Total non-current liabilities	479,187	657,374
Total liabilities	775,386	823,398
Net assets	1,237,079	1,106,459
Contributed capital	1,655,200	1,524,338
Retained earnings	(418,121)	(417,879)
Total equity	1,237,079	1,106,459

CONSOLIDATED STATEMENT OF FORECAST
CASH FLOWS

FOR THE PERIOD 2025-2026

	Forecast 2025 \$000	SPE 2026 \$000
Cash flows from operating activities		
Interest received	26,674	9,513
Government grant received	58,359	211,992
Receipts from government agencies	3,998	4,765
Funds received for Cyclone Recovery	679,323	450,000
Funds dispersed for Cyclone Recovery	(579,756)	(521,122)
Payments to suppliers	(13,480)	(17,943)
Payments to employees	(10,988)	(15,318)
Grant funded payments	(355,896)	(482,398)
Non-grant funded payments	(30,106)	(20,548)
Goods and services tax (net)	5,729	(865)
Net cash inflow/(outflow) from operating activities	(216,143)	(381,924)
Cash flows from investing activities		
Net proceeds from sale of short-term investments	78,427	119,701
Proceeds from loan assets repayment	5,500	3,761
Purchase of furniture & fittings, equipment and software	(1,395)	(565)
Receipts from redemption of Chorus Securities	170,668	-
Payments received from investment in financed infrastructure	18,911	28,333
Acquisition of investment in loans	(11,902)	(16,750)
Net cash inflow/(outflow) from investing activities	260,209	134,480
Cash flows from financing activities		
Capital contribution - Crown	-	51,750
Dividend	(19,970)	-
Return of capital	-	(182,612)
Proceeds from borrowings	116,205	233,102
Interest paid	(21,690)	(36,779)
Net settlements on derivatives	718	-
Net cash inflow/(outflow) from financing activities	75,263	65,461
Net increase/(decrease) in cash and cash equivalents	119,329	(181,983)
Cash and cash equivalents at the beginning of the year	455,715	575,044
Cash and cash equivalents at the end of the year	575,044	393,061

7: NOTES TO THE FORECAST FINANCIAL STATEMENTS

7.1 REPORTING ENTITY

The reporting entity is National Infrastructure Funding and Financing Limited (**the Parent, and the Company,**) and its controlled subsidiaries (**the Group**). As at 30 June 2025 the controlled entities were IFF Holdings Limited, Milldale Infrastructure GP Limited, Milldale Infrastructure LP, NIFF Services Limited, TSP Finance LP, TSP Finance GP Limited, Sludge Finance GP Limited, Sludge Finance LP Limited, Sludge Finance 1 Limited and Sludge Finance 2 Limited which are 100% controlled. These controlled entities were established to facilitate accelerated development of bulk housing infrastructure for the Milldale development located at Wainui, Auckland, implementation of the Western Bay of Plenty Transport System Plan in Tauranga, and the Sludge Minimisation Wastewater Facility in Wellington. The Company is a limited liability company incorporated under the Companies Act 1993 and is a Crown entity as defined by the Crown Entities Act 2004. The Company is listed in Schedule 4A of the Public Finance Act 1989.

The primary purpose of the Company is to carry out the public policy objectives of the Government to:

- (a) implement, facilitate, manage, monitor, advise, fund, finance, invest in or otherwise assist the government with any government objectives in relation to:
 - (i) radio and telecommunications connectivity and/or services;
 - (ii) water infrastructure and/or services;
 - (iii) the government’s COVID-19 response and recovery infrastructure funding programme;
 - (iv) the government’s funding programmes relating to severe weather events, natural hazards, and climate-related risks (including for response, recovery and/or proactive management);
- (b) implement and/or facilitate funding and financing of infrastructure, including as provided for under the Infrastructure Funding and Financing Act, through:
 - (i) government Investment; and/or
 - (ii) co-Investment with, or Investment from, the private sector or other participants, to achieve the government’s objectives for funding infrastructure;
- (c) partner with any Government Organisation by providing commercial and financial advice, including through business case, procurement, and delivery phases, in respect of current and proposed infrastructure projects and programmes that have potential to involve private finance (including public private partnerships) in accordance with any additional requirements set by government, including, for example, under any Cabinet Office Circular, Government Procurement Rules or government direction;
- (d) provide commercial and financial advice at the request of any Government Organisation on infrastructure related issues involving private financing;
- (e) facilitate and promote opportunities for private sector investment in New Zealand infrastructure and act as the government’s single point of contact for inbound market-led proposals for investment in accordance with any government guidance issued from time to time; and
- (f) implement, facilitate, manage, monitor, advise, fund, invest in or otherwise assist any Government Organisation or Local Government Organisation with any transaction, or class of transactions, or provide assistance with any other matter, in relation to infrastructure related projects and programmes, as agreed between the Company and the Shareholding Ministers from time to time after having considered any perceived, potential or actual conflict of interest with the Company’s role delivering existing objectives.

As a consequence of carrying out the Company’s primary purpose, the Company may, subject at all times to satisfying the requirements of legislation, repatriate surplus funds by way of distributions to its Shareholders.

The Company’s aim is to provide services to the public and implement Government policy, and, as such, the Company is a company named in Schedule 4A of the Public Finance Act. The Company is recognised on Schedule 35 of the Income Tax Act 2007 as a public purpose Crown-controlled (**PPC**) company. Accordingly, the Company has designated itself as a PPC for the purposes of financial reporting under New Zealand Public Sector PBE Standards (**PBE Standards**). The Company is a public authority and so is exempt from the payment of income tax. Therefore, no provision has been made for income tax in the Company’s financial statements.

7.2 BASIS OF PREPARATION

The prospective financial statements have been prepared on a consistent basis to the accounting policies in the existing Statement of Performance Expectations for Financial Year 2025/26 together with the additional accounting policies set out below.

These prospective financial statements for FY2025/26 have been prepared for the purpose of providing information required for a government agency Statement of Performance Expectations, and we caution that the information in these statements may not be appropriate for purposes other than those described. These statements comply with the **GAAP**.

7.3 FORECAST FINANCIAL INFORMATION

The financial information contained below is prospective and, by its nature, contains assumptions which may lead to material differences between the prospective financial information and the actual financial results prepared in future reporting periods. The Company has undertaken a review of its financial models, and believes they remain fit for purpose in assisting the Company in preparing prospective financial information. Significant assumptions in the preparation of prospective financial information are for the investments in Chorus, Northpower Fibre Limited, Milldale LP, IRG loans and any future infrastructure investments. The prospective information for IFF is subject to significant management judgement relating to the timing and quantum of the investments, and the prospective information reflects the best information available to management.

7.4 CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements the Company has made judgements, estimates, and assumptions concerning the future which may differ from subsequent actual results.

Judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management has exercised its judgement in respect of arriving at the fair values of its investments in Chorus, IRG, Milldale, and Infrastructure Funding and Financing loans, receivables (including statutory levy), and interest rate swaps.

There is judgement made on the interest rates used to value the tranches of Chorus Equity and Debt Securities, IRG loans, Milldale, and Infrastructure Funding and Financing loans, receivables and interest rate swaps, as these interest rates impact the value recorded in the Statement of Comprehensive Revenue and Expense of the Crown contribution and their fair values.

7.4.1 REVENUE

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

The IRG grants are recognised as non-exchange revenue (PBE IPSAS 23), and to recognise grant money as an asset, and the corresponding payments to the recipients as a liability in the Statement of Financial Position. As the IRG Grant conditions are satisfied and the monies paid the asset and liability are reduced, and the corresponding transactions are recognised as Grant income and expense in the Statement of Performance.

Under the Cyclone Recovery’s Grant Funding and Service Agreement (GFA), the Company acts as the Crown’s agent, the grant received has been recognised as grant income in the Statement of Forecast Comprehensive Income and Expenses. The more usual approach is to only recognise these transactions in the cashflow, and the residual amounts in the balance sheet. However, given the size and nature of the activities, the Company has recognised the amounts in the face of the financial statements. The operational funding received is recognised as government agency recoveries for carrying out the Company’s administrator functions.

7.4.2 INFRASTRUCTURE INVESTMENTS AND TREASURY BILLS

The investments in infrastructure financed projects include the Milldale Bulk Housing Infrastructure Programme and the right to levy statutory receivable relating to the Western Bay of Plenty Transport Systems Plan Programme and the Wellington Sludge Minimisation Facility Programme are classified as FVTSD financial assets. These financial assets do not qualify to be measured at amortised cost because the cash flows do not represent solely payment of principal and interest. The investments are recognised at fair value on initial recognition and subsequently, with all gains and losses recognised in the profit or loss.

The Company’s investment in Northpower Fibre Limited, Infrastructure Funding and Financing projects and Infrastructure Reference Group loans is categorised as a “loans and receivables” financial asset and is measured initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment.

Any difference on initial recognition between the fair value of the investment in Northpower Fibre Limited and Infrastructure Reference Group Loans and the contribution by the Company represents the Company’s contribution to the Infrastructure Reference Group projects and is reflected in the lines “Investment contributions”.

Interest income is recognised by applying the effective interest method. In the Company’s financial statements, the investment in unlisted Chorus Equity Securities and Chorus Debt Securities is categorised as an available-for-sale financial asset and is measured at fair value.

Any difference on initial recognition between the fair value of the investment in the Chorus Debt and Equity Securities and the contribution by the Company represents the Company’s and the Crown’s contribution to the deployment of Ultra-Fast Broadband in New Zealand and is reflected in the line “Investment contributions” in surplus or deficit in the statement of comprehensive income. The Company’s investment in Chorus’s warrants is treated as a derivative, which is categorised as a “fair value through profit or loss” financial instrument, is measured at fair value and is accounted for in the same manner as the “fair value through profit or loss” financial instruments above.

The Company’s investment in Treasury Bills is to fund the Infrastructure Reference Group fund projects. The Treasury Bills are short-dated investments and are typically issued with 3, 6, and 12 month maturities. Treasury Bills do not pay a coupon instead they are issued as at discount to face value to reflect the interest yield on the bill. The interest yield is reflected as amortised interest in the profit or loss up to the face value of the instrument. The Treasury Bills are shown as current assets as their duration is no longer than 12 months. The investment in the Treasury Bills is categorised as a “fair value through profit or loss” financial instrument, is measured at fair value and is accounted for in the same manner as the “fair value through profit or loss” financial instruments above.

7.4.3 CREDITORS AND OTHER PAYABLES

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms; therefore, the carrying values of creditors and other payables approximate their fair values.

7.4.4 GOODS AND SERVICES TAX

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to Inland Revenue is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed excluding GST.

7.4.5 INCOME TAX

The Company is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax by the Company in the Company’s financial statements.

7.4.6 STATEMENT OF CASH FLOW

The definitions of the terms used in the statement of cash flows are:

- i. **cash and cash equivalents** comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily converted to known amounts of cash and are subject to an insignificant risk of changes in value;
- ii. **operating activities** are the principal revenue-producing activities of the Company and other activities that are not investing or financing activities;
- iii. **investing activities** are those activities relating to the acquisition and disposal of current and non-current investments, property plant and equipment, intangible assets, and other non-current assets; and
- iv. **financing activities** are those activities that result in changes in the size and composition of the contributed equity of the Company.

7.5 NOTES TO THE FINANCIAL STATEMENTS

7.5.1 NOTES TO THE ACCOUNTS

- i. **Interest Income:** interest earned on cash balances with financial institutions, and imputed interest from financial securities. The table below shows the reconciliation of interest income;

INTEREST INCOME	Forecast 2025 \$000	Planned 2026 \$000
Bank Interest	13,592	4,288
IRG cash and cash equivalent	10,861	4,454
Imputed interest	84,273	81,185
BHI & IFF interest*	2,158	800
Total interest income	110,884	90,727

* Bulk housing infrastructure (BHI) and infrastructure funding and financing (IFF)

- ii. **Grant Income:** IRG grants are provided for the funding of infrastructure as part of the Infrastructure Reference Group work programme (the IRG Grants). As first recipient of the IRG Grant, the Company recognises the IRG Grants, as they are paid to project owners on completion of construction milestones for the projects, in the Statement of Comprehensive Income. The residual IRG Grant amounts are held as income in advance in the Statement of Financial Position.
- iii. **Right to levy income:** reflects the revenue from the Order in Council to collect levies for infrastructure funded using the Infrastructure Funding and Financing Act. The revenue is recognised upfront to the extent funding is made available to the infrastructure owner to build infrastructure in the Statement of Comprehensive Income. As it is collected it reduces the outstanding Levy receivable amounts in the Statement of Financial Position.
- iv. **Government Agency Recoveries income:** is reimbursement for infrastructure project transaction or management costs incurred by the Company on behalf of a project or Government Agency. These costs are usually in the nature of establishment, financing, reporting, and monitoring costs directly attributable to a specific infrastructure project or programme.
- v. **Fair value changes on investments:** gains and losses arising from changes in the fair value of the Company’s investments, these include UFB investments, Milldale receivables, Infrastructure Reference Group loans, Infrastructure Funding and Financing Levy Receivable and other infrastructure investments.
- vi. **Fair value changes on debt:** gains and losses arising from changes in the fair value of the Company’s IFF fixed rate debt.
- vii. **Fair value changes on derivatives:** gains and losses arising from change in the fair value of interest rate swap and Chorus equity warrants.
- viii. **Depreciation and amortisation:** depreciation charges on property, plant, and equipment.
- ix. **Grant Expenses:** these expenses are the cost of the Rural Broadband and Mobile Black Spots funds that the Company is paying to Rural Connectivity Group and Wireless Internet Service Providers (WISPs) funded from the Telecommunications Development Levy and the Provincial Growth Fund for improving rural broadband connectivity, reducing mobile blackspots and digital connectivity to Marae/Rural Digital Hubs. Infrastructure Reference Group grant expenses are the funding of infrastructure as part of the Infrastructure Reference Group fund and reflected as an expense as they are incurred.
- x. **Non-grant funded expenses:** the Company funds rural broadband and mobile black spots including the present value of site leases and operational expenditure and marae connectivity and some of the Chatham Islands’ satellite backhaul capacity expenses that are not covered by Grant Funding.

- xi. **Other company overheads:** administrative costs for the Company which include any additional costs associated with the Company’s responsibilities.
- xii. **Contribution Loan:** is difference on initial recognition of loans and their market value. The contribution by the Company represents the Company’s contribution arising as a result of the concessionary interest rate nature, if any, of the loan.
- xiii. **Cash and cash equivalents:** cash on hand with New Zealand’s major trading banks or Treasury Bills with a maturity of less than three months.
- xiv. **Investment in Treasury Bills:** are Treasury Bills with a maturity of more than three months.
- xv. **Capital:** the Crown investment made in the Company is represented by 1,865,400,200 ordinary shares issued at a value of \$1.00. The Company forecasts calling \$51.8 million and returning \$182.6m.

7.5.2 INVESTMENT, REVENUE, AND EXPENDITURE BY REPORTABLE OUTPUTS

The tables below show the investment, revenue, expenses, funding, grants, and debt by reportable outputs that support the performance objectives of the Company.

PROGRAMME INVESTMENTS	PTD 2024 \$000	Planned 2025 \$000	Forecast 2025 \$000	Planned 2026 \$000	To be Completed Beyond 2026	Total \$000
Infrastructure Funding and Financing #	289,731	165,787	116,205	247,602	343,608	997,146
Infrastructure Acceleration Fund	-	-	-	195,992	712,008	908,000
Cyclone Recovery Funds	191,717	451,194	595,059	514,400	517,323	1,818,499
Infrastructure Reference Group Fund*	1,104,777	130,669	149,376	81,056	19,546	1,354,755
Rural and Marae Drinking Water Funds	12,441	14,000	16,364	9,695	2,250	40,750
Electric Vehicle (EV) Charging Infrastructure Fund	-	-	-	16,750	51,750	68,500
Improve Connectivity^	418,900	114,043	70,559	43,335	-	532,794
Total as at 30 June	2,017,566	875,693	947,563	1,108,830	1,646,485	5,720,444

^ Includes Rural Broadband and Mobile Black Spots and Regional Digital Connectivity

* Only for approved projects

Includes capital and debt funding

REVENUE BY PROGRAMME	Planned 2025 \$000	Forecast 2025 \$000	Planned 2026 \$000
Interest Income			
Infrastructure Reference Group Funds*	972	1,061	1,129
Total Interest Income	972	1,061	1,129
Government Agency Recoveries			
Partner on Private Financing for Public Infrastructure	-	-	1,111
Investor Shopfront#	-	-	-
Market-led Proposals #	-	-	-
Advisory Services	3,558	2,233	1,602
Infrastructure Acceleration Fund	-	400	581
Cyclone Recovery Funds	2,392	259	259
Rural and Marae Drinking Water Funds	-	150	255
Electric Vehicle (EV) Charging Infrastructure Fund	-	231	742
Rural Broadband Funds	-	-	-
Rural Mobile Funds	550	550	215
Total Government Agency Recoveries	6,500	3,823	4,765
Grant Income			
Cyclone Recovery Funds	451,194	595,059	524,400
Infrastructure Acceleration Fund	-	-	195,992
Infrastructure Reference Group Funds	130,669	149,376	81,056
Rural and Marae Drinking Water Funds	-	9,500	-
Rural Broadband Funds	10,000	10,000	-
Rural Mobile Funds	30,000	39,000	16,000
Total Grant Income	621,863	802,935	817,448
Receipt of Right to Statutory Levy			
Infrastructure Funding and Financing ^	193,664	183,633	235,899
Total as at 30 June	822,999	991,452	1,059,241

* Interest income from loan assets

Connect Investors to Private Infrastructure Opportunities

^ Right-to-levy income from IFF levy payers

OPERATING EXPENSES BY PROGRAMME	Planned 2025 \$000	Forecast 2025 \$000	Planned 2026 \$000
Partner on Private Financing for Public Infrastructure	(1,771)	(1,477)	(2,567)
Infrastructure Funding and Financing *	(6,759)	(4,461)	(5,952)
Investor Shopfront	(643)	(644)	(2,183)
Market-led Proposals	(908)	(1,124)	(2,773)
Advisory Services	(2,550)	(2,203)	(1,255)
Infrastructure Acceleration Fund	-	(214)	(1,581)
Cyclone Recovery Funds	(2,392)	(2,131)	(2,016)
Infrastructure Reference Group Funds	(1,936)	(1,427)	(1,504)
Rural and Marae Drinking Water Funds	(1,405)	(855)	(822)
Electric Vehicle (EV) Charging Infrastructure Fund	-	(210)	(742)
Rural Broadband Funds	(2,951)	(3,037)	(3,223)
Rural Mobile Funds	(651)	(533)	(218)
Unrecovered Operating Expenses	(3,233)	(4,579)	(5,604)
Total as at 30 June	(25,199)	(22,895)	(30,440)

* Includes IFF transactional costs

FUNDING, GRANTS, AND DEBT	Planned 2025 \$000	Forecast 2025 \$000	Planned 2026 \$000
Share capital			
Non-departmental Capital Expenditure *	10,000	-	36,750
Non-departmental Operating Expenditure	-	-	15,000
Total share capital	10,000	-	51,750
Government grants			
Infrastructure Acceleration Fund	-	-	195,992
Cyclone Recovery Funds	453,586	679,323	450,000
Rural and Marae Drinking Water Funds	-	10,000	-
Rural Broadband Funds	10,000	10,000	-
Rural Mobile Funds	30,000	39,000	16,000
Total government grants	493,586	738,323	661,992
External debt			
Infrastructure Funding and Financing	162,487	116,205	233,102
Total external debt	162,487	116,205	233,102
Total as at 30 June	666,073	854,528	946,844

* Including capital related to the EV Infrastructure Charging Fund

APPENDIX: DIRECTORY

Shareholders

The Minister of Finance
The Minister for Infrastructure

Registered office

c/- Bell Gully Deloitte Centre Level 14,
1 Queen Street Auckland CBD,
Auckland 1010, New Zealand

Contact address

PO Box 105321, Auckland City
Auckland 1143, New Zealand
Email: info@niff.govt.nz

Auditor

The Auditor-General,
pursuant to section 15 of the
Public Audit Act 2001

Solicitor

Bell Gully

Bankers

ANZ Bank New Zealand Limited
ASB Bank Limited
Bank of New Zealand Limited
Kiwibank Limited
Westpac New Zealand Limited

Executive

Graham Mitchell
Chief Executive Officer

Sean Wynne
Deputy Chief Executive Officer

John Greenhough
Chief Networks Officer

Kathryn Mitchell
Chief Legal and Corporate Affairs Officer

Dougal Evison
Chief Financial Officer

Shanon Tapp
Chief Infrastructure Officer

Nicky Parkes
Head of People

Andrew McGavin
Head of Corporate Finance

Board of Directors

Mark Binns (Chair)
Tim Brown
Melissa Cameron
Alan Dent
Chris Gudgeon
Greg Lowe

