

Auckland's infrastructure failings underline NZ's continued poor ranking in WEF global competitiveness report

"It will come as no surprise to the tens of thousands who suffered on Auckland's public transport system Friday that infrastructure has once again been identified by the World Economic Forum as the biggest impediment to doing business in New Zealand," says Stephen Selwood CEO of the NZ Council for Infrastructure Development.

"In a prophetic release last Wednesday, the annual Global Competitiveness report once again identified infrastructure as the most problematic of the twelve "pillars of competitiveness".

"If you were stuck on the Auckland rail network Friday and perceived a distinct 'third world' feel to the service, you won't be surprised to hear Sri Lanka, Tunisia and Azerbaijan all rate higher in terms of rail infrastructure. When survey respondents were asked to rate NZ rail, they gave it just 3.3 out of 7, or 47th out of 142 nations.

"Road infrastructure fared only slightly better, ranking 45th, below El Salvador at 41, Swaziland, 39, and well below post-war Croatia at 27.

"Electricity infrastructure's continued poor performance (47 on the list) reflects a generation of under-investment and contributes to New Zealand's 34th overall infrastructure ranking. Encouragingly, that is up from 37th last year, reflecting the Government's major investment in transport, energy and telecommunications in particular.

"The rankings do us some injustice as they do not adequately reflect the significant increase in investment in electricity transmission, roads and rail that is currently underway.

"That said, a major challenge moving forward will be to maintain current recognition of the pivotal importance of infrastructure and improve the Government's balance sheet. Historically, infrastructure investment has suffered badly in the face of fiscal pressures, with the resulting impact on the economy felt only years later.

"Right now, despite significant progress since the mid-2000s, two decades of infrastructure under-investment continues to let New Zealand down.

"Given the state of the Government's books, further new investment in Auckland's transport systems will require a step change in funding. That is why NZCID is actively promoting low level \$2 or \$3 tolls on the motorway system to support further investment in the transport system - both roads and public transport.

"The relatively parlous state of our infrastructure is only revealed to the wider world in moments of pressure, but for many businesses in New Zealand, every day is a bit like Rugby World Cup opening night: goods and service vehicles stuck in congestion;

we suffer poor safety standards on many of our highways; labour does not access employment as easily as it should and an endless stream of micro-events plague productivity and restrict national economic performance.

"In the end it all comes down to a simple choice. We either find a way to fund the necessary investment in our national infrastructure, or we carry on doing what we have always done... underinvest... and get what we've always got - substandard national infrastructure that continues to restrict our ability to lift our global competitiveness," Selwood says.