

NZCID SYMPOSIUM: BUILDING NATIONS

↘ Key messages

- | New Zealand's first and only national infrastructure development conference, today's NZCID Symposium Building Nations is developed and run directly by the NZ Council for Infrastructure Development, providing a prime opportunity for members of the infrastructure sector to gain focused access to high level infrastructure experts from home and abroad, and debate current and topical issues in infrastructure.
- | NZCID is pleased to acknowledge that the Government has increasingly committed the necessary resources to support infrastructure development
- | But clearly we are missing the mark. Gas pipeline failures depriving the central capital of gas; a single shackle failure cutting power to much of Auckland, South Island power cuts, persisting traffic congestion and numerous other issues have this year alone seen New Zealand's ageing infrastructure exposed.
- | The funding deficits associated with our infrastructure needs are ever increasing. We must address the inability by local authorities to meet the bill for ongoing infrastructure maintenance and capital development causing an escalation of local authority rates.
- | Best practice in national infrastructure development is a key objective of NZCID. It is a goal we aim to raise the bar on with today's launch of the first annual NZCID Symposium: Building Nations.
- | The timing of the Symposium is ideal as New Zealand, in common with many other countries, is facing the need for new infrastructure in projects ranging from schools, hospitals and social housing to roads, rail, power supplies and water supply and treatment.
- | The scale of the investment required in quality social and economic infrastructure is likely to significantly outweigh the capacity of both central and local government. As a consequence, government will need to increasingly engage with the private sector to examine alternative ways of financing such investment

↘ Angles

The day long NZCID Symposium: Building Nations will include some very topical speakers on current and pressing development issues for Auckland & NZ:

- | **Hon. Trevor Mallard – Minister for Economic Development, Minister for the Rugby World Cup**
Opening the Symposium the Minister will provide insight into current topical issues, the Government's positioning on national planning in infrastructure development, and the role of the private sector in adding value through delivery.
- | **Terese Walsh – NZ Rugby Union Corporate Services Manager & Executive Team Member**, worked closely on the bid that won the 2011 Rugby World Cup
Will present and take questions on world class infrastructure for world class events, and whether we have what it takes for the 2011 Rugby World Cup?
- | **Dr Ralph Craven – Chief Executive, Transpower**

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Will speak on concerns surrounding regulation, the vital importance of the amended proposal and National Grid to NZ's future development & prosperity, how Transpower will make investment happen and how Transpower will meet Auckland's needs.

I Other topical issues to be presented on:

Private sector investment & social infrastructure – Are they mutually exclusive?

Auckland Regional Transport Authority: Auckland Rail Business Plan – providing viable car alternatives?

Rodney District Council – Could Penlink be our first Private Public Partnership?

Watercare – The Auckland Regional Development Group estimated in 2001 that Auckland needs to spend \$4.7 billion on water related infrastructure (supply, sewerage & stormwater) over the next 17 years. This is an unprecedented level of investment and the challenge to fund this expenditure in ways that do not place an undue burden on household and businesses is great. GM for Asset Management, Derrick Adams, presents options for solutions.

Genesis Energy – Huntly E3P coming online to bridge the generation gap – single handedly?

Australian experts (Partnerships Victoria, SEITA, NSW Roads & Transport Authority, Sydney Cross City Tunnel) present on their results from:

- Developing infrastructure through partnerships with the private sector
- Developing integrated national planning
- Using special legislation to fast track development

Transit New Zealand - will join speakers for a panel discussion taking questions from the floor on building infrastructure through partnerships

↳ Media release

Mallard launches NZ's first national infrastructure development symposium to full house

Very timely on the eve of the Rugby World Cup announcement, Hon. Trevor Mallard, Minister for Economic Development, will launch New Zealand's first national infrastructure development symposium to a full house in Auckland today. Delegates at the 1st Annual NZCID Symposium Building Nations, will engage in a full day of topics pressing to New Zealand's current and future prosperity.

NZCID Chief Executive Stephen Selwood commented that the full turnout was "pleasing and understandable". "We must acknowledge that the Government is increasingly committed the necessary resources to support infrastructure development."

"But clearly we are missing the mark. Gas pipeline failures depriving the central capital of gas; a single shackle failure cutting power to much of Auckland, South Island power cuts, persisting traffic congestion and numerous other issues have this year alone seen New Zealand's ageing infrastructure exposed"

"Best practice in national infrastructure development is a key objective of NZCID. It is a goal we aim to raise the bar on with today's launch of the **NZCID Symposium: Building Nations**. New Zealand's first and only national infrastructure development conference, today's symposium is developed and run directly by the NZ Council for Infrastructure Development. The day will provide a prime opportunity for members of the infrastructure sector to gain focused access to high level infrastructure experts from home and abroad, and debate current and topical issues in infrastructure. By design we hope that the NZCID Symposium will stand above the usual conference crowd, marked out by a unique focus on national infrastructure development planning and the potential benefits of private sector involvement."

Added Mr Selwood. "What we are really interested in is the development of world class infrastructure for the benefit of all New Zealanders. The council is a not for profit organisation and important advocacy for and research into infrastructure issues is made possible by our membership. We are very grateful to our sponsors like Westpac, without whom important events like this Symposium would not be possible. Westpac's support clearly demonstrates their commitment to improving national development at a crucial time on New Zealand's infrastructure timeline."

"Westpac is very pleased to be a major sponsor of the inaugural New Zealand Council for Infrastructure Symposium", says Westpac Chief Executive Ann Sherry.

"Westpac believes the timing of the Symposium is ideal as New Zealand, in common with many other countries, is facing the need for new infrastructure in projects ranging from schools, hospitals and social housing to roads, rail, power supplies and water supply and treatment. The scale of the investment required in quality social and economic infrastructure is likely to significantly outweigh the capacity of both central and local government. As a consequence, government will need to increasingly engage with the private sector to examine

alternative ways of financing such investment”

“Westpac Institutional Bank through its Specialised Capital Group has considerable experience in the provision of private sector capital for projects in both Australia and Europe, and is willing to work with interested parties in New Zealand to promote the benefits and break down misconceptions about the pros and cons of private sector involvement. We see this Symposium as a constructive forum to open that dialogue and help to meet New Zealand’s infrastructure needs.”

Development of New Zealand’s core infrastructure is crucial to our Government’s transformation agenda. It is also critically important to our national social & economic development. The overall competitiveness of the New Zealand economy depends on a broad range of reliable, effective and efficient infrastructure.

In her February Statement to Parliament the Prime Minister highlighted infrastructure as a top priority for achieving the Government’s economic transformation goals. This was mostly recently reiterated by Hon. Dr Michael Cullen, “the key areas that we need to work on over the next five years are not hard to find. The first of these is infrastructure”.

Increasingly the government is committing the necessary resources to support infrastructure development. Most notably this has included the recent announcement to fully fund a an agreed six year State Highway construction programme, backed by increased funding for public passenger transport and a commitment to public debt funding through infrastructure bonds.

The trend towards infrastructure decline has been felt internationally since the seventies but NZ Council for Infrastructure Development research shows that in contrast to the countries that we compete with and compare ourselves to, New Zealand has felt this infrastructure decline more acutely and has been slower to redress under investment.

- I The World Economic Forum’s latest Global Competitiveness Report (2005) ranks New Zealand 22nd in the world (19th out of 30 in the OECD) for the overall quality of its infrastructure
- I The Institute for Management Development World Competitiveness Yearbook puts New Zealand 33rd of the 51 countries surveyed (21st in the OECD) for the adequate planning and financing of infrastructure

There is much to be done. And the issues are not new.

At a national level a number of critical infrastructure issues remain an outstanding concern:

- I Back 2003 the Office of the Deputy Prime Minister and Cabinet highlighted that New Zealand, particularly with the depletion of the Maui field, was developing a pressing need to build new capacity and urgently address supply.
Since 2003 peak demand has grown by over 650 mega watts. But up to 2005 the capacity increased to meet that increased demand comes in at merely 123 mega watts.

We must put solutions in place to address continued uncertainty of energy security and supply

- I Back in 2004 the Association for Consulting Engineers New Zealand gave our potable water a mediocre rating. There is an estimated \$200 million worth of investment required to bring existing water infrastructure up to scratch. Water restricts persist in some areas. 22% of the population have uncertain quality of water supply and 4% contaminated. Recently the New Zealand Water and Wastes Association estimate that \$22 billion will now be required for water infrastructure over the next 10 years.
We must take stock of the current state and future requirements of our national water infrastructure

- I Back in 2004 Allen Consulting reported to the Automobile Association that the limited development of New Zealand's principal road network and the absence of an integrated road network is raising business transport costs significantly. Investment levels in New Zealand's road capital stock have not kept pace with substantially increased utilisation of the network, and over the substantial growth period of 1993-2001 - the value of capital stock as a percentage of GDP actually decreased around 12%.
We must further advance completion timeframes for strategic public transport and roading initiatives
We must reduce the time and cost of complex decision making and planning approval processes

- I **We must capitalise on international advances in information and telecommunications technology**

- I **We must address the inability by local authorities to meet the funding bill for ongoing infrastructure maintenance and capital development causing an escalation of local authority rates**

These are important issues that need to be addressed with urgency. The level of investment required across the board is now at an unprecedented level. The challenge to fund this expenditure in ways that do not place an undue burden on households and businesses is great. Delivering our national infrastructure requires integrated forward looking national planning and a long term secure and sustainable funding base to be agreed and committed. This will only be possible if potential solutions also consider the full range of funding options, including a variety of partnering arrangements.

Our country is judged by the reliability of our infrastructure and it shapes our everyday prosperity. NZCID is committed to the development of world class infrastructure for the benefit of all New Zealanders, without it we can not ultimately maintain the standard of living to which New Zealanders aspire.

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I Notes to editors

NZCID welcome media attendance at the Symposium, please contact Christine Watson on 021 558 166 for more information.

Further information on the NZCID Symposium: Building Nations is available online at: <http://www.nzcid.org.nz/1stannualnzcidsymposium.html>

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NZ Council for Infrastructure Development

NZCID is an authority at the forefront of infrastructure development issues. Our numerous members stem from sectors across New Zealand, including: equity owners, service providers, public sector agencies, major infrastructure users. Together we share a clear purpose: world class infrastructure for the benefit of all New Zealanders. A goal we are committed to achieving by:

- Raising awareness of the fact that infrastructure underpins our community's quality of life and that inadequate infrastructure holds back New Zealand's economic and social growth
- Generating valuable debate on the quality and level of infrastructure provision to meet New Zealanders' needs
- Encouraging the implementation of best practice infrastructure provision and management
- Identifying the condition of New Zealand's infrastructure and the challenges facing our infrastructure providers

Further information on infrastructure development, NZCID and its members can be found at: www.nzcid.org.nz