

Infrastructure leadership critical success factor for NZ's development

The New Zealand Council for Infrastructure Development has identified six priorities to lift infrastructure delivery in New Zealand following its Building Nations Symposium in Auckland last week:

1. Recognition that the quality of New Zealand's infrastructure is central to lifting national productivity, enhancing community services and enabling ongoing sustainable growth.
2. Improved leadership and governance across and within the infrastructure sectors to coordinate planning, funding and advance best practise in procurement and project delivery;
3. Provision of coordinated long-term and national infrastructure development strategies supported by detailed investment plans and programmes to lead capacity building within the industry;
4. Reform of complex regulatory and environmental approval processes to recognise the importance of strategic infrastructure investment to New Zealand's overall development;
5. Prudent use of public and private sector debt as a means to finance the infrastructure investment programme
6. Application of a wider range of procurement processes for public infrastructure

These priorities are currently being developed into detailed policy recommendations for the guidance of all political parties leading into the election, says NZCID Chief Executive, Stephen Selwood.

Over three hundred delegates, speakers and panelists from across the infrastructure sectors attended the symposium. Recommendations for best practise in national infrastructure development were presented, and the state of the nation by sector: electricity supply; water services; broadband; and transport were debated.

Although the government has already committed substantial increase in infrastructure investment, New Zealand continues to suffer an infrastructure backlog. Transport networks, broadband speeds, electricity and water service delivery continue to lag other OECD nations with which New Zealand competes. A further increase in investment and improved infrastructure delivery is required to lift New Zealand's overall productive capacity, Selwood says.

Issues addressed at the symposium included the need for funding and programme certainty to stimulate further investment in training and capital equipment, and improving the partnership between the public and private sectors in order to lift overall industry productivity.

Our approach to procurement of infrastructure is behind the times. We have undue reliance on adversarial competitive tendering processes and we suffer from diseconomies of scale. New forms of contracting including Alliancing, early contractor involvement, collaborative working arrangements and public private partnerships have the potential to substantially improve value for money and should be developed further.

We were encouraged by the government's continued commitment to infrastructure signalled by the Finance Minister Michael Cullen who stated clearly that the government was "not going to be outflanked on the infrastructure front". The policy position set out by National Party Leader, John Key, was clearly consistent with the priorities identified at the symposium.

Given this commitment to infrastructure as a pillar of New Zealand's economic development, the future looks very promising.
Selwood says.

For further comment please contact Stephen Selwood on: 021 791 209



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