

# media release

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## budget 2006 roading catch-up welcome but investment still well behind comparative nations

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Although Budget 2006 represents a major step forward in committed transport funding it is still vastly inadequate to address the nation's transport infrastructure deficit, says NZCID Chief Executive Stephen Selwood.

There are a number of very pleasing aspects to the budget announcements:

- > \$862 million bringing previously deferred transport projects back on track
- > \$425 million extra funding to advance road projects across the country
- > 5 year funding certainty giving a boost to construction industry confidence and investment
- > increased commitment to debt funding

This is good progress and provides exactly the certainty of funding so desperately needed by the construction industry.

Nevertheless the level of investment falls well short of that which is needed to fix congestion, make the road network safer as a whole, and achieve the dramatic lift in public transport mode share required to deliver the Government's transport strategy goals.

To put things in perspective, Ireland, which like New Zealand has a population of just over 4 million people, has committed the equivalent of \$NZ 70 billion in transport capital investment over the next 10 years, including \$16 billion in private sector funding.

By comparison, New Zealand will be investing 1/6th of this amount over the same time, even with the latest \$1.3 billion funding injection, and there is scant encouragement to private sector investment in transport infrastructure.

Like Australia, major road projects are being completed in Ireland in less than half the time than it takes in New Zealand.

The Irish are also investing heavily in public passenger transport infrastructure with up to \$NZ 32 billion of the \$70 billion dollar investment programme committed to public transport over the next 10 years.

While NZCID is pleased with today's funding announcements, if New Zealand is to emulate the kind of economic transformation Ireland has achieved over last decade, a further quantum lift in capital investment by both the private and public sector is required, Selwood says.

"NZCID intends working with senior local body politicians and business leaders to encourage a united approach to Government to set out these concerns", Mr Selwood said.

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