

Media Release
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North Auckland and Northland transmission upgrade further bolsters NZ's infrastructure competitiveness

"Commencement of Transpower's North Auckland and Northland (NAaN) grid upgrade project later this month is a further step in improving resilience of our electricity networks and building New Zealand's global competitiveness", says NZCID chief executive Stephen Selwood.

"Security of supply risks and electricity price spikes over the last two decades have undermined New Zealand's reputation as a reliable nation to invest in. We typically measure the impact on the economy of supply constraints and price spikes as being lost production and increased costs, but a potentially greater impact is felt when our nation's reputation for infrastructure reliability is compromised.

"Just last month the annual Global Competitiveness report produced by the World Economic Forum placed New Zealand 47th out of 142 countries surveyed for the quality of its electricity supply. That left us well behind smaller developed nations we often compare ourselves to, such as Denmark (1), Norway (16), Ireland (19) and Australia (33), and in the company of Estonia (45), Costa Rica (46), and Trinidad and Tobago (48).

"The \$400 million NAaN project, which will see 37km of new underground cable laid between Albany in Auckland's north and Pakuranga in the east will address North Auckland's reliance on the single transmission line between Otahuhu and Henderson. It is one of four major Transpower projects designed to restore confidence in New Zealand's electricity backbone.

"The largest project, the \$800 million North Island Grid Upgrade Project, will secure supply to the upper North Island. It began early last year and will be complete in 2012. The new inter-island HVDC link, which is also underway will cost almost \$700 million and be complete in 2014.

"The final major project, the Wairakei to Whakamaru replacement will begin next year and is yet to receive final costing.

"In addition to the very significant investment underway in New Zealand's generation capacity, I think we can expect to see New Zealand's competitiveness rating improve significantly over coming years.

"The long term goal will be to ensure that as a nation we avoid waiting until such a late stage to reinvest in critical infrastructure. With outstanding energy resources and relatively low energy demand, there's no reason why New Zealand cannot maintain the most reliable, affordable, environmentally sustainable and competitive electricity network in the world", Selwood says.

A link to Transpower's grid upgrade announcement is available here:
<http://www.gridnewzealand.co.nz/naan-home>