

## **National Infrastructure Plan signals key issues to be addressed in infrastructure delivery in New Zealand**

"The National Infrastructure Plan 2011 released by Government yesterday identifies infrastructure resilience, funding, reporting and accountability, regulation, investment analysis and lack of coordination as key challenges inhibiting effective infrastructure delivery in New Zealand but is light on detail as what will be done in the longer term to address these deficiencies", says NZ Council for Infrastructure Development chief executive, Stephen Selwood.

"The plan would more appropriately be described as an infrastructure strategy. It usefully outlines a twenty year vision for infrastructure, identifies key challenges by sector, and establishes guiding principles for infrastructure investment and asset management.

"The industry will be particularly pleased that Government will commit to developing and publishing a ten year capital intentions plan for infrastructure. The development of a project pipeline, supported by a funded investment programme is critical to improving industry certainty. In turn this will promote investment in human and capital resources by the industry and drive improved value for money across the sector. It is also critical to building business and public confidence in the capacity of national infrastructure to meet future growth needs.

"NZCID fully supports the action plan initiatives signalled in the plan including:

- increased understanding of the use of pricing and demand management in the infrastructure sectors
- improved information on infrastructure performance
- improved understanding of whole of life costs
- development of performance indicators by sector
- strategic infrastructure planning at a macro regional level
- using the lessons from Christchurch to significantly enhance the resilience of the infrastructure network, and
- exploration of alternative sources of funding.

"The plan provides a generally robust assessment of opportunities for improvement across the sectors, with the water sector demonstrating the greatest array of problems to be addressed," Selwood says.

"But key issues surrounding infrastructure funding and investment and improving the effectiveness of long term infrastructure planning, governance, regulation and delivery remain to be addressed.

"For example constraints on funding are already limiting safety and efficiency improvements to state highways and local roads across the country, compounding the significant infrastructure investment that is required to rebuild Christchurch.

"In addition to this, the Auckland spatial plan is likely to identify a transport funding deficit for the city of at least \$10 billion dollars to fund major new investment in public transport , state highway, arterial and local road improvements as well as an additional harbour crossing.

"None of these investments will be possible without a step change in transport funding. Options such as a low level charge on the Auckland motorway system could bridge the funding gap, but none of these options have been advanced within the infrastructure plan.

"The National Infrastructure Plan sets out a three year infrastructure policy agenda to investigate solutions to these challenging issues.

"The infrastructure sector is looking forward to the time when the challenges are put behind us and the plan is supported by a fully funded and fully integrated long term capital investment and asset management programme", Selwood says.