

Media Statement
27 August 2009

NLTP will improve productivity and growth but further investment required

"The increased level of investment and the focus on economic growth and productivity in the National Land Transport Programme has been welcomed by the New Zealand Council for Infrastructure Development, but the need for additional funding to advance critical projects has been underlined, once again", says Chief Executive Stephen Selwood.

"The plan provides improved certainty through the provision of a three year investment programme. Importantly, it will allow the transport infrastructure sector to plan ahead with increased confidence. This means that firms are able to commit to staff retention, recruitment, training and development and investment in capital equipment necessary to undertake the work.

"Completion of key transport links not only improves travel times and productivity for transport users but also promotes investment in industry and commerce critical for job creation and growth.

"The plan provides a reasonable balance between investment in road, rail and public transport services within an environment of tight fiscal constraint with particular focus on investment in those projects that will lift New Zealand's economic performance.

"But it will still take more than ten years to complete the roads of national significance while funding for rolling stock for electric rail in Auckland, increased investment in passenger transport services and local roads all remain outstanding issues to be addressed.

"The difficulty that the Government and local authorities are facing in funding additional new investment clearly indicates the need to take advantage of alternative public and private sector financing options. Possibilities include a public private partnership (PPP) or leasing rolling stock for Auckland, or part financing the Waterview and other roads of national significance through PPPs to release public funds for other important transport initiative.

"It is time both central and local government took advantage of more innovative funding methods to further advance the transport investment programme and lift national productivity through more timely completion of infrastructure projects", Selwood says.