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# media kit

## meeting new zealand's transport infrastructure needs to 2025

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### key messages

- > Meeting New Zealand's transport infrastructure needs to 2025 frames debate on the most pressing challenges to enabling New Zealand's current and future prosperity.
- > The report presents a challenging picture of New Zealand's transport infrastructure and outlines a number of fundamental issues that must be resolved with urgency; integrated and forward looking national planning, secure and sustainable funding, improved governance, and streamlined consenting processes.
- > Facilitated by the New Zealand Council for Infrastructure Development (NZCID) and carried out by infrastructure experts GHD, this report takes on board input from sectors across New Zealand and is an authoritative analysis intended to constructively inform our decision makers.
- > GHD's significant experience in transport policy and transportation planning, both within New Zealand and internationally, places them in a strong position to provide advice to industry, central government, local government and other transport agencies on strategies and mechanisms to meet New Zealand's transport infrastructure needs now and into the future.
- > The New Zealand Council for Infrastructure Development is committed to the development of world class infrastructure for the benefit of all New Zealanders.

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## the report: main points

Our country is judged on the reliability of our infrastructure and it shapes our every day prosperity. NZCID is committed to the development of world class infrastructure for the benefit of all New Zealanders. Without world-class infrastructure in transport, water and energy we cannot ultimately maintain the standard of living to which New Zealanders aspire.

*Meeting New Zealand's Transport Infrastructure Needs to 2025* is an NZCID & GHD initiative which outlines a 20 year future vision for New Zealand's transport infrastructure needs, and identifies what needs to change in order for this vision to be most effectively delivered.

In the last six years strong economic growth and increasing affordability have enabled the Government to turn its attention to addressing New Zealand's transport infrastructure needs. This is welcome and positive progress which follows three decades of significant under investment in transport.

A feeling of uncertainty persists within industry and the community however. At issue is whether infrastructure will be sufficient to satisfy current and future transport demands and secure the nation's future economic, social, and environmental well being.

Worsening congestion, growing car dependency, increasing CO2 emissions, rising costs and slowing rates of road safety improvement are daily evidence of the pressures on New Zealand's transport infrastructure.

This report raises some fundamental questions. It considers whether the current funding, policy settings and legislative framework are constraining the country's ability to meet these requirements by 2025. And questions whether these factors are placing New Zealand's economic and social future at risk.

Clearly if New Zealand is to achieve the social, economic and environmental goals to which the Government aspires, fundamental issues must be resolved with urgency. We must develop a 20 year National Land Transport Development Strategy; develop a long term secure and sustainable funding base; improve the governance of the transport sector; and streamline the consenting process for approving Projects of National Importance.

More specifically, experts GHD recommend key issues are addressed by the following solutions:

key issues	suggested solutions
1. The Resource Management Act (RMA) can inhibit timely major infrastructure development	> Introduce consolidated assessment provisions
2. Multiple consents/approvals are often required for major projects	> Rationalise statutory approval processes
3. Lack of recognition in the RMA of strategic planning processes	> Provide alignment between RMA, Regional Land Transport Strategies and growth strategies
4. The Land Transport Management Act (LTMA) inhibits tolling and concession proposals from the private sector	> Amend the LTMA for other modes, network approaches and a better balance of public/private risk sharing
5. Lack of funding	> Reduce diversion to the Crown Account, make greater use of public debt and infrastructure bonds and encourage partnerships with the private sector through guidelines/frameworks

6. Lack of project and funding certainty	> Develop and commit to a 10-year plan and an indicative plan for the 10-20 year period
7. Lack of raw materials	> Assess raw material requirements for new transport infrastructure
8. Lack of planning across infrastructure types	> Develop a national strategic plan across infrastructure
9. Lack of coordination and agreement between planning agencies	> Amend the LTMA regarding membership of ReLTCs. Streamline Transit New Zealand's requirement to consult. Amend the Rail Network Bill to ensure coordination with ONTRACK and promote coordination region-to-region, ports, airports and major operators
10. Linkage of transport to GDP, increasing CO2 emissions, congestion and high costs of infrastructure	> Develop integrated and multi-modal approaches to transport demand management including road pricing in major urban centres

*Source: GHD Insights (April 2006)*

Backed by a substantive analysis undertaken by GHD, the findings of this report are constructive and topical and are expected to stimulate welcome public debate. Authors GHD & commissioning organisation NZCID hope the report will inform and influence central, regional and local government decision making, and contribute to NZCID's primary goal: the provision of world class transport infrastructure for the benefit of all New Zealanders.

## background

Copies of the report Meeting New Zealand's Transport Infrastructure Needs to 2025 (2006, GHD & NZCID), and NZCID's own Transport 2025 Summary Analysis have been supplied with this briefing. Following the launch additional copies of these materials can be downloaded from the NZCID website ( [www.nzcid.org.nz](http://www.nzcid.org.nz) ) Information about the New Zealand Council for Infrastructure and issues related to infrastructure development are also available on this site.

NZCID is an authority at the forefront of infrastructure development issues. Our numerous members stem from sectors across New Zealand, including: equity owners, service providers, public sector agencies, major infrastructure users. Together we share a clear purpose: world class infrastructure for the benefit of all New Zealanders. A goal we are committed to achieving by:

- > Raising awareness of the fact that infrastructure underpins our community's quality of life and that inadequate infrastructure holds back New Zealand's economic and social growth
- > Generating valuable debate on the quality and level of infrastructure provision to meet New Zealanders' needs
- > Encouraging the implementation of best practice infrastructure provision and management
- > Identifying the condition of New Zealand's infrastructure and the challenges facing our infrastructure providers.

In 2005 the World Economic Forum reported inadequate supply of infrastructure as the biggest factor holding back New Zealand's competitiveness. Similarly in the New Zealand Herald's Mood of the Boardroom survey, 90 chief executives and company chairpersons ranked problems with the road network as the number one infrastructural issue facing New Zealand.

Infrastructure is important to economic & social development, providing services that support modern industrial production, trade & lifestyles. But many constraints currently appearing in infrastructure – evident in concerns over transport congestion, energy security, water quality & broadband reach – raise questions about whether New Zealand infrastructure is sufficient to meet current & future needs, & whether the country is spending enough relative to other countries with which it competes.

Meeting New Zealand's Transport Infrastructure Needs to 2025 is an NZCID initiative which develops a 20 year future vision of New Zealand's transport infrastructure needs, and identifies what needs to change in order for this vision to be most effectively delivered. This project brings on board consultants GHD ( [www.ghd.co.nz](http://www.ghd.co.nz) ), with their proven analytical skills and extensive national and international infrastructure development experience. Deutsche Bank, Fulton Hogan, Multiplex, Business New Zealand, and the NZ Contractors Federation are key project participants. This project includes significant input from across New Zealand, including: equity owners, service providers, public sector agencies, major infrastructure users, some of whom are NZCID members.

## questions & answers

### Q1: Why was NZCID formed?

A1: To get the private and public sectors working closer together, to provide world-class infrastructure, for the benefit of all New Zealanders. Without this we will not maintain the high standard of living to which we aspire.

### Q2: So you don't have any faith in government resolving NZ's infrastructure needs?

A2: NZCID is encouraged by recent positive progress the Government has made towards addresses New Zealand's infrastructure development issues. There is a limit to the amount any fiscally responsible government can commit to infrastructure development. The private sector must work collaboratively with government to fill that gap.

### Q3: But a recent stocktake of the nation's infrastructure by PWC found that in many areas we're doing okay?

A3: By definition, a stocktake looks at the present situation, but what we need to focus on is our future infrastructural needs. The PWC report also made it very clear that in a number of areas, such as roading, water and waste water, and electricity our infrastructure needs improvement.

Meeting New Zealand's Transport Infrastructure Needs to 2025 is an NZCID initiative which develops a 20 year future vision of New Zealand's transport infrastructure needs, and identifies what needs to change in order for this vision to be most effectively delivered. We must develop a 20 year National Land Transport Development Strategy; develop a long term secure and sustainable funding base; reform the governance of the transport sector; and streamline the legislative process for approving Projects of National Importance.

Without world-class infrastructure in transport, water and energy we cannot ultimately maintain the standard of living to which we aspire.

### Q4: How are partnerships with the private sector going to fix the "buildability" issues in New Zealand?

A4: NZCID does not regard private financing as a panacea to the nation's infrastructure woes. However, funding constraints are a key issue which needs to be resolved for New Zealand to deliver its

transport needs. To deliver these needs a long term secure and sustainable funding base needs to be agreed and committed. This will be a significant undertaking and will only be possible if potential solutions also consider the full range of funding options, including a variety of partnering arrangements.

**Q5: Isn't this a case of big business serving itself?**

A5: No, NZCID members stem from sectors across New Zealand, equity owners, service providers, public sector agencies, major infrastructure users. Together we share a clear purpose: world class infrastructure for the benefit of all New Zealanders. NZCID is focused on the public and private sectors working together to facilitate and encourage the provision of world-class infrastructure. In a country of four million people, that sort of collaborative approach makes sense at all sorts of levels.

**Q6: What's wrong with the RMA?**

A6: The RMA is too often used as a scapegoat by industry when development applications fail. NZCID agrees with the principles and purpose of the RMA.

We are concerned with the repetitive nature of approval processes however. Our analysis recommends developing a streamlined consenting process for approving Projects of National Importance either through development of a new legislative mechanism specific to Projects of National Importance and incorporating all relevant existing legislation or alternatively improve existing legislation to encourage greater use of RMA call in powers.

**Q7: Surely the current high petrol prices are discouraging people from driving? Why do we need more roads? Isn't public transport the responsible answer?**

A7: Recent increases in the price of petrol provide some indication of the impact of a 50% rise in the price of petrol on overall travel behaviour. Analysis undertaken by the Auckland Regional Council concluded that demand for petrol is largely unaffected by price. There has been very little mode switching or changes in travel patterns as a result of the increase in the price of petrol that occurred last year.

There's no question that a dramatic increase in passenger transport development is required and this is a key component to the both the report and NZCID's analysis. To meet New Zealand's present and ongoing transport needs we must invest in both passenger transport and in roads. But the report clearly demonstrates that New Zealand's transport problem is much broader than just dealing with commuter traffic. Roading investment is required to meet the needs of farming communities, business and commercial traffic, freight, as well as every day New Zealanders who use their cars for both pleasure and work purposes.

An multifaceted approach which considers the full range of transport modes, including public transport and roads, is required. It is important to recognise though that New Zealand roads are no longer capable of carrying the volumes of traffic that is now required of them. The resulting impact is worsening safety standards, increased emissions, congestion and all of the social, economic and environmental costs associated with these problems. To deal with these problems we must invest in both public transport and roads as well as encouraging walking and cycling as alternative modes of travel. We also need to look at ways of managing demand for travel more efficiently. Better land use and transport planning are also valuable tools to assist in this process.

**Q8: Isn't this just an Auckland problem?**

A8: No, meeting New Zealand's present and ongoing transport infrastructure needs is a matter of ensuring New Zealand's future prosperity. This is a national issue. We have dramatically underinvested in New Zealand's transport system for decades. But the regions most significantly affected are not isolated to Auckland – Waikato and the Bay of Plenty, have like Auckland experienced substantial growth and diminishing transport investment per head of population in recent

times. These three regions peg out an area collectively known as the Golden Triangle, an area characterised by high growth, concentrated distribution and inter-regional transport demand.

By 2025 this Golden Triangle of Waikato, the Bay of Plenty and Auckland will between them comprise 54% of NZ's population and 51% of the nation's GDP. Other regions that are significantly impacted by either past underinvestment or future growth include, Wellington, Christchurch, Northland, Nelson, and Queenstown.

Playing "catch up" in each of these regions is now placing huge pressure on a limited budget and causing unsatisfactory deferral of projects in other areas of the country. Robbing Peter to pay Paul is not the answer. We must find a means of expanding the amount of money that is available and streamlining processes so that priority projects across the nation can be funded and delivered in a much shorter time frame.

### further information

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