



**National Office
Media Release**

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Transit announces record investment in state highways

Transit New Zealand today announced a record level of spending on state highway activities with the release of its 2006/07 10-year State Highway Forecast.

Investment in state highways is set to rise to \$6.5 billion over the next five years.

"This year's Forecast not only regains the momentum for state highway activities that was announced in 2005, it also means we can further accelerate a number of nationally and regionally important projects, especially focused on relieving congestion and improving safety," Transit's chief executive Rick van Barneveld says.

Included in the funding announced in this year's Budget is an additional \$425 million over five years (as part of a total \$1.3 billion to land transport overall), to accelerate state highway improvements beyond August 2005 levels.

Major projects to benefit from the \$425 million are advancements of the SH20 Manukau Harbour Crossing in Auckland, the SH1 Waikato Expressway in Hamilton, the SH2 Tauranga Eastern Corridor, the SH73 Christchurch Southern Motorway and the Transmission Gully Motorway investigation.

"Delivering a multi-billion dollar programme of work will require a very real commitment from all parties. We have always had strong relationships with local government and our industry partners, but we need to reach a new level of understanding and working together if we are to take advantage of this opportunity the Government has given us," said Mr van Barneveld

This Forecast also sees the introduction of a five-year funding package from the Government for state highway construction, approved and underwritten by the Government. In the past funding was allocated on a year-by-year basis with no guarantee for future years.

"This is the first time Transit has been able to set out a definite five year plan," Mr van Barneveld says.

“This gives Transit a higher level of confidence for the delivery of state highway projects. It’s a development which has been keenly sought by communities and our industry partners around the country,” he says.

In Auckland, Transit’s plan for early completion of the Western Ring Route, a strategic alternative to SH1, remains on track. However, its completion by 2015 remains dependent on support from Aucklanders for tolling the route. This is unchanged from Transit’s August 2005 Forecast. The project, which connects state highways 20, 16 and 18, comprises 10 individual projects.

Mr van Barneveld says the final Forecast is very different to the draft, released by Transit for public consultation in February. The final document reflects the Budget funding injection, updated priorities, the latest risk assessments for major projects, updated Regional Land Transport Committee rankings, as well as taking into account the results of the consultation process which Transit undertook around New Zealand.

“We listened carefully to what people had to say, especially the strong community interest in the SH1 East Taupo Arterial and the SH3 Bell Block Bypass in Taranaki. Consultation is an important feature of the annual process for deciding project priorities,” Mr van Barneveld says.

While the process by which state highways are planned and funded is changing, the annual consultation process for the 10-year State Highway Forecast remains, with a focus on the programme for the immediate financial year and the 10-year financial projections.

Years one to five, now called Transit’s “forward 5-year plan”, show the projects that are planned within this period, with appropriate checks and balances to ensure continued value for money. Years six to ten, referred to as Transit’s State Highway Forecast, sets out projects which are indicative only.

Extra funding included in the 2006/07 Forecast and the increased activity that this involves means Transit will be paying even more attention to delivering value for money.

As well as the successful delivery of complex, large projects, Transit’s other priority is the operation and maintenance of the state highway network, a national transport infrastructure with a replacement value estimated at \$15 billion. Activities to ensure safe operation of the network make up one third of the 2006/07 Forecast.

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Regional highlights from this year's State Highway Forecast are outlined in separate media releases. All media releases and the State Highway Forecast will be available at www.transit.govt.nz from 6pm today.