MEDIA RELEASE
Civil Contractors NZ

22 August 2017

Contractors welcome infrastructure promises: with some caveats

Civil contractors have welcomed political parties’ announcements on infrastructure investment but say any incoming government needs to improve procurement systems and shine light on “the poor cousin” of infrastructure: water systems.

Civil Contractors NZ CEO, Peter Silcock, said the various election promises to invest more in public and private transport infrastructure were good news for everyone because, despite a recent surge in new projects, the country still had a significant infrastructure deficit following many decades of under-investment.

However, several major changes were required to procurement systems plus more focus needs to be put on our ageing water infrastructure assets.

Procurement

“As CCNZ has been saying for some time, New Zealand’s current central and local government infrastructure procurement systems are wasteful and don’t make the best use of our limited resources.”

Problems with current procurement systems included:

- Use of inappropriate contracting models e.g. overuse of expensive design and build contracts, and of special conditions (which require expensive legal advice)
- Inappropriate transfer of risk from clients to contractors
- Lack of standardised prequalification and health and safety management systems
- Uneven flow of contracted work, which creates boom and bust cycles

CCNZ was alongside Infrastructure New Zealand in calling for a fully independent, specialist agency responsible for procurement, Mr Silcock said.

“Such an agency would provide a much-needed national overview and expertise. This would make best use of the capacity and capability of the industry plus create confidence in future workflows. In turn, this will enable contractor firms to invest more in new technology, new plant and further developing their people. It will be a win-win-win for government agencies, contractors and the public.”

Prioritisation

Mr Silcock said while he welcomed the various policy investment promises for roading, rail and public transport, water infrastructure was being treated as a ‘poor cousin’.

“We need to address how the country will fund the required upgrade and replacement of our ageing three waters infrastructure (tap water, wastewater and stormwater).”
The relative lack of investment in three waters infrastructure was mainly because it was not connected nationally, was funded and managed by local authorities and was mostly unseen by the public.

“A pipeline may be leaking, or approaching its capacity but that will not be noticed by the public.”

Mr Silock said while he was not suggesting the incoming government take over management of three waters infrastructure, it would need to ensure local government had the right tools and funding systems to do the job.

“The three waters are a critical service that is vital to our national social, environmental and economic wellbeing.”

“We desperately need more tools and funding options because New Zealand is facing a perfect storm of issues that will place even more pressure on the three waters. These include ageing assets, climate change pressure, population growth, urban infill, changing land use and major natural events.”

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About CCNZ

Civil Contractors New Zealand (CCNZ) represents the interests of the civil construction sector. Our 600 members include large, medium-sized and small businesses in civil construction and general contracting. The civil construction and maintenance industry carries out $12 billion of work annually and employs 60,000 workers.

Our members design, develop and maintain New Zealand’s infrastructure, connecting people and services, and ensuring New Zealand keeps growing. They are responsible for the construction and maintenance of our national and local roads, public transport, telecommunications services, parks and sports grounds, cycleways, power supplies, sewerage, water systems and flood protection. Our members are also early responders during extreme weather and natural disasters to clear roads and reconnect power supplies and telecommunications.