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PRESS RELEASE

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FOR IMMEDIATE RELEASE

State highway investments could provide \$1b annual boost to GDP: research

Research commissioned by the Northern Infrastructure Forum shows that if the Cambridge to Piarere (C2P) and Warkworth to Wellsford (W2W) highway investments go ahead, they will contribute almost \$1billion to New Zealand's GDP annually.

The research, conducted by the New Zealand Institute of Economic Research (NZIER), outlines the economic impact of potential state highway investments. It will be presented to a roomful of central and local government and business leaders from around the North Island at an invitation-only event on 28 February.

Hosted by the Waikato Chamber of Commerce, the Northern Infrastructure Forum will present the results of research it commissioned last year into the economic benefits to New Zealand of the Cambridge to Piarere and Warkworth to Wellsford Expressway developments.

The Forum was established last year to provide a voice for the North on infrastructure issues and help drive a world-class infrastructure programme for New Zealand.

NZIER's research shows the C2P Expressway will increase New Zealand's annual GDP by \$487m and the W2W corridor will increase the country's annual GDP by \$497m.

Once in place, the projects are expected to deliver long-term improvements, including reduced travel time and delay, improving efficiency for freight industries; fewer travel disruptions; a viable alternative route to SH1 users, especially heavy vehicles; fewer crashes; and improved access to businesses and employment across the regional economies connected by the corridors.

The research estimated that the total economic benefit to the New Zealand economy over a 20-year operation period of C2P and W2W amounts to just over \$12billion.

As well, the capital invested during the construction phase of C2P and W2W will increase the size of the national economy by \$10m and \$20m per annum, respectively, during their five-year construction period.

Transport Minister Simeon Brown turned the first sods for a \$43.5m roundabout at the intersection of SH1 and SH29 last month. Waka Kotahi said the roundabout design had been "future proofed" so it would fit long term into anything else planned.

Brown was quick to add that it was back on as a road of national significance and that he “can’t wait to come here and open it”.

Waikato Chamber CEO Don Good said transport infrastructure is essential for enabling economic activity growth through connecting people, businesses and economies.

“We’ve seen the economic benefits already from the Waikato Expressway, with an influx of housing and businesses along the corridor. That’s particularly evident around Pokeno and Cambridge. Investing in our state highway provides economic benefits to sectors across New Zealand and our regional economies.”

Cambridge Chamber of Commerce CEO Kelly Bouzaid said while there was initial concern about the rerouting of SH1, Cambridge has seen early industrial land rezoning due to high demand.

“Originally planned for 2035, the 75ha industrial zone is available sooner because of strong growth in the past decade, with the Waikato Expressway’s completion in December 2015 improving transportation, attracting businesses, creating jobs, and stimulating economic growth in Hautapu.”

Both corridors are currently classified as national high-volume routes under New Zealand’s One Road Network Classification (ONRC), and they are strategically important for freight movement and connecting ports and economies in the North Island regions.

However, the existing SH1 for these two sections on the state highway network do not align with the standards of their ONRC classification regarding travel time efficiency, resilience and safety.

NIF Chair and Auckland Business Chamber CEO Simon Bridges said the Northern Infrastructure Forum is vital given the Upper North Island is such a large set of regions for New Zealand.

“Good policy thinking on infrastructure is so critical to improving our growth, productivity and quality of living. Our report on highways shows in a powerful way some of what needs getting on with, but we have plenty more to do to drive debate and action. This meeting is about keeping the momentum and ensuring the Waikato is well represented on infrastructural issues.”

Ends

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