

Infrastructure Maintenance in the Pacific



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Based on a PRIF Office report co-authored with Corazon Alejandrino-Yap and Kerry McGovern, under the guidance of John Austin

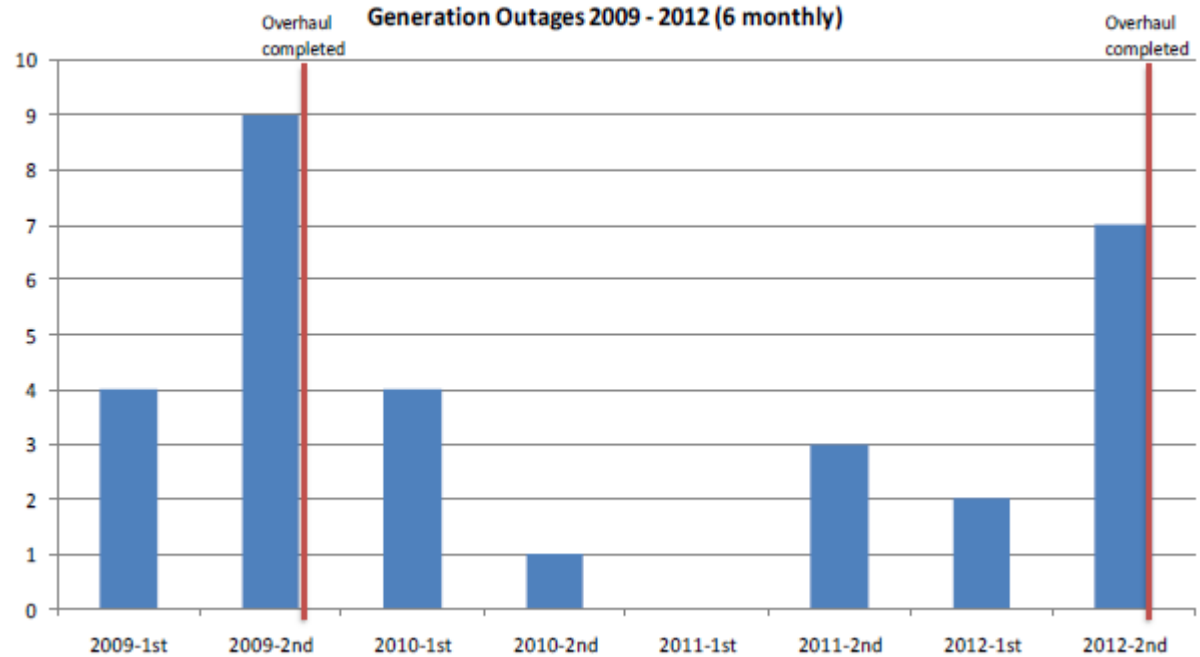
The maintenance challenge

- “Poor maintenance limits the capacity of the region’s assets to provide the sustained services for which (they) were designed.”
 - ADB, 2007
- “In the Pacific, governments have often focused on building new infrastructure, rather than investing in sustainable infrastructure operations and maintenance”
 - World Bank, 2006
- “... O&M expenditures have a low priority in government budgets as they are less appealing and visible than new investment projects... Moreover, donors have facilitated ... investment projects while providing little support for recurrent costs ...”
 - IMF, 1991

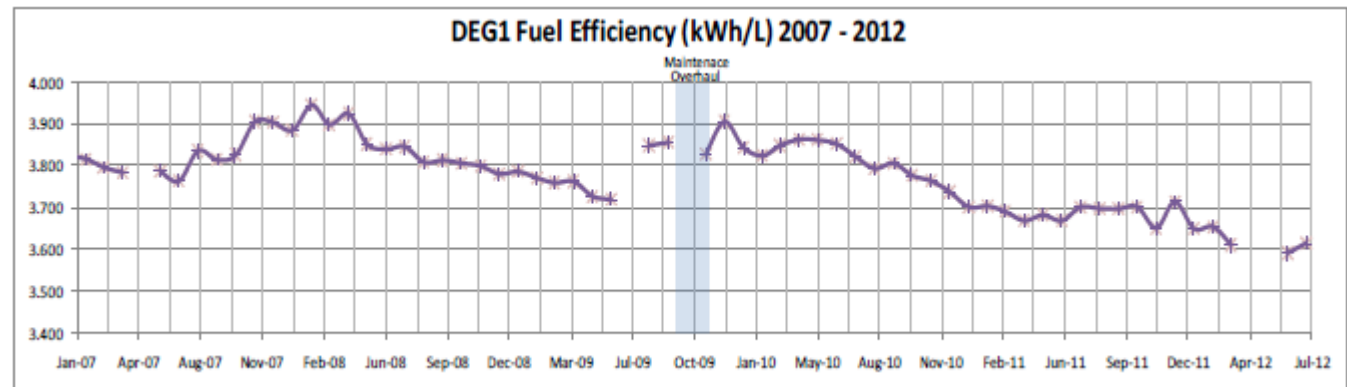
The impact of limited maintenance

Generator Maintenance at the Public Utilities Board affects:

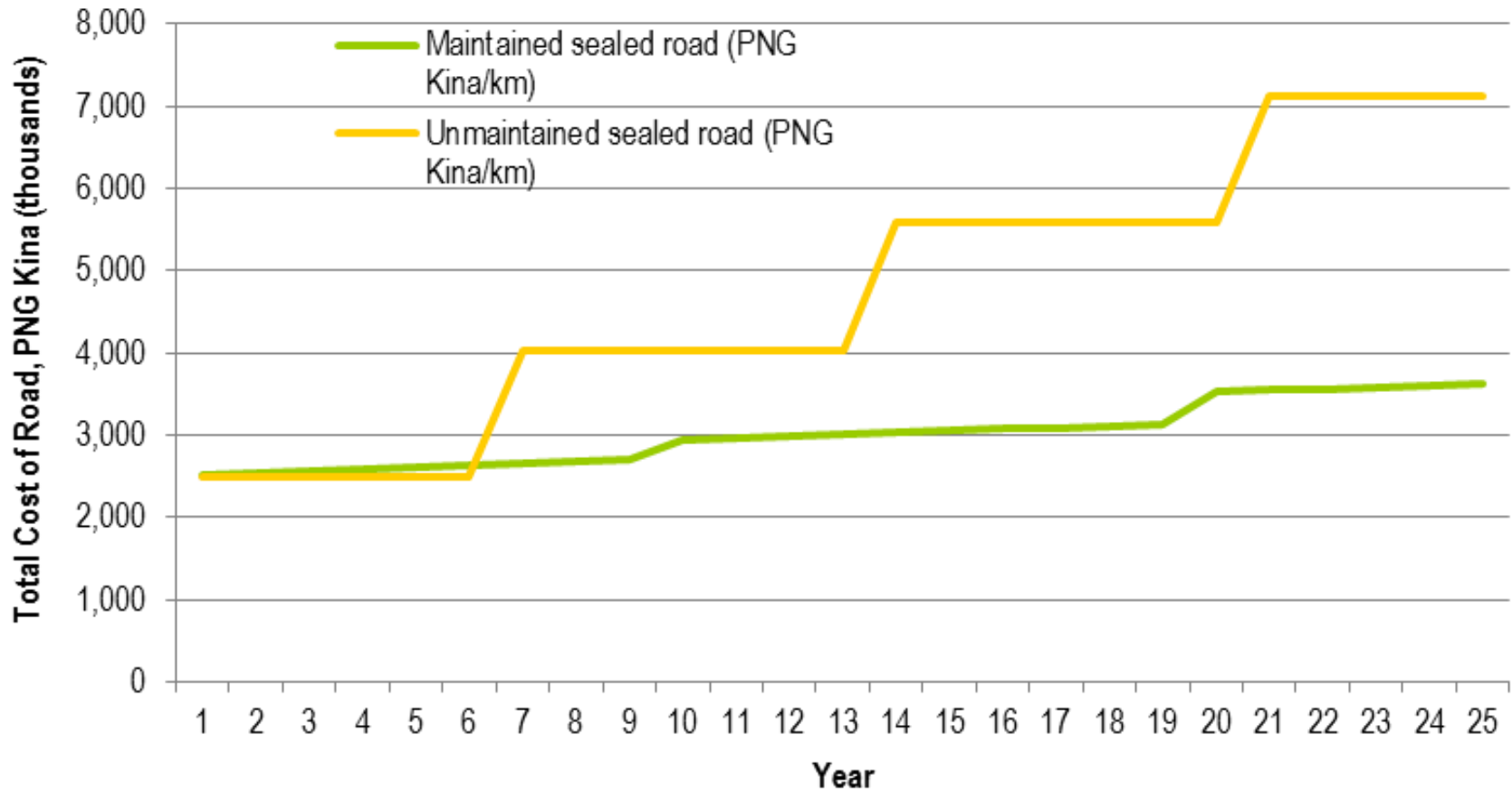
- Generation outages



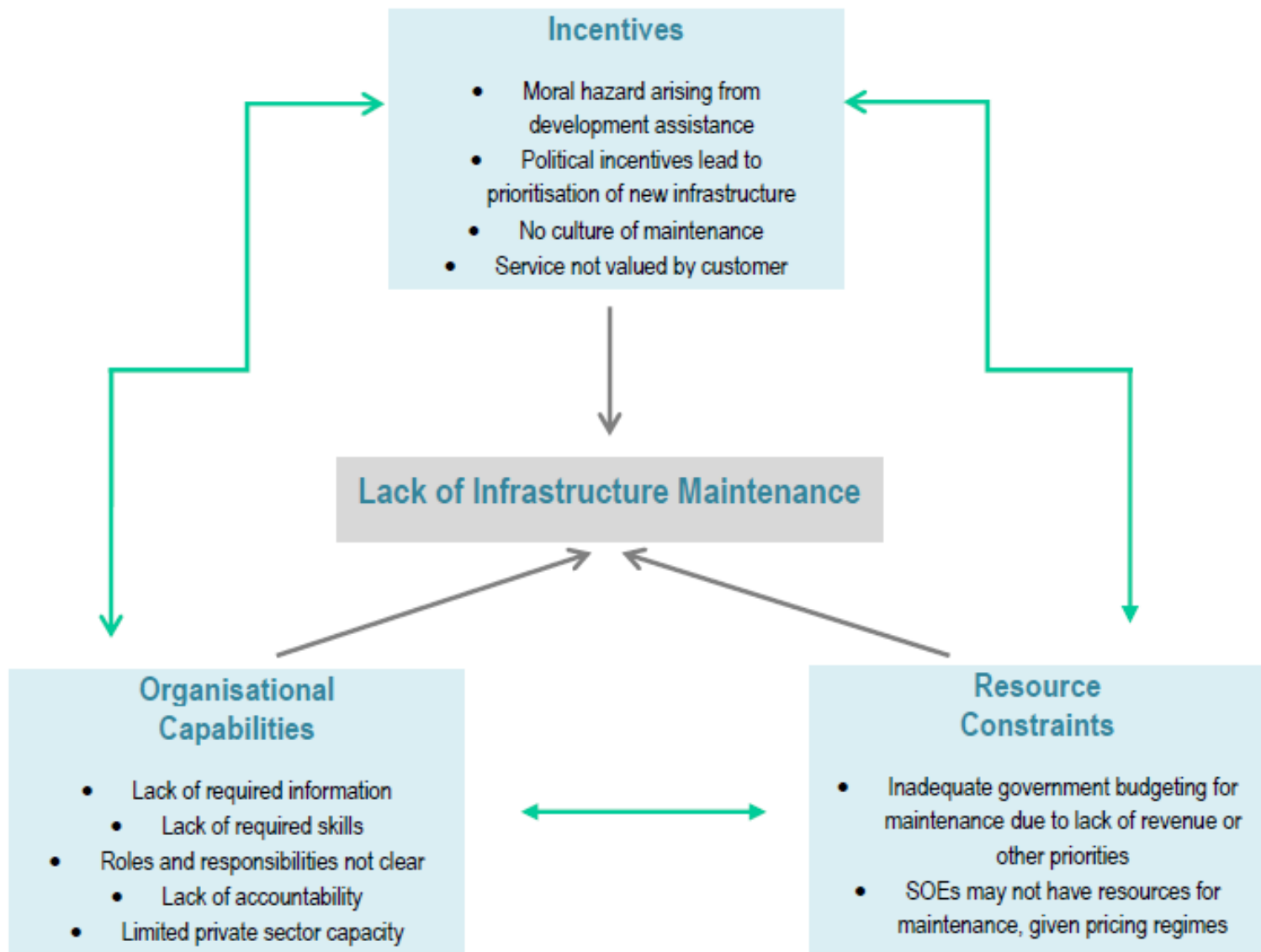
- Fuel efficiency



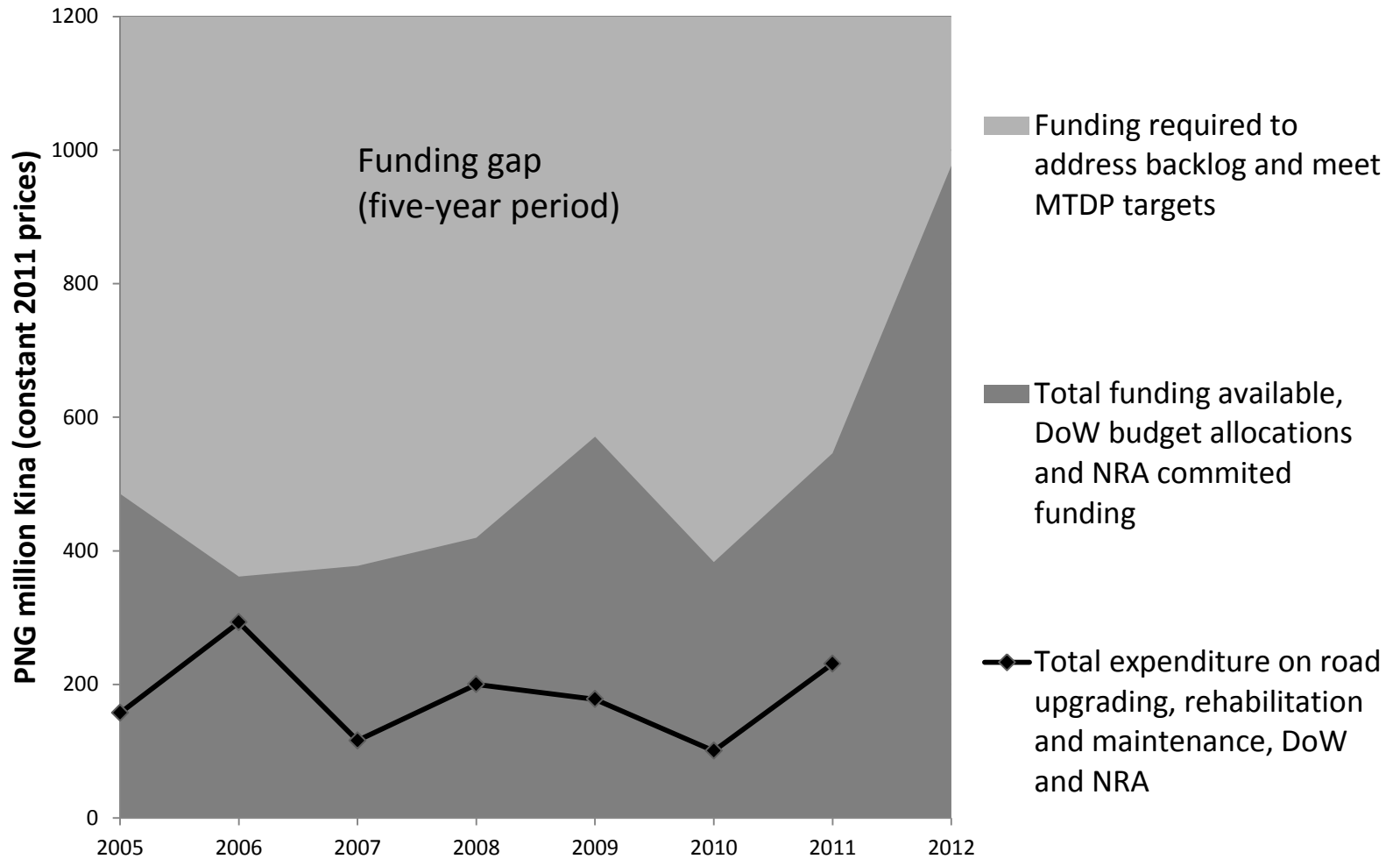
Costs of Maintaining a Sealed Section of National Road in PNG in Service



Reasons for poor maintenance

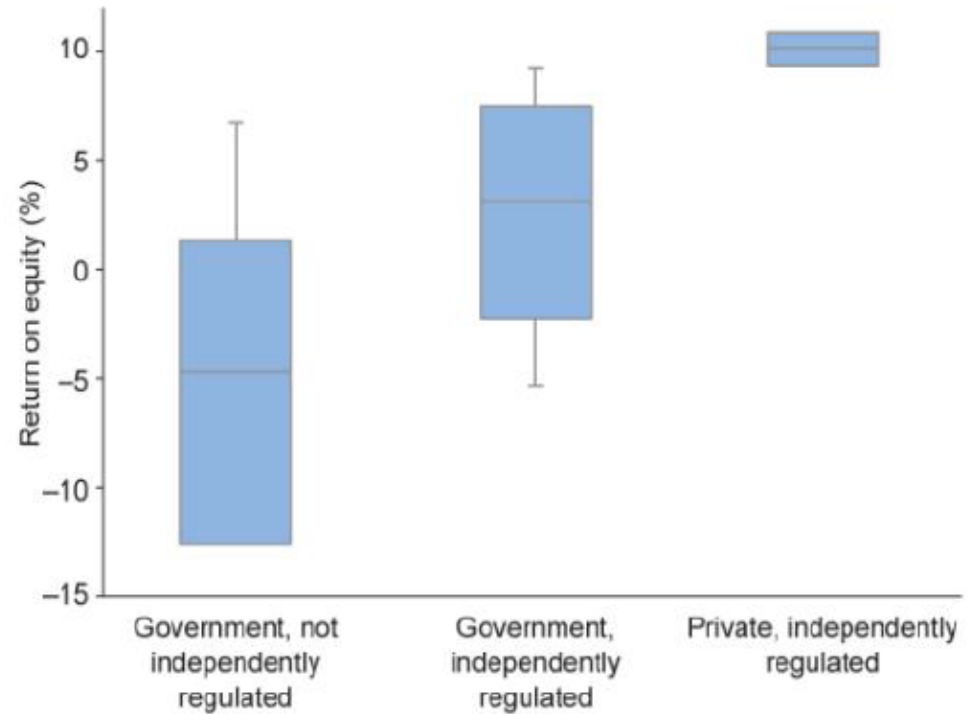
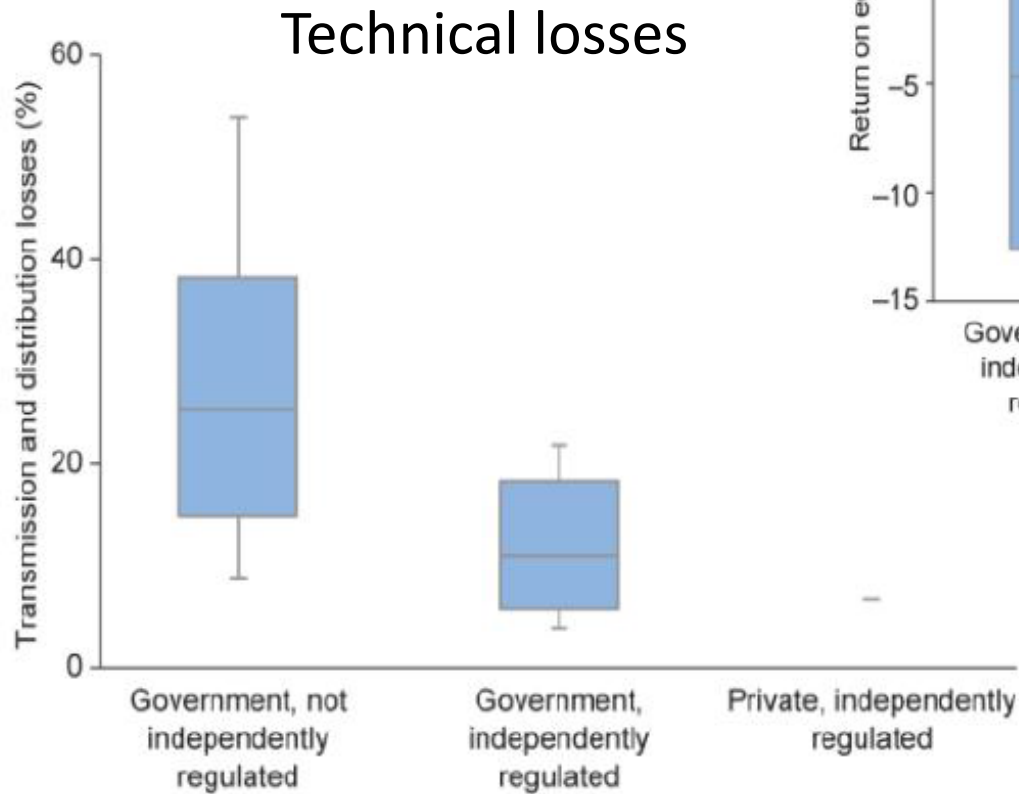


Resource Constraints



Regulation

Financial performance



Addressing the problem

**A. Addressing
Resource
Constraints**

**B. Establishing
Accountability
and
Appropriate
Incentives**

**C. Building
Organisational
Capacity for
Asset
Management
Planning and
Implementation**

**D. Development
Assistance**

The need to consider life-cycle costs

Future liabilities generated by planned infrastructure investments (AUD million)

	Nauru	Samoa	Tonga	Tuvalu
Capital cost	73.11	246.27	84.62	71.29
Total life-cycle cost	198.97	446.78	140.65	377.87
Estimated annual operation & maintenance costs	6.293	6.864	6.612	7.78
Annual government revenue *	18.66	101.47	49.50	19.44
Est. annual operating + maintenance costs as a % of govt revenue (%)	33.72	6.76	13.36	40.02

Source: Based on data in various national infrastructure investment plans



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