



Freight and Supply Chain Strategy Issues Paper

Te Waihanga Feedback June 2022

Freight and Supply Chain Strategy

Te Waihanga Feedback on the MOT Issues Paper

Introduction

1. Thank you for the opportunity to respond to the NZ Freight and Supply Chain Strategy Issues Paper. Planning for the future operation and organisation of New Zealand's freight and supply chain is critical for the future of New Zealand's economy, environment and overall wellbeing.
2. In our feedback we set out a number of suggestions and ideas for consideration, based in particular on our findings and consultation during the development of the New Zealand Infrastructure Strategy. We are happy to meet to discuss these ideas further at any stage.

About Te Waihanga

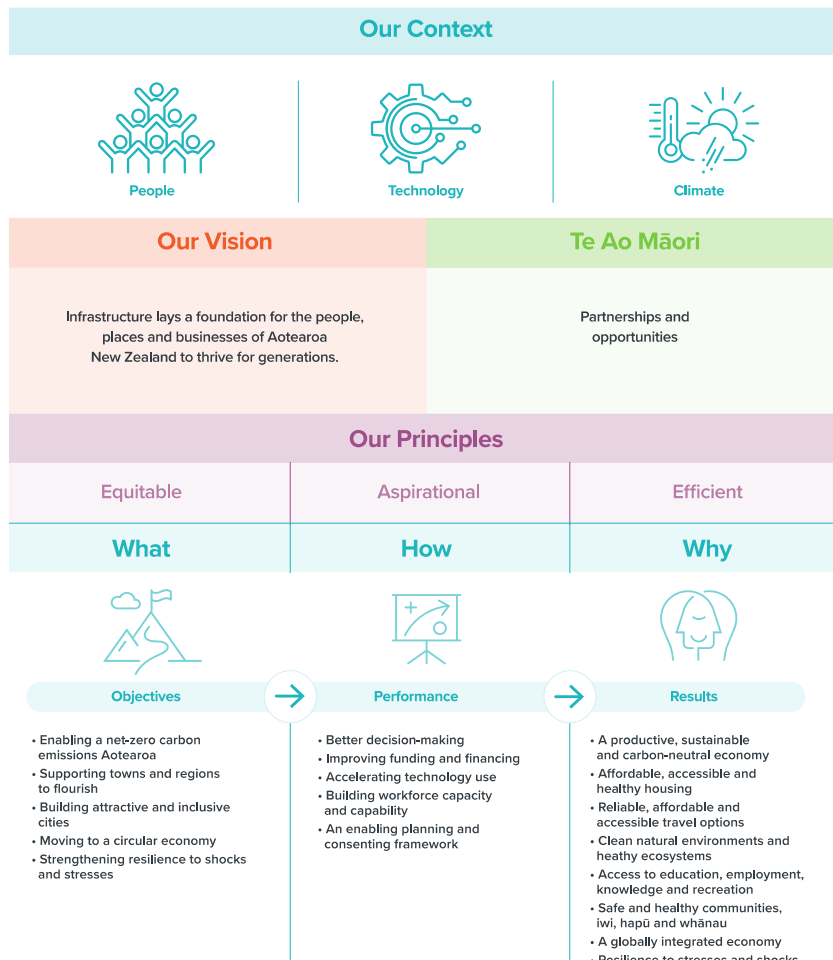
3. Te Waihanga is an Autonomous Crown Entity that was established in 2019 as the Government's lead advisor on infrastructure by the New Zealand Infrastructure Commission / Te Waihanga Act 2019. The main function of Te Waihanga is to co-ordinate, develop and promote an approach to infrastructure that improves the wellbeing of New Zealanders.
4. In particular, the Act requires that Te Waihanga must have regard to long-term trends that impact on, or are impacted by, infrastructure including:
 - (i) changes to demographics;
 - (ii) the emergence and availability of new technology; and
 - (iii) matters relating to the mitigation of the effects of climate change (including through reducing emissions of greenhouse gases) and adapting to the effects of climate change.

Rautaki-Hanganga-o-Aotearoa - New Zealand Infrastructure Strategy

5. One of our legislative requirements is to produce a 30-year infrastructure strategy. Rautaki-Hanganga-o-Aotearoa - New Zealand Infrastructure Strategy (the Strategy) which was released this year and sets out a strategic approach to infrastructure that will improve the well-being of New Zealanders. The Strategy, which follows a blueprint for action identifying our infrastructure challenges and opportunities, sets five objectives which are the things we need to do as a nation to achieve the vision of a thriving New Zealand:
 1. **Enabling a net-zero carbon emissions Aotearoa** through rapid development of clean energy and reducing the carbon emissions from infrastructure.
 2. **Supporting towns and regions to flourish** through better physical and digital connectivity and freight and supply chains.
 3. **Building attractive and inclusive cities** that respond to population growth, unaffordable housing and traffic congestion through better long-term planning, pricing and good public transport.

4. **Strengthening resilience to shocks and stresses** by taking a coordinated and planned approach to risks based on good-quality information.
5. **Moving to a circular economy** by setting a national direction for waste, managing pressure on landfills and waste-recovery infrastructure and developing a framework for the operation of waste-to-energy infrastructure.

Figure 1: Blueprint for action



Importance of the National Freight and Supply Chain Strategy

6. Te Waihanga supports the development of a national freight and supply chain strategy, including the need for this to improve efficiency and security of freight and the national supply chain. The Strategy includes the following recommendation around the appropriate scope of the future national freight and supply chain strategy:

New Zealand Infrastructure Strategy Recommendation 8: Improve efficiency and security of freight and the national supply chain.

In developing a long-term National Freight and Supply Chain Strategy, the government should:

- Include airports, ports, road, rail and coastal shipping.
- Ensure it is integrated, resilient and multi-modal.

- Identify infrastructure needs and options to improve efficiency, sustainability and security.
- Assess the appropriateness of regulatory and market structures.
- Recommend reforms and investments that will enable the more efficient movement of freight, provide freight users with competition and choice.
- Build national freight and supply chain data capabilities for capturing and sharing data securely to improve efficiency.
- Investigate the development of a National Location Registry, where attribute information about physical pickup and delivery locations is digitally stored and accessible to authorised users, leveraging the recent experience of Australia. The registry should be sensitive to confidential information and privacy concerns.

Accordingly there will be many important synergies between the New Zealand Infrastructure Strategy and the proposed NZ Freight and Supply Chain Strategy and, as noted in the Issues Paper, the MOT are not starting from scratch and can build on previous or ongoing work.

The Strategy identifies three areas of focus that will have the greatest impact over the next 30 years in transforming New Zealand (p10). These are:

- Leveraging our low-emissions energy resources.
- Planning for generations to come.
- Better infrastructure through pricing.

These areas of focus apply equally to the National Freight and Supply Chain Strategy. Te Waihangā considers that to deliver better freight and supply chain outcomes which help to transform New Zealand, it is critical that the NZ Freight and Supply Chain Strategy enables us to achieve these goals.

Responses to the Questions for Consultation asked in the Issues Paper

7. We note that the Issues Paper is a preliminary view of the big issues facing New Zealand's freight and supply chain system over the next 30 years and is seeking feedback on whether the challenges and opportunities identified are the most important ones for the strategy to address, in shaping the future of New Zealand's freight and supply chain system. Te Waihangā wishes to provide the following specific responses to the thirteen questions asked in the Issues Paper.

Q1. Do you agree with the outlined description of the freight and supply chain system?

8. The Issues Paper clarifies the area of focus for the National Freight and Supply Chain Strategy within the broader supply chain (p10):

"Supply chains involve far more than transport. Of the five key supply chain management aspects – the plan or strategy, the sourcing of raw materials or required services, manufacturing, delivery and logistics, and the return of defective or unwanted products – the delivery and logistics task is the key focus of this issues paper."

Te Waihanga agrees with the broad description of the freight and supply system and the focus on the delivery and logistics task. However, we would like to emphasise the need to ensure that the definition which is eventually settled on for the strategy is sufficiently wide to ensure that all relevant aspects of the freight and supply chain are captured (for example inland ports are a key part of shipping activities etc).

Q2. Do you have any views on the outlined role of government in the freight and supply chain system?

9. The Strategy identified a degree of fragmentation in the freight sector in New Zealand. Freight and logistics services are provided almost exclusively by the private sector and most of the transport infrastructure that supports these services is owned or managed by central or local government entities.
10. The governance, ownership, funding, and regulation of transport is important for ensuring that the transport system successfully delivers connected journeys of people and goods whilst meeting wider objectives. Effective integration and harmonisation between transport modes is needed.¹ However, as can be seen in the table below, even at the infrastructure level governance, ownership, funding, and regulation varies within the sector.

Table 1: Transport Infrastructure Ownership, Funding, Delivery and Operations²

	Road (inc PT, active modes)	Rail	Ports	Airport
Ownership	Crown (Waka Kotahi manages), Councils	Crown (inc via NZRC & KiwiRail)	Councils, private shareholders	Councils, Crown, private shareholders
Governance	Boards, Councils	SOE Boards	Boards, Councils	Boards, Councils
Regulator	Waka Kotahi e.g axle loads, driving time	Waka Kotahi (rail safety)	Maritime NZ (safety)	CAA (safety) and Commerce Commission (business)
Funding	NLTF (road users), Crown, Councils	Crown, NLTF, rail users	Port users, Crown and Councils	Users (airlines, passengers), commercial operations (on site), land use
Delivery and Operations	Waka Kotahi, Councils	KiwiRail, Regional Councils (metro rail via operator)	Port companies	Airport companies

¹ NZ Infrastructure Commission Te Waihanga, 2021, Transport State of Play Report, p33. From: Organisation for Economic Co-operation and Development, *Gaps and Governance Standards of Public Infrastructure in Chile Infrastructure Governance Review: Infrastructure Governance Review* (France: OECD Publishing, 2017), 169.

² NZ Infrastructure Commission Te Waihanga, 2021, Transport State of Play Report, p35.

11. There are various examples where multiple agencies contribute to the operation of complementary elements of the transport system but do so through different governance and funding models. This can pose challenges for system integration and delivery of mode-neutral or inter-modal investment approaches, including freight and supply chains. The government has a key role to play in helping to overcome this fragmentation so that we can make the best use of our national supply chain. The Strategy sees improvements in ownership and governance structures as a way to reduce bottlenecks that would otherwise result in a slower pace of planning and investment (p68).
12. The Strategy emphasises the need for “a pricing system that better reflects need and provides for options, spreads the load on our infrastructure more evenly (p12). This policy lever could help to reduce congestion at busy times and benefit freight movements. A key consideration with the use of pricing tools to manage externalities (such as congestion or emissions) is the approach to setting prices. In order for pricing to be agile and responsive to changing circumstances it will be important to consider to role of government (ideally creating the environment for pricing) and the role of others, for example a regulator to set prices, independent of the political process.
13. The government controls other levers that can impact the freight system, such as regulation. These levers need to be recognised and adapted to help achieve the outcomes being sought through the National Freight and Supply Chain Strategy. For example, it will be important to explore whether opportunities exist to review and improve on regulations which may limit supply chain capacity, such as driving times for commercial drivers and axle loads on key routes. There is also the opportunity to consider more fundamental changes, such as the movement to a more commercial model for ports and including a commercial regulator in this model.
14. The government also has a key role in ensuring that the appropriate data needed to inform the strategy and the freight and supply chain system is being collected and made available to help improve efficiency.
15. **Response to question:** In Te Waihanga’s view the appropriate role of government in the freight and supply chain system is to:
 - Ensure that there is a strategy (grounded in the needs of the customer).
 - Reduce fragmentation in the sector.
 - Use the levers available (e.g. pricing and regulation) to incentivise behaviours and drive the attainment of broader social outcomes e.g. emissions reductions.
 - Lead and improve freight data collection.

Q3. Do you agree with the outlined strategic context and key opportunities and challenges? If not, please explain why.

16. The Issues Paper identifies four areas of major change as the core of the strategic context and highlights the key opportunities and challenges which these changes present (see Appendix 1):
 - Climate change.
 - Growing population and densification.
 - Technology and digitalisation.
 - International developments.

17. The areas of major change are well aligned to the context from which the Strategy was developed, including the Blueprint for action (Strategy, p39), which has its centre a strategic context focused on people, technology and climate. From this the Strategy identifies the following challenges facing the freight sector, which are well aligned with the areas of major change set out in the Issues Paper:
- **Climate change:** The need to reduce freight-sector carbon emissions to meet our net-zero carbon emissions target, as well as the need to adapt to evolving consumer preferences (such as for locally produced and eco-friendly products).
 - **Growing population and densification:** The impacts of population growth on our freight system. This could reduce the availability of land for storing freight and increase traffic congestion affecting freight movements.
 - **International developments:**
 - The need to keep up with international trends for much larger volumes of freight and increased efficiency. These include the digitisation and automation of supply chains and the introduction of bigger ships.
 - Adapting to pressures associated with the COVID-19 pandemic, such as reduced international air freight capacity, increasing costs and changes to distribution and storage models.
18. **Reliable transport networks are critical for the economy.** The Strategy emphasised the opportunities and challenges associated with ensuring the provision of strong regional infrastructure, including infrastructure needed to support the delivery and logistics task within supply chains:
- The opportunity is that well-organised infrastructure networks are critical to enabling goods, services, people and knowledge to move both within New Zealand and overseas.
 - The challenge is that to thrive, regional New Zealand needs good infrastructure, but to achieve this we need to address these issues:
 - Affordability, especially in places with small populations or with to challenging geography.
 - Existing funding sources (e.g. rates) are often insufficient to fund the quality of regional infrastructure needed and private enterprise is unlikely to meet all these needs.
 - Uncertainty about future growth or decline and the risk of stranded assets.
 - Demand for road use is not effectively managed. Apart from a small number of toll roads, demand (particularly in urban areas at peaks) is simply choked off by congestion and the associated time cost incurred by drivers.³ The most effective 'lever' for managing demand is pricing. Pricing approaches can vary, from a simple congestion charge through to a sophisticated blend of fixed and variable charges, which can reflect factors such as road 'wear and tear' or emissions. Pricing offers an opportunity to 'break the cycle' of simply providing additional roading capacity which creates further demand and to ensure higher levels of network reliability for freight, especially in urban areas.

³ Ministry of Transport, *The Congestion Question: Main Findings* (Wellington: Ministry of Transport, 2020), <https://www.transport.govt.nz/assets/Uploads/Report/TheCongestionQuestionMainFindings.pdf>.

- Encouraging use of infrastructure at appropriate times, e.g. seasonality of harvesting and aligning this with times when there is least risk of asset damage.

Therefore, addressing the affordability of regional infrastructure needed to support the freight and supply chain will be a critical issue.

19. The Strategy also identified a number of additional challenges and opportunities which have already been alluded to that are important to be aware of when developing the NZ Freight and Supply Chain Strategy:

- The resilience of our supply chains to shocks and stresses, such as the need to adapt to climate change, earthquakes and cyber-attacks.
- The degree of fragmentation in the freight sector.
- The lack of quality data. Data quality and availability will become more important once strategy implementation is underway, to inform decisions, track trends and evaluate progress. We suggest looking at international examples of data freight collection (e.g. UK, Australia and US).

20. **Response to question:** Te Waihanga agrees with strategic context and key opportunities and challenges, noting these are well aligned with the Strategy and Blueprint for Action.

We wish to emphasise that reliable transport networks (and supply chains) are critical for the economy. Therefore, to be successful the future NZ Freight and Supply Chain Strategy will need to enable real progress to be made in meeting the infrastructure needs of regional New Zealand. Addressing the affordability of regional infrastructure needed to support the freight and supply chain will be a critical issue.

Q4. Are there any trends missing that we should consider? If so, please explain what they are.

21. Te Waihanga notes the following trends as being particularly important to be aware of and respond to via the future strategy as they will be of critical importance for the freight and supply chain.

- **Inward and outward freight flows:**
 - New Zealand is a trading nation and the regions are our economic backbone. In 2019, \$131 billion of goods left or entered New Zealand, with 79% by sea and 21% by air. Prior to COVID-19, primary-sector products made up nearly 80% of all the goods we exported by value. Access to local, national and international markets is critical to the success of not only our regions, but New Zealand as a whole.
- **Population growth by location**
 - New Zealand's population is expected to grow significantly in the next three decades. However, if growth isn't adequately planned for or anticipated, it can create infrastructure problems that erode the benefits of growth and undermine public acceptance of a growing population. Volatility in population growth might place pressure on absorptive capacity. Ensuring that we have a freight and supply chain that is capable of serving the needs of the future population distribution will be an important role of the future national freight and supply chain strategy.

- **Predicting population growth comes with a high degree of uncertainty.**
 - Because infrastructure is long-lived and often requires long lead times to be provided, expectations of growth trajectories are important for delivering the right infrastructure, in the right places, at the right times. The uncertainty of demand through changing population trends can also impact investment decisions.
 - **To assist with this, Te Waihangā recommends that a long-term and stable National Population Plan should be developed**, focused on reducing the uncertainty of future demand for long-lived infrastructure services at the national level, while respecting individual choices on where to live and work. It can also provide direction for regional spatial and infrastructure planning and support policies that shape growth across New Zealand. This is aligned with findings from the Productivity Commission's recent immigration inquiry (2021),⁴ which identified that infrastructure and housing supply have not kept pace with growth. The Productivity Commission recommended that Government should publicly state its objectives and priorities for immigration, and the steps it will take to ensure that public investment matches need.

Q5. Which of the opportunities and challenges do you believe will be most important in shaping the future of the freight and supply chain system in New Zealand and why?

22. **Response to question:** Te Waihangā agrees with the Issues Paper that addressing climate change by reducing freight-sector carbon emissions will be of critical importance for New Zealand. The Issues paper notes that decarbonising our road fleet presents the biggest opportunity for achieving this:

"The Government has committed that zero emissions heavy vehicles entering the country would make up 30% of new vehicle sales by 2030 and 100% by 2040. To prepare for this, we need to understand what low emissions heavy vehicle infrastructure will be required, and build that into our long-term planning. These kinds of infrastructure have significant costs and the government and the private sector will need to consider how they will be funded."(Issues Paper p23)

We agree with the Issues Paper that in addition to seeking technological solutions there is a significant need to reduce our reliance on road freight, by better utilising alternative modes e.g. rail and coastal shipping (p24) and a need to de-carbonise these modes too. However, there are key infrastructure challenges that will need to be addressed in order to achieve this, such as the capacity of the rail network on key routes and the need to invest in de-carbonisation of rail.

We note that currently, the technological path towards de-carbonising heavy freight vehicles is not clear, but there are a number of issues associated with the likely alternative technologies that will require resolution:

- The cost of alternative technologies and operational characteristics (e.g. the range and/or speed of electric trucks) makes the commercial case for change challenging.
- Our current roading infrastructure is unlikely to be able to cope with higher axle weight trucks, which may be an issue for electric trucks.
- The infrastructure needed to deliver alternative fuels (e.g. hydrogen) is not developed.

⁴ <https://www.productivity.govt.nz/news/immigration-policy-is-disconnected-from-infrastructure-and-housing-supply/>

We acknowledge that many freight trips will need to continue to be undertaken by road, for example, the 'last mile' is likely to remain highly dependent on road freight, but longer trips need to be better served by alternative, lower carbon emitting modes.

One of the constraints we are aware of when moving to de-carbonise the freight industry will be the ability of some electricity distribution businesses (EDBs) to support the significant loads that will be required for charging electric trucks. Logistics operators will wish to minimise fleet downtimes so will be likely to want to re-charge trucks at loading/unloading points and rest points. It would be prudent to gain an understanding of the likely demands and future capacity of EDBs to provide sufficient supply to these locations in order to determine to what extent there is an issue and if so, how this can be addressed in a timely way.

23. Te Waihanga also emphasises that reliable transport networks are both a challenge and opportunity. The efficient movement of freight into, out of and around New Zealand is critical to the economy and our international competitiveness. Reliable transport networks, including road, rail, ports, airports and inland freight hubs, all support our freight sector and provide connections to markets within New Zealand and overseas. They're especially important for our regions, which produce the bulk of the goods sold overseas. Therefore, as freight volumes grow, the issues already faced by our freight system will increase and worsen. That means we will need to invest more in our transport network and ensure it works more efficiently to manage these increased levels of freight, to support the economy and our international competitiveness. In order to maximise the benefits of a system-based approach to freight, it will be important to recognise the multi-modal aspect of long-distance freight transport and to ensure that complimentary system-wide investment is made, including support for coastal shipping where appropriate and for efficient freight routes which connect sea and inland ports to urban centres.⁵

Vulnerabilities

Q6. Do you agree with the outlined vulnerabilities of the current system? If not, please explain why.

Q7. Is there any key information missing in understanding the vulnerabilities of the current system?

24. Te Waihanga's views on the following vulnerabilities (in bold) identified in the freight and supply chain are as follows:

- **Just in time efficiency priorities over spare capacity**
 - Agree : But it would now appear that there is a shift underway towards greater stock piling of goods, which comes with its own challenges including exacerbating shortages and competition for stock in the short-term, lack of storage space etc. Transport and logistics is already a land extensive activity, ideally preferring large greenfield sites close to main centres and transport links.
- **Hard to shift between freight options due to lack of capacity, reliability or cost:**
 - Agree: In Te Waihanga's view there is a need for greater emphasis on the use of rail and coastal shipping for transporting freight over longer distances, particularly given the lower emissions from these modes (per tonne of freight carried). The

⁵ NZ Infrastructure Commission Te Waihanga, 2021, Transport State of Play Report, p55.

National Freight and Supply Chain Strategy will need to provide for competition between suppliers and choice for freight users.

- **Reliance on international shipping lines with NZ having little influence:**
 - Agree: This is a vulnerability for exporters and importers and is also a potential vulnerability for the growth of coastal shipping.
- **Competition settings of New Zealand ports:** Some stakeholders suggested that there may be opportunities for the port sector to be better coordinated.
 - On this point Te Waihanga notes that the potential benefits that might be achieved from a more co-ordinated port sector need to be balanced against the potential benefits of competition and efficient pricing. The Strategy emphasises how pricing can improve asset utilisation, and lift the quality of infrastructure, provided it's done in a fair and equitable way (p12). The most significant change in the port sector over the past 20 years has arguably been the expansion of the Port of Tauranga. This can largely be traced back to its competitive pricing policy. The effect of this has been to reduce costs to business and reduce pressure on the Ports of Auckland. Pricing needs to be considered as a tool to help to re-balance freight flows. As noted above, we believe that there is an opportunity to consider the movement to a more commercial model for ports in New Zealand.
- **Limited data:**
 - Agree (see Long Term Planning response below)
- **Labour constraints:**
 - Agree: This is a significant vulnerability, with New Zealand facing historic labour shortages. The Strategy has highlighted the need for more skilled people within the infrastructure sector, which if not addressed will itself become a constraint on the freight and supply chain. As noted in the Strategy:

“One of the biggest challenges is going to be skills ... The world is going to be queueing up on the skillsets that are needed. So we'd better double down on training our own and we'd better figure out where we are going to get the skills from to get it done ... or we'll have the strategy, we'll have the finance, we'll have the vision, but we will fall woefully short on execution.” Dr Rod Carr, Infrastructure Commission Symposium 2021

The NZIS highlights the importance of creating an environment where there is sufficient certainty to give the industry the confidence to invest in training and development.

- **Long Term planning** - It is envisaged the National Freight and Supply Chain Strategy would feed into regional spatial planning and build on existing transport and freight-related strategies and planning, including the New Zealand Rail Plan, the Waka Kotahi Arataki 10-year view and regional strategies.
 - Agree: Te Waihanga has highlighted in the Strategy the need to take a long-term planning approach, allowing for different levels of growth and co-ordinating our infrastructure planning with urban planning so that the two work together (p11). Without this, there is a vulnerability around the capacity and quality of infrastructure needed to support the freight and supply chain system. This long-term approach includes the need for:

- **A resource management system that gives effect to national priorities:** Reform is already underway and the replacement to the Resource Management Act (RMA) must perform the dual roles of protecting the environment and allowing for development. It must enable infrastructure providers to meet policy commitments, which could include decarbonisation, efficient transport networks, adequate competition in the supply chain, universal digital access and timely provision of social infrastructure.
- **A long-term, flexible approach to regional planning:** We need an approach to regional planning that allows for infrastructure to be built in the future and ensures that cities and regions have plenty of options for responding to demographic change and economic growth. It should also reduce uncertainty where possible, such as through a national population plan. (p70)
- **Central and local government and the private sector need to work together** to develop a strategy that can better coordinate planning across the entire transport network and prioritise investment. (p70)
 - Ultimately the National Freight and Supply Chain Strategy needs to address the challenges facing the freight network and provide for competition and choice for freight users.
 - Planning must start with a good understanding where freight is expected to be moving to and from and what types of freight will be moved. This leads back to the fundamental importance of improving the scope and quality of freight data.

25. **Response to question:** The Issues Paper identifies most of the important vulnerabilities facing the freight and supply chain system and the points above highlight specific vulnerabilities which, if addressed, will improve the operation of the freight and supply chain system.

Outcomes

Q8. Do you agree with the proposed outcomes? If not, please explain why.

Q9. Are there more outcomes the strategy should focus on? If so, please explain what they are.

26. Having considered long-term trends and current vulnerabilities in the freight and supply chain system, and engaged with iwi, local government, and industry stakeholders to understand the priorities for change, the MOT propose that the strategy focuses on the following four outcomes:

- Low emissions.
- Resilience.
- Productivity and innovation.
- Equity and safety.

The proposed outcomes align with the MOT Transport Outcomes Framework which aims to improve the wellbeing of New Zealanders and the liveability of places.

27. **Response to question:** Te Waihanga is pleased to see that at the high level there is good alignment between the proposed outcomes areas for the National Freight and Supply Chain Strategy and the Strategy objectives and we also note that these objectives provide a view on some of the important areas of focus for the Strategy. The Strategy is focused on the following five objectives to achieve a thriving New Zealand (see introduction):

1. Enabling a net-zero carbon emissions Aotearoa.
2. Supporting towns and regions to flourish.
3. Building attractive and inclusive cities.
4. Strengthening resilience to shocks and stresses.
5. Moving to a circular economy.

The inclusion of equity and safety as an outcome warrants consideration. In our view this is a lens to apply to the way in which we do business. If equity is to be an outcome it would help to define what is meant by this (e.g. vertical, horizontal or inter-generational equity). The advantage of this approach is that it allows room to solve for equity considerations outside the narrow boundaries of Freight.

Areas of focus

Q10. Do you agree with the potential areas of focus for the strategy? If not, please explain why.

Q11. Which of these areas of focus would be most important to prioritise?

28. Te Waihanga notes that the areas of focus identified in the Issues Paper are not exhaustive and are indicative at this stage.

Figure 1: Issues Paper Areas of Focus



29. As stated in our responses to questions 8 and 9 above, the Objectives of the Strategy indicate a number of areas of focus for the National Freight and Supply Chain Strategy. In particular, there are three areas that the Strategy identifies as having the greatest impact over the next 30 years in transforming New Zealand (p10). These are:
- Leveraging our low-emissions energy resources.
 - Planning for generations to come.
 - Better infrastructure through pricing.
30. Aligned with this, Te Waihanga considers that to deliver better freight and supply chain outcomes, it is important that we strive for a system that:
- Incentivises greater decarbonisation.
 - Ensures investment addresses the areas of greatest need, including increasing resilience by “[S]upport[ing] the security of supply of essential materials, goods and services to build, operate and maintain infrastructure (Recommendation 28).
 - Meets the needs of users, including a focus on removing barriers to freight movements on important route and provide for competition and choice for freight users (Strategy p70).
- 31. Response to question:** It is Te Waihanga’s view that the points noted above are the priority areas of focus for the National Freight and Supply Chain Strategy. It will be important for the National Freight and Supply Chain Strategy to include a programme for achieving outcomes which recognises the need to make rapid progress on key matters such as climate change.

Engagement

Q12. What would successful stakeholder engagement on the development of the strategy look like from your perspective?

32. Given the significant synergies between the Strategy and the proposed NZ Freight and Supply Chain Strategy, Te Waihanga would like to be included in future engagement, to help the MOT to identify priorities and options and as part of the strategy development process.
33. We suggest the Freight and Supply Chain Strategy be structured in such a way that it sets the existing context, defines where we want to go and then establishes the recommendation to get there.

Q13. How could we best engage with Māori on the strategy?

34. The first three recommendations from the Strategy are to (p46):
- ‘Strengthen partnerships with Māori across the infrastructure system of Aotearoa New Zealand.’
 - Develop capabilities and capacity across the infrastructure system for effective partnerships with Māori
 - Strengthen the Māori infrastructure evidence base
35. In terms of developing capabilities and capacity across the infrastructure system for effective partnerships with Māori, the NZIS recommends putting in place a programme to develop capabilities and capacity for effective partnership that should:

- Build specialist Māori infrastructure capabilities at the centre of government that can support agencies and Māori.
- Consolidate and enhance specific funding for the provision of technical support for iwi with infrastructure planning and delivery partnerships (agency or programme specific).
- Broker partnerships with Crown agencies and industry to create fixed-term secondment opportunities for iwi organisations.
- Leverage procurement opportunities for Māori across infrastructure policy, planning, delivery, maintenance and research.

36. **Response to question:** From Te Waihanga’s perspective, a partnering approach will help ensure that Māori values and aspirations are reflected in the National Freight and Supply Chain Strategy. However, we note that strengthening partnerships requires effective engagement that starts early.

Conclusion and Next Steps

37. Thank you for the opportunity to make our submission on the Issues Paper. Te Waihanga agrees with the Issues Paper that “New Zealand has an opportunity to take a more strategic and systemic approach to freight and supply chains. In Te Waihanga’s view, planning for the future operation and organisation of New Zealand’s freight and supply chain is critical for the future of New Zealand’s economy, environment and overall wellbeing. Te Waihanga looks forward to engaging with the MOT in the future on this strategy. In the meantime, if you have any questions about this feedback, or any other aspect of Te Waihanga’s work, please do not hesitate to get in touch.

Yours Sincerely



Geoff Cooper

General Manager – Strategy

New Zealand Infrastructure Commission, Te Waihanga

Phone: +64 022 011 7881 | Email: : geoff.cooper@tewaihanga.govt.nz

Visit us online at <https://tewaihanga.govt.nz>