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Ministry of Transport
Supply Chain Team
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Timaru District Council submission on the New Zealand freight and supply chain issues paper

Introduction

1. The Timaru District Council thanks the Ministry of Transport for the opportunity to provide comment on the New Zealand freight and supply chain issues paper.
2. This submission is made by the Timaru District Council, 2 King George Place, Timaru. The contact person is Suzy Ratahi, Land Transport Manager, Timaru District Council. Suzy can be contacted on (03) 687 7200.
3. The Timaru District Council (TDC) is a local authority, serving over 46,000 people in South Canterbury. The main centre is Timaru, with other smaller settlements of Geraldine, Pleasant Point and Temuka.
4. The Timaru District is a sub-regional centre in Canterbury with a strong primary and industrial base that provides a significant contribution to the Canterbury and New Zealand economy. The District has its own international port, Primeport Timaru, and a regional airport with scheduled passenger services.
5. Our local roads and wider transport network are critical enablers of the freight sector, and underpin nationally significant primary industry supply chains. We consider that our transport infrastructure is essential to the economic development of our District, and the resilience and connectedness of our community.
6. We acknowledge there is a need for change and adaption within the freight sector to suit both the current and future demands of the supply chain system. Safeguarding resilient national supply chain links will underpin the future success and growth of New Zealand's economy, and we are cognisant that all parties to the freight sector will need to contribute to this.



General

7. We generally agree with the outlined description of the freight and supply chain system in New Zealand.
8. The proportion of freight carried on road at present places high pressure on road controlling authorities to upgrade and maintain our networks. The freight sector expects a high level of service from us to support efficient movement of goods, but we are not resourced to meet these expectations.
9. Freight traffic also competes with light vehicle traffic on highly touristed areas of our network, reducing the amenity of these routes for locals and tourists alike, and impacting safety – making Road to Zero targets harder to reach.
10. We consider there is significant opportunity for the government to take a holistic approach to the freight network and broader supply chain, in particular supporting mode shift to both coastal shipping and rail and we discuss this further below.

Role of Government

11. We agree with the roles/functions of government in the freight and supply chain system, as outlined.
12. Several of these functions have competing drivers, and we note the complexity of government's role in balancing key outcomes for the sector.
13. As part of the future freight strategy development, we recommend the Ministry develop a framework that maps government's roles to the strategic outcomes sought for the sector. We consider this framework could take a holistic approach, exploring all available modes of transport and highlighting where the gaps are in infrastructure or investment. Appreciating the priorities of government do change, the strategic outcomes sought for the sector are likely to remain relevant long term and we consider it critical that both government and industry have an enduring plan to guide prioritisation of future investment.
14. For example, government's role in supporting the commercial viability of supply chains will need to be married with the low emissions goals of the freight sector. No matter the intervention, this is likely to require considerable government investment and is linked to medium/long term transport planning carried out by RCAs. In the Timaru District, increasing the share of freight carried by coastal shipping and rail would support commercial freight needs and reduce transport emissions in our regional supply chain, but would require commitment from government to invest in these transport modes over the long term. To complement any such mode shift, local funding could be prioritised for land transport upgrades/changes to suit. While this presents opportunity



to address community severance currently caused by State Highway 1 through our City Centre, and opportunity to increase active transport infrastructure and uptake (further progressing environmental and community interests), the challenge is having some assurance from government on future investment and, if you like, the ‘direction of travel’ for the freight sector. If the strategy could provide this assurance, it would enable coordinated spend of taxpayer and ratepayer funding in the short, medium and long term, delivering smart investments for the transport sector, supply chains and the national and international markets they underpin.

15. We recommend the Ministry explore the opportunity to create a new entity tasked with implementation of the future strategy, maintaining strategic oversight over the outcomes sought and facilitating better collaboration between key road, rail, coastal shipping and industry bodies.
16. We further recommend that, to encourage better collaboration between industry stakeholders and government on supply chain issues, the Ministry must consider the role of industry stakeholders within the strategy, and involve industry in the development of the strategy including identification of key co-investment opportunities.

Strategic context, opportunities and challenges

17. We consider that the strategic context provided is thorough and well-aligned with trends we are observing in our region.
18. We add that changes in technology and increased digitisation have potential to significantly impact labour demand and supply, and recommend this is addressed in the strategy.
19. Smart technology could be used to forecast impacts of mode shift and other changes to the road, rail and coastal shipping networks and recommend initial investment in this is prioritised. Very little data is currently available to support such forecasting, or for that matter, baselining.
20. We consider it both an opportunity and a necessity that the strategy integrates roading, rail, coastal shipping and freight logistics into the future of New Zealand’s freight system and supply chains, taking a holistic approach.
21. In the context of the Timaru District, increasing the role of coastal shipping in supply chains has potential to deliver huge benefit, both in terms of economic development and broader community outcomes.
22. PrimePort Timaru is ideally placed to provide coastal shipping to meet international and domestic needs, with established infrastructure, spare capacity, and potential to expand. PrimePort is also critical to national resiliency, being:



- the only port in the south island of New Zealand able to receive oversized goods; and,
- a stronghold access point in situations where key State Highway/rail links are disrupted (e.g. the Christchurch and Kaikoura earthquakes and flood events).

23. The central south island catchment of Mid-South Canterbury produces food and beverage for ~40 million people per annum, and is reliant on access to export markets. While international ships are increasing in size, their capability and willingness to make numerous calls at New Zealand ports will continue to reduce due to the associated costs and logistical challenges of berthing larger ships. We consider there is significant opportunity for government to work alongside industry to develop a national coastal shipping network that connects regional ports to international ports, reducing land transport emissions and costs associated with maintenance of trucking routes, and improving road safety. Coastal shipping produces lower carbon emissions for bulk freight transport than road or rail, and does not require excessive capital outlay and ongoing maintenance. This is unlike the increasing investment required from the National Land Transport Fund for local roads to meet the demands from increased trucks and heavier loads.

24. Alongside exploring the potential for coastal shipping, we recommend the strategy consider the future of rail in New Zealand. This could include the potential for both fast moving freight and passenger services to:

- Reduce freight load on roads, and resulting impact on road safety and road maintenance costs;
- Move freight between regional centres;
- Improve access between regional centres, including commuter links and facilitation of labour supply from large cities to the regions; and
- Impact transport emissions.

25. We note that with continued climate change, sea level rises and coastal erosion are likely to render large sections of New Zealand's current rail network unusable. The strategy will need to address this, and, until such time as government commits to a **significant** investment in rail (including new, nationwide high speed north-south lines), we recommend that the focus for investment remains on roading and coastal shipping. Limited investment in rail will not support significant mode shift nor address the current resiliency issues with the rail network.

26. Further, to enable the farm gate to market economy there will always be a need for truck freighting options, including those that connect unsealed rural road networks with transport hubs/ports, and those that connect producers/manufacturers with retailers. It will be important for the strategy to balance transition to low emissions vehicles with



the realities of New Zealand’s rural and urban road networks, or address what investment might be required to lift the level of service currently delivered for all communities.

Proposed outcomes and focus areas of Strategy

27. We consider the highest priority for the freight and supply chain system is that it is resilient, reliable and prepared for potential disruptions.
28. 93.8% of freight is moved by road, and, alongside the negative environmental implications of this, the food and medical supply chain systems in the lower south island operate on a ‘just in time’ basis. This is not acceptable for our communities and poses risk to the timely delivery of goods in the event of emergencies.
29. Recent examples include extreme weather events in Canterbury over the past two years. Route 72 has twice defaulted to the sole connection route for the lower South Island, but is not fit for purpose for large freight movement or substantial increase in light vehicle traffic. Mid and South Canterbury Councils have lobbied for some years for two-laning of the Upper Orari and Hurunui Mount Bridges, alongside other much needed upgrades on this route to ensure emergency access can be maintained when State Highway 1 is unavailable. With climate change impacts expected to increase, we can only guess Route 72 will become more critical to resiliency of our transport network over time.
30. We recommend the strategy identify a suite of priority road network upgrades targeted at improving resiliency, including consultation with Waka Kotahi and RCAs on the most vulnerable routes in each region. Investment in high standard transportation corridors (such as expressways) alongside enabling the ‘blue highway’ would provide an effective and resilient freight network. Both road and sea transport can adapt to route deviations during disruptive events, which are becoming more and more frequent.

Conclusion

31. Timaru District Council would again like to thank the Ministry of Transport for the opportunity to respond to this issues paper.
32. We are looking forward to the development of an holistic, futureproofed strategy for New Zealand’s freight and supply chain system that reflects the needs and interests of all parties to, and users of, the system.
33. We recommend the Ministry take an inclusive approach to developing the strategy, and outline the short, medium and long term involvement from all parties required to deliver on the strategic outcomes sought.



34. Considering how this system underpins the growth of our national and local economies, it is imperative the sector has a road map that addresses resilience issues and ensures efficiency. We suggest that, until such time as government invests heavily in rebuild of our national rail network, that investments in the roading and coastal shipping networks should be prioritised.
35. We would be happy to speak to this submission and be consulted during strategy development.

