

OC250322

9 May 2025



Tēnā koe 

I refer to your email dated 8 April 2025 requesting the following under the Official Information Act 1982 (the Act):

1. *The membership of the reference group set up to help inform the development of the [Aotearoa New Zealand Freight and Supply Chain] strategy.*
2. *The total cost to the ministry of developing the strategy, including a breakdown of any contractor/consultant spends relevant to its development.*
3. *An update on the second action plan, which the ministry previously said was intended for 2024. Did this happen and, if not, why not?*
4. *For each of the action points listed above, please provide an update on what work was carried out by the ministry following the publication of the strategy.*
5. *Since the strategy was published, what work has the ministry done to identify and invest in freight data needs? Does the ministry have any metrics to measure freight productivity?*
6. *Any briefings the ministry provided to ministers since the change in government on the supply chain strategy.*
7. *Any internal communications from 2024 or 2025 specifically mentioning a lack of progress against the actions identified in the strategy.*

Aotearoa New Zealand Freight and Supply Chain Strategy (FSCS) reference group and cost

The members of the reference group, and their titles and organisation at the time, were:

- Alan Piper (Group General Manager, KiwiRail)
- Andrea Manley (GM, Strategy and Innovation, Napier Port)
- Chinthaka Abeywickrama (CEO, Netlogix)
- Dave Christie (Supply Chain Strategy Director, Tainui group)
- Lachlan Philp (Managing Director, SSA Marine)
- Rachel Depree (Executive Officer for Sustainability, Zespri)

- Steve Duggan (Chief Financial Officer, StraitNZ)
- Vaughan Grant (Country Manager, Linfox Logistics)
- Wayne Butson (General Secretary, Rail and Maritime Transport Union of New Zealand).

The total cost to the Ministry of Transport of developing and consulting on the issues paper and resulting strategy was \$769,409. This included \$305,428 spent on contractors and \$406,063 spent on consultants.

Status of FSCS Action plans and freight data

The Ministry is not developing a second Action Plan under the FSCS. With the change of Government following the 2023 General Election, policy work to support New Zealand's freight sector and supply chains is progressing under other policy frameworks, including the Government Policy Statement on land transport 2024, the Fast Track consenting reforms and the second Emissions Reduction Plan as relevant. Annex 1 outlines the work that has continued on elements of the first Action Plan.

With regards to freight data, in 2023, the Ministry contracted GHD to provide advice on an updated scoping and improved methodology for the National Freight Demand Study (NFDS). The NFDS has previously been carried out in 2008, 2014 and 2018. The Ministry received the final report, *National Freight Demand Study: Scoping Report*, in June 2024. The Ministry is not currently progressing further work on an updated NFDS.

The Ministry also maintains the Freight Information Gathering System (FIGS). It provides publicly available data related to national container trade, ship visits, port container handling and rail freight. This includes some indicators of freight productivity, such as ports' vessel rate, crane rate and ship rate; rail freight tonnes and tonne-kilometres. FIGS is available at <https://www.transport.govt.nz/statistics-and-insights/freight-and-logistics/trade-trends/>.

Briefings and internal communications

Five documents fall within the scope of question 6 and no documents fall within scope of question 7. The document schedule attached as Annex 2 outlines how the documents within scope have been treated under the Act.

Certain information has been withheld under section 9(2)(a) of the Act, to protect the privacy of natural persons. With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website www.ombudsman.parliament.nz

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry's website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Marian Willberg
Manager, Maritime, Freight & Access

Annex 1 – Update on the first Action Plan of the Freight and Supply Chain Strategy

Action #	Description	Update on work
Action 1.1:	Develop spatial analysis of port connections that supports future regulatory and investment decision-making. To do this we will identify strategic freight corridors and analyse the role they play in achieving different government objectives.	The New Zealand Transport Agency (NZTA) developed a National Strategic Freight Network for Arataki – 30 Year Plan (as shown in its Freight lens). Since the FSCS was released, NZTA has assessed this National Strategic Freight Network against national real-world freight data to test assumptions and confirm coverage.
Action 1.2:	Undertake analysis of alternative port models and strategic freight vulnerabilities.	<p>The Ministry commissioned Deloitte to undertake an international literature review into port ownership and operating models (collectively termed port models) and associated impacts on port performance. The report was completed in June 2023. While this was prior to the release of the FSCS, no further work has been undertaken on this action.</p> <p>On strategic freight vulnerabilities, the Ministry has contributed to work led by the Ministry of Business, Innovation and Employment on critical supply chains. This contributes to New Zealand's obligations under the Indo-Pacific Economic Framework for Prosperity (IPEF) Supply Chain Agreement.</p>
Action 2.1:	Support the sector to overcome high total cost of ownership barriers to purchasing zero emissions heavy vehicles by introducing a Clean Heavy Vehicle Grant scheme to support operators to purchase a zero emissions truck.	<p>The (now renamed) Low Emissions Heavy Vehicle Fund was launched in September 2024. The fund provides a subsidy of up to 25% for purchasing electric or hydrogen-powered heavy trucks, or hydrogen-conversions, and is operated by the Energy Efficiency and Conservation Authority (EECA).</p> <p>More information on the fund is available at https://www.eeca.govt.nz/co-funding-and-support/products/low-emissions-heavy-vehicle-fund/.</p>

Action: 2.2:	Undertake a review of the regulatory system to better enable zero emissions heavy vehicles to operate on our roads.	<p>During 2024 and 2025, the Ministry and NZTA have investigated regulatory barriers to zero emissions heavy vehicles. This work continues, and the second Emissions Reduction Plan in 2024 confirms it as an ongoing part of the Government's work programme.</p> <p>NZTA's Director of Land Transport has also granted an exemption allowing class 1 driver licence holders to drive electric variants of existing diesel trucks exceeding 6,000kg with a Gross Laden Weight of up to 7,500kg, due to the weight of their batteries.</p>
Action 2.3:	Partner with the Sustainable Business Council on a feasibility study into a market-led low carbon freight mechanism and next steps.	<p>The feasibility study into a market-led low carbon freight mechanism was published in August 2023. It considered the feasibility of freight certificates to speed up decarbonising heavy freight transport in New Zealand.</p> <p>The Sustainable Business Council is currently progressing with 'Phase 2' of this work, focusing on more detailed design of a scheme. The Ministry is participating on the Steering Group for Phase 2.</p>
Action 3.1:	Identify and invest in freight data needs based on priorities of different public and private sector stakeholders. This includes both domestic freight and international freight resilience and productivity.	In 2023, the Ministry contracted GHD to provide advice on an updated scoping and improved methodology for the National Freight Demand Study (NFDS). The Ministry received the final report, <i>National Freight Demand Study: Scoping Report</i> , in June 2024. The report identified four pathways for improving freight data across New Zealand.
Action 3.2:	Seek to establish a partnership with the sector to support mutual data sharing	NZTA is continuing to work with National Road Carriers and Transport Certification Australia on a proof of concept for sharing of anonymised and aggregated telematics data between industry, local and central government.
Action 4.1:	Maintain collaboration with key international partners to share information and assessments, and strengthen lines of communications for disruption preparedness.	The Ministry has continued to collaborate with international partners through forums including the Indo-Pacific Economic Framework's Supply Chain Agreement, and the current negotiations for an Agreement on Trade in Essential Supplies with Singapore (AOTES). More information on these is available on the Ministry of Foreign Affairs and Trade's website.

Action 4.2:	Support the establishment of green shipping corridors for zero-emissions maritime freight by 2035.	<p>During 2023 the Ministry contributed to a pre-feasibility study for an Australia-New Zealand green shipping corridor by the independent Maersk McKinney Moller Centre for Zero Carbon Shipping. The Ministry also commissioned research from Concept Consulting into domestic regulatory barriers to low emissions shipping.</p> <p>As part of the 2024 Australia—New Zealand 2+2 Climate and Finance Dialogue Joint Statement, the Government committed to “convene sector-based roundtables with representatives from the maritime sector including exporters, shipping lines, ports and other stakeholders to identify the conditions required for trans-Tasman green shipping corridors and the opportunity to strengthen supply chain resilience”.</p> <p>The Ministry endorsed the Aotearoa Circle to convene these roundtables, which took place in early 2025. The next steps will be a report outlining pathways for alternative fuels and an assessment of the economic costs and benefits of green shipping, both due in the second half of 2025.</p>
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Annex 2 – Document Schedule

Doc#	Reference	Document	Decision on release
1	OC231041	Freight and Supply Chain briefing	Released with some information withheld under sections 9(2)(a)
2	OC231123	Meeting with Port Company CEO Group	Relevant extract released in Annex 3
3	OC240179	Meeting with Palmerston North City Council Regarding Te Utanganui, Central NZ Distribution Hub	Relevant extract released in Annex 3
4	OC240177	Attendance at New Zealand Trucking Association and National Road Carriers TMS [Technology, maintenance and safety] Conference on 13 March 2024	Relevant extract released in Annex 3
5	OC240719	Meeting CentrePort	Relevant extract released in Annex 3

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Annex 3 – Relevant extracts from four briefings

7 February 2024

OC231123

Hon Simeon Brown Minister of Transport

Hon Matt Doocey Associate Minister of Transport

MEETING WITH PORT COMPANY CEO GROUP

For Minister Brown: Expected issues for discussion

Ports support the Government's economic, infrastructure and climate change objectives	<p>New Zealand's international trade relies on ports, which move 99 percent of the country's trade by volume and around 80 percent by value. You may wish to highlight the Government's focus on productive and resilient transport networks, including the Roads of National Significance in the new Government Policy Statement.</p> <p>Briefing OC231041 provided information about the New Zealand Freight and Supply Chain Strategy (the Strategy). The Strategy identified ports and their connections to communities as a priority, with initial actions to improve the availability of freight data and analyse port ownership models.</p> <p>During engagement on the Strategy, Port CEOs noted that they do not have a unified view on the optimal level of local government ownership of ports, but believe this question warrants consideration. Port CEOs urged caution on the shape of the national port network, preferring to see this determined by the market.</p> <p>Officials understand that Port CEOs had hoped for the Strategy to be more action-focussed. This is an opportunity for you to hear Port CEOs' priorities for government policy in relation to ports.</p>
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5 March 2024

OC240179

Hon Simeon Brown Minister of Transport

MEETING WITH PALMERSTON NORTH CITY COUNCIL REGARDING TE UTANGANUI, CENTRAL NEW ZEALAND DISTRIBUTION HUB

Submission on the freight and supply chain strategy

11 Horizons Regional Council's submission on the New Zealand Freight and Supply Chain Strategy outlined the area's importance as a freight connector and called for greater articulation of central government's role as an investor in freight infrastructure. They also called for further examination of a multi-modal system as an enabler of greater resilience if one transport mode is disrupted. Land availability for freight use (especially land suitable for warehousing, logistics, and similar) was a concern too, and they felt that there needs to be better integration between transport and land use.

6 March 2024

OC240177

Hon Matt Doocey Associate Minister of Transport

cc Hon Simeon Brown Minister of Transport

ATTENDANCE AT NEW ZEALAND TRUCKING ASSOCIATION AND NATIONAL ROAD CARRIERS TMS CONFERENCE ON 13 MARCH 2024

The previous Government's Freight and Supply Chain Strategy

13 The previous government released a Freight and Supply Chain Strategy in August 2023. This may be of interest to participants as there was extensive stakeholder engagement throughout its development.

14 The current focus for the Minister of Transport has been on delivering the 100 Day Plan. The research and analysis of the long-term challenges to New Zealand's freight and supply chain system has provided helpful insights; however, the specific actions and priorities to support the sector are still to be clarified.

Talking points

- The focus of this Government is on supporting businesses to be productive. The New Zealand Freight and Supply Chain Strategy provides helpful work that will inform this Government's approach, and thoughts from the sector on where it sees barriers to productivity would be welcome.

26 June 2024

OC240719

Hon Simeon Brown Minister of Transport

MEETING WITH CENTREPORT

17 CentrePort may ask about the Freight and Supply Chain Strategy released by the previous government in August 2023. There was extensive stakeholder engagement throughout the Strategy's development and the research and analysis of the long-term challenges to New Zealand's freight and supply chain system has provided helpful insights. Specific actions and priorities to support the sector are still to be clarified.



20 December 2023

OC231041

Hon Simeon Brown

Action required by:

Minister of Transport

Monday, 29 January 2024

FREIGHT AND SUPPLY CHAIN BRIEFING

Purpose

Following your recent meeting with the New Zealand Council of Cargo Owners (NZCCO), you requested advice on the freight and supply chain sector, and in particular the Port of Tauranga Ltd's consent application to extend its terminal, green shipping corridors, and the extent of engagement between the Ministry and the sector.

Key points

- Since you met with NZCCO, the Environment Court has provisionally granted resource consent to the Port of Tauranga Ltd for part of its planned container wharf extension, subject to further matters being addressed to the satisfaction of the Court. The additional capacity that will be enabled by the wharf extension is vital for increasing productivity at the port and managing increased freight volumes.
- The Ministry and Maritime New Zealand (MNZ) are supporting early work on enabling alternative fuels for specific international shipping routes to or from New Zealand, known as "green shipping corridors". This work will support our economic connectivity as New Zealand exporters face increasing expectations from customers to address supply-chain emissions. A pre-feasibility study by an independent international research centre on an Australia-New Zealand corridor will be completed in early 2024. The Ministry will engage with the sector on progressing this work.
- This briefing also covers some other Ministry work that may be of interest, including refreshing the National Freight Demand Study to get better data on our freight and supply chain system, a technical feasibility study into the Manukau Harbour's suitability as a future location for a large-scale port, and a commissioned business case into establishing a large dry dock and marine maintenance facility at Northport.
- Officials would like to discuss your priorities for the freight and supply chain sector next year to make sure we understand your policy preferences. The Ministry's previous work in developing a national freight and supply chain strategy, including industry's key priorities, will provide a good basis for this conversation. This will also enable the Ministry to resume industry engagement on a freight and supply chain work programme.

Recommendations

We recommend you:

- 1 **indicate** if there are any freight and supply chain matters where you would like further advice. Yes / No



Siobhan Routledge
Acting Deputy Chief Executive

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Hon Simeon Brown
Minister of Transport

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Minister's office to complete:☐ Approved☐ Declined☐ Seen by Minister☐ Not seen by Minister☐ Overtaken by events**Comments****Contacts**

Name	Telephone	First contact
Marian Willberg, Manager Freight and Supply Chain	9(2)(a)	
Siobhan Routledge, Acting Deputy Chief Executive	9(2)(a)	✓

FREIGHT AND SUPPLY CHAIN BRIEFING

- 1 Following your meeting with the New Zealand Council of Cargo Owners (NZCCO) on Thursday 7 December, you asked for advice on the freight and supply chain sector, and in particular the Port of Tauranga's consent application to extend its terminal; green shipping corridors; and the extent of engagement with the sector.
- 2 This briefing also provides you with an overview of key priorities identified through discussion with industry as part of the developing the New Zealand Freight and Supply Chain Strategy. We are keen to engage with you in the New Year on your priorities for this sector. This briefing serves as a scene setter for future discussions.

New Zealand's freight and supply chain system is critical to the country's economic potential

International trade is predominantly shipped, with air freight moving higher value goods.

- 3 New Zealand's international trade relies on ports, which move 99 percent of the country's trade by volume and around 80 percent by value, as well as playing an important role in moving freight between regions. Container trade is concentrated in Tauranga (39 percent of container volumes), Auckland (22 percent) and Lyttleton (14 percent). Tauranga is also the largest bulk export port. Annex 1 maps New Zealand's supply chain system and illustrates the import and export value of each port.
- 4 Air freight moves 1 percent of the country's trade by volume, but this is 20 percent of the country's trade by value. Auckland handles 85 percent of air freight, Christchurch 14 percent and Wellington 1 percent.

Domestic freight is multi-modal with road, rail and coastal shipping each playing a role.

- 5 When it comes to New Zealand's domestic freight, road freight delivered 75 percent of freight by tonne-km and 93 percent by volume in 2017/18. Coastal shipping accounted for around 13 percent of the national freight task by tonne-kilometres and 1.6 percent by volume. Rail carried around 12 percent by tonne-kilometres and around 6 percent by volume. Domestic air freight carried less than a percent.
- 6 These proportions reflect the relative strengths of each mode. Rail and shipping typically carry freight very long distances, with rail well suited for moving goods between major centres. Coastal shipping tends to support the movement of bulk commodities such as cement, as well as containerised goods. These modes are constrained to routes served by existing port and rail infrastructure.
- 7 Road freight can serve almost any location in the country and is more responsive to shifting needs as its scheduling is more flexible. Road freight tends to be localised with around 77 percent moved within the region from which it was sourced.

While the freight and supply chain system is industry-led, government can support the sector to become more competitive and productive.

- 8 While New Zealand's freight sector is market-led and highly competitive, government plays multiple roles in the supply chain. It is an operator (through interests in KiwiRail, and to an extent New Zealand Post and Air New Zealand), builds and maintains

crucial arterial infrastructure, provides regulatory settings for the market and sets the parameters within which it operates (e.g., setting rules on heavy vehicle weights limits).

- 9 Industry, through its input to the Freight and Supply Chain Strategy developed in 2023, have identified areas where government action could support the sector with a view to maintaining New Zealand's economic productivity and connectivity. This particularly reflects some medium-term challenges industry has identified, including a more complex geopolitical environment and the possible challenges this results in for trade; population growth and increasing densification and how this affects freight routes through our cities; climate change; and new technologies. We attach summaries of the Freight and Supply Chain Strategy and public submissions as Annex 2 and Annex 3, respectively. This input from industry will serve as a good starting point for discussions with you in the New Year on your policy preferences for our work programme in this area.

The Port of Tauranga has received interim consent to expand its capacity

- 10 Since your request for this briefing, the Environment Court has provisionally granted resource consent to the Port of Tauranga Ltd (POTL) for part of its planned container wharf extension, subject to further matters being addressed to the satisfaction of the Court. The Court has requested some further information before reaching a decision on two further parts of the consent application.
- 11 As New Zealand's largest export port, POTL plays a critical role in New Zealand's freight and supply chain system. However, Infrastructure New Zealand has predicted that, without expansion, the port will reach the limits of its capacity by 2025. The Court has provisionally approved consent for a 285-metre wharf extension and associated dredging. POTL is currently handling around 1.2 million twenty-foot equivalent unit (TEU) containers per year, out of a total capacity of 1.5 million TEUs. The wharf extension is intended to provide capacity for up to an additional 1 million TEU. The Court is still considering consent for a 1.8-hectare reclamation at Sulphur Point; and a 2.9 hectare reclamation on its Mt. Maunganui wharves.
- 12 More generally, the sector sees the ongoing uncertainty on the future of major ports (e.g., whether POTL would be able to expand, and whether the Port of Auckland will move) as creating delays in necessary investment and reducing productivity. Stakeholders have argued for different roles for government to address this uncertainty. The Ministry has begun to consider what changes, if any, are appropriate in this highly commercial environment, with both national and regional interests at play and many regulatory frameworks involved.

The Ministry is supporting early work on green shipping corridors

- 13 The Ministry and MNZ are supporting early work to support use of alternative fuels for specific international shipping routes to or from New Zealand, known as "green shipping corridors". New Zealand's economic potential depends on the long-term reliability of the supply of high-quality shipping services. Our distance from most of our key export markets, and the fact that we are at the tail end of global shipping routes, means we need to work hard to be an attractive destination for shipping

services. Enabling use of alternative fuels in New Zealand in the future will help to ensure we remain an attractive shipping destination into the future.

- 14 Our work in this area sits under the Clydebank Declaration, which New Zealand signed at the 2021 UN Framework Convention on Climate Change Conference of the Parties. Signees collectively seek to establish zero-emissions shipping on six key trade routes by 2025, with more by 2030.
- 15 During 2023, we contributed to a pre-feasibility study for an Australia-New Zealand green shipping corridor by the independent Maersk McKinney Moller Centre for Zero Carbon Shipping. This included a November 2023 workshop with ports, exporter and shipping company representatives, including NZCCO. Discussions covered the potential alternative fuels (including likely production, volumes, transportation and storage) and possible shipping routes.
- 16 The pre-feasibility study will be completed during the first quarter of 2024. The Ministry plans to engage with the sector next year to determine whether and how this work can be progressed. While this should be led by industry, the Ministry is likely to play a convening role to help coordinate this work. We are hearing from stakeholders that they would value some sort of “pathway” to help industry make decisions and manage risks. We will need to link more closely with the Ministry of Business, Innovation and Employment around alternative fuels and the Ministry of Foreign Affairs and Trade.
- 17 The Ministry has also commissioned research from Concept Consulting into domestic regulatory barriers to low emissions shipping. This research is due in April 2024, and, depending on its findings, could highlight regulatory barriers to address.

The Ministry engages regularly with the freight and supply chain sector, but could always do more

- 18 The Ministry places a high priority on engaging with stakeholders working in different parts of the supply chain. The supply chain is complex and interconnected, so it is valuable to hear from a range of perspectives.
- 19 Sector engagement has fluctuated at times. There was very intense engagement during COVID-19 through regular online meetings to keep industry updated on regulation changes and addressing significant disruptions. There was also frequent engagement with industry during the development of the New Zealand Freight and Supply Chain Strategy, and its preceding issues paper, under the previous Government. Engagement has been quieter following the launch of the strategy in August 2023 and in the lead up to the general election.
- 20 Similarly, MNZ engages regularly with the sector, including NZCCO. During the height of the COVID-19 pandemic, MNZ (and the Ministry) engaged directly with NZCCO through regular meetings. This has now returned to a more issues-based engagement, with NZCCO’s interests covered by port representatives at MNZ’s monthly Maritime Industry Forum. The New Zealand Transport Agency (NZTA) also engages regularly with the sector through several freight forums. These forums operate at national, regional, and local levels and cover strategic, tactical and operational issues.

- 21 As noted above, we are keen to discuss your priorities in the area of freight and supply chain and see an agreed work programme as a good platform to strengthen our engagement with the sector.

The Ministry is working on a number of other freight and supply chain matters

- 22 Some other areas we wanted to highlight for you at this time are our work on data, the Manukau feasibility study, the Northport dry dock, and regulatory barriers to highly productive heavy vehicles. We can provide further information on these areas, or other matters of interest, as required.

We are exploring the need for improved freight and supply chain system data.

- 23 The Ministry is exploring how better data on the New Zealand freight and supply chain system could support ports and all other modes of freight – road, rail, shipping, and air freight – to improve productivity and efficiency. There are gaps in the data available to government, local government and the sector on how freight moves, which corridors deliver the greatest value, where our vulnerabilities are, and how all of this might change over time.
- 24 The Ministry has begun refreshing the National Freight Demand Study (NFDS) – an analysis of current and future freight movements – as one way to address these gaps. The NFDS was last updated in 2017/18. Stakeholder engagement has identified that the NFDS is used and valued by NZTA, KiwiRail, local government and the private sector. The wide use of the NFDS has also exposed areas for improvement and information gaps that exist within the study.
- 25 Stage 1 of the refreshed NFDS is identifying and evaluating options to expand the scope of the study (for example to analyse the value of freight flows as well as freight tonnage; to include intra regional and urban freight, which were not part of the earlier studies; take advantage of data sources such as telemetry and GPS, which have been less well used in the earlier studies; and consider whether we can move to live updates rather than static snapshots). This is progressing with NZTA input and engagement with other government agencies and the sector as both potential data providers and users of the NFDS. Stage 1 will end in April 2024.
- 26 Stage 2 will be a full update of the NFDS, if required. This will form part of the evidence base for future work on the freight and supply chain. This will be critical evidence to support more productive use of existing infrastructure and prioritising investment in critical corridors.

Work is underway on the technical feasibility of Manukau Harbour as a future port location.

- 27 The Ministry has not taken a position on whether the Port of Auckland Limited should remain in its current location on the Waitematā Harbour. The previous government did note in 2019 that the Port of Auckland was not viable as the Upper North Island's key import port over the long term.
- 28 The Ministry has commissioned a technical feasibility study into whether the Manukau Harbour would be suitable as a future location for a large-scale port. The study will not address commercial feasibility, environmental and cultural assessments or

consenting. We expect to receive the completed study in the first half of 2024 and will subsequently provide you advice on proposed next steps, if any.

The Ministry initiated a business case exploring a dry dock at Northport in 2023.

- 29 In relation to Northport in Whangārei, the Ministry commissioned a business case into establishing a large dry dock and marine maintenance facility capable of taking vessels up to 250 metres. Currently New Zealand's larger vessels (e.g., Cook Strait ferries; two Navy vessels) must cross to Australia or Singapore to access dry dock facilities. This has wide ranging consequences: reduced service frequency, security implications, foregone revenue due to time away (the trip to Singapore takes 28 days) and increased fuel costs (a return sailing to Singapore costs around \$1.4 million).
- 30 The sector has advocated for a larger dry dock for many years and considers it a critical piece of infrastructure. Northport included the proposal in its port expansion strategy – *Vision for Growth* – in 2015 on the basis of acting as a landlord. We understand Northport has paused progressing the project due to complexities with consenting and it is actively seeking support from Government to overcome these.
- 31 We note that the coalition agreement with New Zealand First agreed to progress this matter further through a detailed business case. The Ministry is ready to provide advice to you on next steps, as appropriate.

The trucking industry is seeking a review of regulatory barriers to highly productive heavy vehicles, including low emissions trucks

- 32 New Zealand's trucking industry, including both National Road Carriers and Ia Ara Aotearoa Transporting New Zealand, have asked the Ministry and NZTA to prioritise reviewing existing heavy vehicle regulations. Heavier vehicles can generally carry more freight, increasing productivity.
- 33 New Zealand's regulatory environment incentivises trucks that are relatively heavy (for greater efficiency) but with relatively lower axle weights (to reduce damage to roads and highways) compared to other markets.¹ This divergence from international standards can mean that New Zealand industry faces higher costs purchasing heavy vehicles that meet our specific vehicle regulations. This is particularly so for low and zero emissions trucks that tend to be heavier than their diesel counterparts.
- 34 Any regulatory changes in this area would need to be balanced against the increased wear and tear on roads and bridges from heavier vehicles and associated higher maintenance costs. In the New Year, we would like to discuss your views on progressing a review in this area.

¹ For example, New Zealand's maximum single axle weight is 7.2 tonnes, although trucks can weigh over 50 tonnes. In Europe, the maximum single axle weight is typically 10 tonnes, with maximum truck weight of 40-44 tonnes.

Annex 1: New Zealand freight and supply chain network

Our road, rail, maritime, and air connections

- Road
- Rail
- Coastal shipping
- 1,000,000 tonnes
- 2,000,000 tonnes
- 3,000,000 tonnes
- Airfreight hub
(size relates to total export and import value)
- Seaport
(size relates to total export and import value)

This map is only intended as a indicative illustration of the size and complexity of the freight task. The road and rail data is based on the National Freight Demand Study 2017/18. Changes since this time are not included. Port and airport (weight and value) statistics from Statistics New Zealand. This map does not show domestic airfreight flow, intermodal hubs, and other important pieces of infrastructure. We are working to include this in future versions.

