

HAMILTON CITY COUNCIL STAFF SUBMISSION

New Zealand Freight and Supply Chain Issues

Paper - Preparing our Freight and Supply Chain System for the Future (April 2022)

Ministry of Transport



23 June 2022

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- **A city that's easy to live in**
- **A city where our people thrive**
- **A central city where our people love to be**
- **A fun city with lots to do**
- **A green city**

The topic of this submission is aligned to the priority '**A city where our people thrive**'.

As a city we want to have safe routes for people to move around our city, alongside efficient transport connections to connect Hamilton to other places.

Council Approval and Reference

This submission was approved by Hamilton City Council's Chief Executive on 23 June 2022.

Hamilton City Council Reference D-4215839 - Submission # 689

It should be noted that the following submission is from staff at Hamilton City Council and does not necessarily represent the views of the Council itself.

Key Messages and Recommendations

1. We support the overall direction and content of the **New Zealand Freight and Supply Chain Issues Paper - Preparing our Freight and Supply Chain System for the Future**.
2. Our specific concerns/responses are outlined in detail under each of the Issues Paper's 13 questions.
3. We recommend that the New Zealand Freight and Supply Chain Strategy acknowledge/recognise:
 - The importance of Hamilton in the 'Golden Triangle' - consisting of the Auckland and Tauranga ports with the inland port options in Hamilton where the North Island and the East Coast Main Trunk Lines meet at Frankton.
 - The role that all inland rail ports and strategic intra-regional local roads play in the freight and supply chain system, and in particular Waikato Tainui's Inland Port development at Ruakura, which is an inter-generational development of national significance and will support the freight and supply chain at both a national and international level.
 - The 'last mile' impacts of the freight and supply chain systems in growing metropolitan areas, particularly given recent government directives under the National Policy Statement on Urban Development to significantly increase intensification in areas such as Hamilton.
 - The future role other airports may play in the freight and supply chain system.
 - The role that local government plays in the freight and supply chain system, particularly regarding investment in public infrastructure. This investment is not only confined to strategic supporting local roads, but also 3-Waters infrastructure to support inland ports.
 - That having reliable and adequate freight corridors to service urban areas is also a challenge, with a competition between passengers and freight for the use of the transport network.
4. We recognise the importance of reducing emissions to remain attractive in international trade.
5. Support the view that the climate change challenge will require longer term planning by operators, freight owners and central government, together with others such as local government.
6. We are a long-standing supporter of getting more out of our rail system, which has declined significantly over time through under-investment.
7. Support significant mode shift on our roading networks from cars to public transport and walking and cycling and the significant investment required.
8. Support the view that there are opportunities to consider options for last and first-mile markets such as micro-freight, cargo bike delivery and drones.
9. Waikato Tainui, as the Iwi Authority, will be a critical partner for the New Zealand Freight and Supply Chain Strategy and its ongoing development and implementation.

Introduction

10. Hamilton City Council staff welcome the opportunity to make a submission to the Ministry of Transport's April 2022 Issues Paper **New Zealand Freight and Supply Chain Issues Paper - Preparing our Freight and Supply Chain System for the Future**.

11. In addition to providing feedback through this initial part of the process, Hamilton City Council looks forward to actively participating in the next phase i.e., engagement with stakeholders on the actions and priorities for the development of the New Zealand Freight and Supply Chain Strategy.
12. We also look forward to providing more extensive feedback if consultation is undertaken on the Draft Strategy for New Zealand's Freight and Supply Chain, following the Minister of Transport's consideration of the Draft Strategy in December 2022.

Response to Key Questions in the Issues Paper

13. Hamilton City Council staff have provided the following feedback/responses to the 13 key questions outlined in the Ministry of Transport's Issues Paper.
14. **PART 1 - UNDERSTANDING THE FREIGHT AND SUPPLY CHAIN SYSTEM IN NEW ZEALAND**
15. **Q1 - Do you agree with the outlined description of the freight and supply chain system?**
16. Although Hamilton City Council staff generally agree with the outlined description of the freight and supply chain system, we would like to see:
 - Greater recognition of the importance of Hamilton in the 'Golden Triangle', consisting of the Auckland and Tauranga ports with the inland port options in Hamilton where the North Island (NIMT) and the East Coast Main Trunk Lines (ECMT) meet at Frankton. The Waikato Regional Transport Plan 2021-2051 (RLTP) indicates that the NIMT and the ECMT between Auckland and Tauranga via Hamilton carries over one-third of New Zealand's rail traffic and is the most densely used sector of the national rail network.
 - Recognition of the role that all inland rail ports play in the freight and supply chain system. The greater metropolitan area of Hamilton has the Te Rapa Crawford Street freight centre, Northgate at Horotiu and the emerging Ruakura Inland Port, all of which play or will play an important role moving forward.
 - Recognition of the role strategic intra-regional local roads play in the freight and supply chain system, noting that in Part 1 of the Issues Paper, reference is made only to bridges on the state highway network, when this equally applies to some strategic local roads managed by local government.
 - More recognition of the 'last mile' impacts of the freight and supply chain systems in growing metropolitan areas, particularly given recent government directives under the National Policy Statement on Urban Development to significantly increase intensification in areas such as Hamilton City.
 - Recognition of the future role other airports may play in the in the freight and supply chain system, particularly the Hamilton Airport south of the city, which is recognised in the RLTP as regionally significant.
17. Waikato Tainui's Inland Port development at Ruakura is an inter-generational development of national significance. Once fully operational, the 30-hectare inland port (operated in a joint venture with the Port of Tauranga, surrounded by a 263-hectare industrial and logistics park), will have capacity to process 1 million TEU (20 foot) shipping containers per year.
18. The RLTP recognises State Highway 29 and the NIMT/ECMT as the primary strategic corridors between Auckland, Hamilton and Tauranga and has a focus on protecting and improving these corridors.

19. Included in this focus are the strategic corridors around the greater Hamilton area, including implementation of the Southern Links package of activities, surrounding network improvements and ongoing projects associated with the Waikato Expressway, Ruakura Eastern Transport Corridor and the Northern River Crossing. This includes both state highways and local roads.
20. **Q2 - Do you have any views on the outlined role of government in the freight and supply chain system?**
21. Hamilton City Council staff generally agree with the outlined role of government in the freight and supply chain system. However, we would like to see recognition of the role that local government plays, particularly in regard to investment in public infrastructure. This investment is not only confined to strategic supporting local roads, but also 3-Waters infrastructure to support inland ports.
22. **PART 2 - THE STRATEGIC CONTEXT FOR CHANGE**
23. **Q3 - Do you agree with the outlined strategic context and key opportunities and challenges? If not, please explain why.**
24. Hamilton City Council staff generally agree with the key challenges and opportunities.
25. We recognise the importance of reducing emissions to remain attractive in international trade and the significant investment that will be required to increase the attractiveness of both coastal shipping and rail, which offer lower emissions modes of transport.
26. We support the view that the climate change challenge will require longer term planning by operators, freight owners and central government, together with others such as local government.
27. Hamilton City Council has been a long-standing supporter of getting more out of our rail system, which has declined significantly over time through under-investment.
28. Hamilton City Council made a submission on the **Land Transport (Rail) Legislation Bill** to Parliament's Transport and Infrastructure Select Committee on 14 February 2020 ([refer here](#)) and also submitted on the **Draft New Zealand Rail Plan 2019** on 17 February 2020 - [refer here](#).
29. In these submissions, Hamilton City Council supported the focus on rail, including the Strategic Investment priorities for the national rail network to maintain freight rail and provide a platform for future investment in growth, as well as the future opportunity for earlier electrification to support the Government's commitment to emissions reductions. We also noted the emergence of hydrogen as an alternative to electrification.
30. Hamilton City Council also supports significant mode shift on our roading networks from cars to public transport and walking and cycling and the significant investment required and understands the challenging investment prioritisation that will need to occur.
31. We welcome the recognition in the Issues Paper that growing population and increasing densification are areas requiring adaption.
32. The Issues Paper recognises the challenge as populations shift towards urban centres to ensure reliable and adequate freight corridors to service regional communities.
33. Hamilton City Council staff would like the final New Zealand Freight and Supply Chain Strategy to recognise that having reliable and adequate freight corridors to service urban areas is also a challenge, with a competition between passengers and freight for the use of the transport network.
34. There is a lot of focus at present in urban areas on reallocating road space for public transport and biking, but this needs to be balanced with the need for freight movement, particularly on some strategic corridors and in relation to last and first-mile markets.

35. Hamilton City Council staff support the view that there are opportunities to consider options for last and first-mile markets such as micro-freight, cargo bike delivery and drones, as noted in the Issues Paper. However, these will not obviate the need to have efficient freight movements for vehicles to supermarkets and other end destinations. We believe that operators will need to adapt their current model in terms of delivery vehicle size and type to meet the changing urban environments.
36. Hamilton City Council staff support the key challenges and opportunities outlined in respect of advancing technology and digitisation trends.
37. **Q4 - Are there any trends missing that we should consider? If so, please explain what they are.**
38. Consumer shopping habits are changing, and any trends here should be identified through consultation with courier/logistics providers and taken into account, particularly for first and last mile deliveries and adopting alternative delivery options as indicated in Q3 above.
39. **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?**
40. Hamilton City Council staff support all of the listed opportunities and challenges in the Issues Paper but believe that any opportunities to increase our attractiveness to overseas markets are the most important.
41. **PART 3 - CURRENT VULNERABILITIES OF THE FREIGHT AND SUPPLY CHAIN SYSTEM**
42. **Q6 - Do you agree with the outlined vulnerabilities of the current system? If not, please explain why?**
43. Hamilton City Council staff agree with the outlined vulnerabilities of the current system.
44. However, we have some concerns over moving fully to a just-in-time logistics model and support more of the hybrid model that the Issues Paper recognises as a just-in-time/just-in-case model, which some businesses have shifted to. The Covid-19 Pandemic has shown the vulnerability New Zealand has, more than other countries, to materials supply and the significant loss of productivity that occurs with extended and uncertain delivery times.
45. **Q7 - Is there any key information missing in understanding the vulnerabilities of the current system?**
46. Hamilton City Council staff recognise that long term planning needs to be clearer with the current low profile of freight being a significant vulnerability, particularly to planning that is underway around the country responding to revised urban form policy, with priority being given to mode shift for the movement of people. It would be helpful if the freight industry could grow its profile and participate more fully in these planning processes.
47. **PART 4 - OUR PROPOSAL FOR DEVELOPING A FREIGHT AND SUPPLY CHAIN STRATEGY**
48. **Q8 - Do you agree with the proposed outcomes? If not, please explain why.**
49. Hamilton City Council staff support the proposed outcomes.
50. In regard to the term 'resilience' (in relation to outlining what our critical infrastructure and freight services are), does this include understanding what our critical materials are, given the particular vulnerabilities that New Zealand has? The Covid-19 Pandemic has revealed material shortages such as timber, steel, pipes etc have had a significant impact on productivity.
51. Under 'Productivity and Innovation', Hamilton City Council staff consider that long term planning should be listed alongside taking advantage of innovation and technological change as being key to lifting productivity.

52. **Q9 - Are there more outcomes the strategy should focus on? If so, please explain what they are.**
53. Hamilton City Council staff have not identified any further outcomes.
54. **Q10 - Do you agree with the potential areas of focus for the strategy? If not, please explain why.**
55. Hamilton City Council staff generally support the potential areas of focus for the Strategy.
56. We believe that land use or spatial planning should feature somewhere in the areas of focus.
57. **Q11 - Which of these areas of focus would be most important to prioritise?**
58. While all of the Focus Areas are important, policy around low emissions is being driven from all directions as a priority and it is important that the freight and supply chain perspective is not lagging.
59. **Q12 - What would successful stakeholder engagement on the development of the strategy look like from your perspective?**
60. Hamilton City Council staff note that local government is recognised as a key group for central government to share the task of future-proofing the freight and supply chain system, which we support.
61. As noted previously, Hamilton City Council would like the opportunity to engage in the ongoing development of the Strategy for New Zealand's Freight and Supply Chain.
62. **Q13 - How could we best engage with Māori on the strategy?**
63. Recognition of the status and aspirations of Waikato Tainui is critical to the success and ongoing development of the New Zealand Freight and Supply Chain Strategy, and in particular the investment of Waikato Tainui in the development of the Ruakura Inland Port to support the freight and supply chain at a national/international level, including the social, cultural and economic benefits attached.
64. Waikato Tainui, as the Iwi Authority, will be a critical partner for the New Zealand Freight and Supply Chain Strategy and its ongoing development and implementation.

Further Information and Opportunity to Discuss Our Submission

65. Should the Ministry of Transport require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Chris Allen** (General Manager Development Group) on 021 224 7939 or email chris.allen@hcc.govt.nz in the first instance.
66. **Hamilton City Council staff would welcome the opportunity to discuss the content of our submission in more detail with the Ministry of Transport.**

Yours faithfully



Lance Vervoort
CHIEF EXECUTIVE

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