

Thank you for the opportunity to comment on this proposal.

This is fantastic! I'm very pleased to see this sort of long-term, coordinated planning is happening. I'm a regular citizen with no particular expertise in this area, but I can see the consequences of past policies and choices and now we are experiencing first-hand the vulnerabilities inherent in these systems. We need to change our direction and do much, much better in the future.

For too long we have made decisions based on short-term profits, private lobbying efforts and neo-liberal theories. We've tried that for 3 decades and the jury is in – we are left with a system that is dependent on cheap oil and offshore production. The result has been wholesale closure and dismantling of much of our domestic manufacturing. We are now highly vulnerable to international disruptions and can no longer produce many basic necessities. We need to rethink our exports and imports and build new systems that ensure resilience which will enable us to face the challenges that lie ahead – particularly Climate Change.

Climate Change is the biggest challenge we face. Every step we take from now on must consider the implications of Climate Change. For too long, we have made decisions based on a Cost/Benefit analysis that simply looked at the up-front dollars and cents and ignored the long-term effects. That is unsustainable. We need to transform our analysis and the decisions that result. No more 'Business As Usual'.

Here's the problem as I see it:

The promise of globalization was that it would offer better products for customers (I don't like the word consumer). Well, things are cheaper, but so is the quality. Plus this has come at the cost of labour and the environment. Operations are often structured so profits flow to tax havens. This system benefits a few and delivers poorer outcomes to many.

My understanding is that much of international surface shipping is now dominated by a few companies...that there has been a lot of consolidation in the last two decades.

*"Up to 60 of the 100 largest ocean carriers have vanished from the 2000s to today, thanks to a wave of bankruptcies and acquisition. The top 10 largest ocean carriers in 2000 commanded 51% of the market; today, they dominate 80% of it.*

<https://www.freightwaves.com/news/big-boats-are-ruining-everything>

The Covid pandemic has also delivered record profits to the container shipping industry. They are now making record profits, much higher than the tech darlings, Facebook, Amazon, Netflix and Google.

*"While container shipping industry profits were 14% higher than total FANG profits in 4Q21, in 1Q22 container shipping profits widened the gap to be 103% higher.*

<https://www.linkedin.com/pulse/mind-bending-593-billion-profit-1q22-container-shipping-mccown/>

Before the pandemic, this industry was basically breaking even. It looks like price gouging is happening now.

This sort of consolidation is pervasive world-wide and in many sectors. Globalisation has led to the rise of oligopolies and around the world, both countries and citizens are increasingly price and quality takers.

I have basically quit buying the cheap rubbish that is imported to NZ. Much of it is a waste of money and resources. In many cases the products don't work properly from the beginning or else some vital part fails before too long. Now I look for second hand or vintage appliances and furniture that was made in NZ before the whole production system was dismantled. Globalisation has resulted in lower prices, but also lower quality and in the end, that's false economy.

We need to develop a strategy that works better for NZ.

Ideas for alternatives:

There are suggestions that regional production systems would be better. This would offer redundant production across the world which would enable better security and resilience. We could work with neighbouring countries in our part of the world to establish regional supply systems. Products may end up costing a bit more, but for too long we have emphasized the cheapness of consumer goods over other considerations.

Also, I'd really like to see NZ support the Right to Repair Movement. The modern system of Buy/Throw Away is not sustainable. We need products that are made to last and can be repaired when a part fails and local or regional production to support such products. That is sustainable and resilient. In the long run, it is better for both the environment and our pocketbooks.

We may need to establish our own fleet of ships (again in conjunction with neighbouring countries) to reduce our reliance on the private shipping companies. We don't want to be held hostage to shipping companies that may by-pass NZ to maximise their profits. It can be a matter of national security.

Also, I feel we need to rethink expanding our ports to accommodate the megaships. They may be more profitable for the shipping companies (though that is debatable), but the taxpayer has to cover the costs.

“Ocean carriers (and the financial institutions that bankroll them) aren't paying for updated ports, increased dredging, new warehouses, highways and so on to accommodate these ships. That cost is getting off-loaded to the public” freightways.com, cited above.

Also, these expansions often cause environmental damage through dredging and destruction of wetlands/habitat. We need to think carefully before we make such investments. Perhaps one port in each main island that can handle these larger ships, then more extensive use of coastal shipping to distribute containers around the country.

Finally, I fully support moving more containers on rail vs. road. Presumably this will reduce both emissions and road accidents. This will also reduce road maintenance costs. My understanding is that the RUCs from heavy trucks do not cover the damage to the roads so the taxpayer is subsidising these companies.

And now for something completely different...

Finally, making the necessary changes will require a huge capital investment. Many of these ventures will produce a good return. The Gov't can fund this (or foreign direct investment which I would like to avoid), but there is another option. Kiwis could take advantage of these opportunities, but at present we don't have the necessary intermediary.

I would like to see the creation of something like The Superannuation Corporation that NZ used to have and that Muldoon destroyed - remember the 'Dancing Cossacks' ad? Both Sam Stubbs and Brian Gaynor have written that this was probably the single dumbest thing any NZ politician has ever done. We have the NZ Superfund, the Green Investment Fund, the Venture Capital Fund, but they are all Govt funds that the public can't participate in directly.

We should create a fund so NZ citizens and residents can invest their Kiwisaver and discretionary funds in these opportunities. This would provide the capital we need for the huge investments that lie ahead. This would also provide Kiwis with an alternative to residential property investment which would help to reduce the demand pressure from residential investors. Housing should be for people, not profits. Our capital needs to go into new, quality investments, not speculating on existing assets. We need a trusted, low-cost intermediary. The Superfund has an excellent track record and provides a superb model. The Guardians of the Superfund could manage a non-profit fund for Kiwis to invest in. In this way, Kiwis can reap the rewards, instead of the profits going offshore or risking future privatization if these assets are in Gov't hands.

We need to start looking at the 'True Costs' of the choices we make, both in term of the implications for the environment and for society. I hope we will take this opportunity to lead NZ onto a better path and a more secure future.

That's it. Again, thank you to whomever has taken the time to read this. I hope you find some of the ideas useful.