



NEW ZEALAND AIR LINE
PILOTS' ASSOCIATION
SUBMISSIONS ON NEW
ZEALAND FREIGHT AND
SUPPLY CHAIN ISSUES PAPER

MINISTRY OF TRANSPORT

New Zealand Air Line Pilots' Association IUoW Inc.

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(i) Introduction

The New Zealand Air Line Pilots' Association (NZALPA) appreciates the opportunity to make submissions on the New Zealand Freight and Supply Chain Issues Paper. We welcomed the establishment of this work to understand and support New Zealand's Freight and Supply chain and we are grateful for the opportunity to be a part of the process.

(ii) About NZALPA

Established in 1945, NZALPA is an independent member driven aviation professional association for New Zealand pilots and air traffic controllers. Our diverse membership includes general aviation and commercial pilots, flight instructors, air traffic controllers, flight service officers and, most recently, drone pilots.

NZALPA represents more than 90% of unionised pilots in New Zealand. NZALPA monitors and influences a wide range of technical, safety, medical, legal, and industrial issues within the NZ aviation industry. NZALPA also has a voice internationally at the International Civil Aviation Authority (ICAO) through its membership of the International Federation of Air Line Pilots' Associations (IFALPA).

NZALPA is a founding member of both IFALPA, an organisation that represents the interests of over 100,000 pilots worldwide and the Global Air Traffic Controllers Alliance, representing over 30,000 unionised air traffic controllers and other aviation safety experts. NZALPA is also a member of the International Federation of Air Traffic Controllers' Associations (IFATCA), which represents 50,000 air traffic controllers worldwide.

Membership to NZALPA is on a voluntary basis.

I. DESCRIPTION OF THE FREIGHT AND SUPPLY CHAIN SYSTEM

- 1.1. NZALPA is grateful for the recognition provided in the issues paper of the role of the airfreight sector within the freight and supply chain.
- 1.2. The paper correctly identifies that airfreight load is currently heavily reliant on passenger travel. Elsewhere, the paper correctly identifies that there are few regular dedicated airfreight services that serve New Zealand, and indeed that these tend to also serve Australia. The general effect of this is to make New Zealand's airfreight sector completely reliant in one way or another on either NZ passenger travel or the Australian airfreight sector.
- 1.3. Ultimately, air freight is more sector for potential growth. It will benefit, as the paper identifies, from understanding the current relationship between passenger travel and airfreight. For example, we see air freight as potentially providing a similar service to coastal shipping or rail in the domestic system. The paper also touches on the potential for airfreight to be used in last-mile micro-freight delivery. Ultimately, airfreight is one of the few modes that has the potential to link from overseas factory right through to the customer's door. It is merely that we have not previously used air services in this way in New Zealand.
- 1.4. However, as we confront some of the challenges identified in the paper, the cost-benefit ratio for airfreight may shift in a more positive direction. Over the very long term, we may see air travel reaching a point of full sustainability before sea freight, and with international developments increasing the risks relating to sea freight, air freight may well become a more attractive option. So, while currently only 1% of trade volume is carried by airfreight, this has the potential to grow – particularly because as a country we have more control over our airfreight load capacity than we do over sea freight capacity available for us.

II. ROLE OF GOVERNMENT IN THE FREIGHT AND SUPPLY CHAIN SYSTEM

- 2.1. We broadly endorse the five roles of the Government in the system that the issues paper identifies.
- 2.2. We acknowledge that setting the rules of the market is an important part of supporting what is needed for commercial activities to occur. However, we are concerned that occasionally we have different ideas of what we want to achieve in terms of competitiveness. Ideally, New Zealand businesses should be enabled to be globally competitive. However, we also believe that this occasionally comes at the cost of maintaining domestic market competition.
- 2.3. New Zealand is a very small market, particularly in comparison to the size of the global and overseas markets in which New Zealand businesses seek to be competitive. Occasionally, it will equip New Zealand businesses better for New Zealand domestic market conditions

to be uncompetitive. This should only be where the same businesses seek to operate in both domestic and international markets – with their effective control and substantive ownership remaining in New Zealand. In those situations, Government can achieve important results by allowing the domestic market to become an economic safe harbour so that larger New Zealand business can focus their energy on overseas competition.

- 2.4. This ties in with the second role of the government in the system. When the Government has provided the kind of leverage and support described above to a New Zealand business, that business is acutely aware that its domestic operations continue at the grace of the public through the Government. To that extent, such businesses can also be incentivised to support those broader public good outcomes that the Government identifies as necessary in the national interest.
- 2.5. The realisation of public good outcomes can also be achieved through some forms of ongoing stakeholder engagement. NZALPA supports such engagement in the long term. However, we would also note that such engagement needs to be clear about how all stakeholders will be able to benefit from working to achieve public good outcomes. In the long term, Government should not expect that stakeholders will seek to achieve broader public good outcomes merely for altruistic reasons.
- 2.6. One of the most valuable roles that Government places is in facilitating New Zealand's participation in international relationships and agreements. Ultimately, however, New Zealand often struggles to realise that with participation in such agreements also comes long-term responsibilities to the architecture of those agreements.
- 2.7. For example, New Zealand was instrumental in the formation of the United Nations and played a role in the formation of both the International Civil Aviation Organisation (ICAO) and International Labour Organisation (ILO). Yet, New Zealand often displays dilatory behaviour when it comes to implementing decisions reached at these bodies. If New Zealand is going to take its role seriously, we need to be bold not only in establishing relationships and agreements but also in following through. We need to view these relationships not only as mere means to commercial ends in the immediate term but as long-term obligations to member states that later adhere to organisations and agreements we have sponsored.
- 2.8. Likewise, establishing co-ordination across the sector will be about more than merely setting up institutions. Government will play a key role in ensuring that the institutions it sets up continue to function with regular meetings based on updated and fresh meeting agendas and with well understood minutes and action items. Being transparent about procedural matters such as this will ensure that new stakeholders who join the process (or new staff of current stakeholders) have the resources available to them to familiarise themselves with the workplan of such institutions.
- 2.9. This will require a degree of candour and commitment from both business and the Government. Both will need to commit to projects that last beyond electoral cycles and the terms of individual executive officers. This poses unique legal challenges when one party (the Government) has the constitutional ability to abrogate contracts unilaterally.

The public will need to be sufficiently educated concerning the expectation that Government behave like a good faith contractual party.

- 2.10. Once there is a degree of consistency and transparency achieved in relation to those institutions it does not take much effort for the longer-term, system-wide view to become apparent. Stakeholders and their representatives do need to be able to understand that view. Having clearly documented processes and being transparent about decisions that are made will generally have the effect of enabling that understanding.

III. STRATEGIC CONTEXT AND OPPORTUNITIES AND CHALLENGES

- 3.1. The issues paper identifies four key areas of challenge for the system. The paper is correct to view each of those challenges as posing its own opportunities. Many of these challenges, however, will interact with each other in a manner that does make that system-wide view necessary.

Climate Change

- 3.2. Climate change, both in terms of responding to its effects and attempting to forestall its aggravation, is a pressing challenge. Moving towards renewable energy fuels for the transport sector will create a significant challenge for the New Zealand energy sector. We will need a much larger supply of electricity.
- 3.3. We will also likely need to have discussions about what types of renewable fuel Government will support. We do not expect that it will make sense for Government to be unintentional about supporting sustainable fuels. Government should carefully consider which fuel sources will be compatible with the needs of the different parts of the system – trucking, rail, coastal shipping, and air. We would be disappointed if Government were to invest heavily in fuels that are cheap and convenient for trucking, but which had no potential for helping make air travel more sustainable. Likewise, we encourage the Government to further support the operation of a SAF plant at commercial scale, but Government must first be reasonably confident that the plant will produce fuels that can be used in future international and domestic airframes. There is little use in investing in fuel technology if the fuel produced is not compatible with the aircraft and engines that manufacturers design.
- 3.4. We also support the realisation that improving coastal shipping could lead to new or enhanced domestic services. These should include new or enhanced inter-modal links. For example, we have been watching with interest the conversation concerning the possible relocation of Auckland's port. Ideally, we would like to see a new port for this area located somewhere close to a significant airport. Locating port facilities in either the Manukau Harbour or at Tauranga provides potential for expanding inter-modality with airfreight. Naturally, this would also require either a connection to Auckland airport or expanding Tauranga airport so that it could handle freight carrying loads. Either would make more sense than placing harbour facilities at the isolated Marsden point or attempting to expand Whenuapai airport.

- 3.5. Similarly, the next stage of agreement on long-term targets for reducing international aviation emissions will require a holistic viewpoint. In the long-term all states must bear the burden of climate change together. Whilst this does not mean that we need to bear it equally, there is little value to developed states charging ahead on their own plans for emissions reductions targets if developing states do not agree to how this is done. When it comes to climate change, we need to make sure that we have achieved broad international consensus on targets and mechanisms before we act. Whilst it may suit our image if we reduce our emissions and others do not, it clearly won't address climate change in any meaningful way.

Population Growth and Densification

- 3.6. Should meaningful population growth be achieved over the next 50 years, there will be an impact on the system. Much of that impact will be upon sectors other than aviation. However, it is worth noting that there will be increasing opportunity for the use of drones.
- 3.7. The regulatory environment for drones is far from developed at this stage. Indeed, there are important questions that remain unanswered. The safety risks arising from small drones and from large remotely piloted aircraft are completely different. Government will urgently need to ensure that measures meant to encourage small drones do not create an environment where people-carrying aerial vehicles create a congested environment in the skies. Ultimately, the aim should be to incentivise forms of mass transit of passengers while ensuring the safe integration of UAVs into airspace and sustainable last-mile transport of micro-freight by air.
- 3.8. As discussed in relation to climate change, more efficient land use planning will be required. We will need to be more deliberate about planning intermodal transport and transshipment hubs where up to three or more transport service types can converge in one location.

Technological Change

- 3.9. The role of technology in changing how airfreight is moved is likely to be a significant challenge for our organisation.
- 3.10. Ultimately, we need to be able to determine what we believe is a safe balance between automation and human control of air navigation and air transport system. We then need to be able to square that with securing meaningful employment within the aviation sector. These challenges are compounded by the facts that much of the information on the system limitations of new technology is provided by the proponents of that technology, and that much control over technological specifications is dictated by the international market and international institutions.
- 3.11. It will be in those international institutions then, that we will be seeking to ensure that deliberation remains focussed on proven safety benefits for passengers and the public of any technological developments in our area. It would be irresponsible for us not to attempt to prevent the release of new technology in our sector that lacked a scientifically proven

safety case. We expect we will also need to make the same arguments to Government over the lifetime of the strategy.

- 3.12. It concerns us that, regarding new technology, the health and safety practices of some operators and the regulator in the aviation sector, are often less rigorous than they ought to be. Admittedly, often the technology being introduced will have gone through significant overseas testing and design. However, this should not be reason for local business to shirk on health and safety obligations – especially since businesses in our sector are often much more well-resourced than in others.

International Developments

- 3.13. The international environment is likely to be increasingly uncertain for some time to come. Within that context, it does make sense for New Zealand to diversify our export patterns.
- 3.14. As the paper shows, a significant proportion of New Zealand's export and import flows already travel through South East Asia. We are also already in the process of negotiating an upgrade to the AANZFTA between ASEAN, Australia, and NZ. To support growth in marketing the high value exports that New Zealand prefers to supply, we may also need to consider providing better airfreight (and passenger) connections to South East Asian emerging markets. If we can market outbound tourism to match with high value export destinations, then this could be achieved in some measure.
- 3.15. We also need to consider developing strategic independence in airfreight provision. As mentioned previously, our airfreight sector is entirely dependent on closely aligned sectors. But there are occasions, where, for example, the needs of the passenger air travel sector diverge from the needs of our high value exporters. To cater for those scenarios New Zealand should seriously consider developing an independent airfreight capability. An independent capability is likely to make more sense if there is sufficient high value export demand in markets that are close to each other geographically. Allowing this capability to be provided independently could allow the softening of airfreight rates for select exports of national importance. An independent capability will also guard against the potential for cargo capacity to be reduced by new fuel source requirements.

IV. TRENDS

- 4.1. Over the last several years NZALPA has observed a trend of Australian air carriers setting up companies in New Zealand to employ New Zealanders on terms and conditions less favourable than are provided in Australia. It is indisputable that there are cost of living and other socio-economic differences between employment in New Zealand and in Australia. However, this later became an issue when the aircraft that were being used for those routes were returned to Australian regulatory oversight and ownership leaving the technical employers in New Zealand in a nil or low asset position. This is one example of the type of effect that international commercial developments can have on local workers. Effectively this also resulted in the withdrawal of the relevant airframes from New Zealand to an overseas location. In this way, New Zealand ultimately walks a fine line between

offering a competitive location for multi-nationals to base their operations and maintaining a regulatory landscape that is good for business. Government needs to better understand the regulatory needs of large businesses and ensure a realistic balance between rigour and flexibility.

- 4.2. Also, as previously described, we are observing a trend towards greater acceptance of unmanned aerial vehicles. However, there are important discussions with the public that are being avoided. For example, we are concerned that the public may not be sufficiently aware of the consequences for privacy, property, and personal safety that an increase in drone traffic may entail. It will be important for the Ministry to engage not only with industry but with property owners about their expectations of how drones will be able to be used. Ultimately, we do not wish to see the public misunderstanding the activities of our members or the regulator not being sufficiently aware of the expectations of the public that relate to our members (who include drone operators).

V. PRIORITISING OPPORTUNITIES AND CHALLENGES

- 5.1. The reality is that to a large degree climate change is a substantial driver behind technological change and international developments. We consider this is only likely to be more the case as time passes. Additionally, whilst population growth and urban densification are not caused solely by climate change there is a strong interaction between the two challenges. We are likely to see this in terms of population movements in response to rising sea levels and in terms of densification focused on public transport hubs.

VI. VULNERABILITIES OF THE CURRENT SYSTEM

- 6.1. The paper is correct to identify that some impacts of the pandemic have been hard to quantify. Foregone economic activity and loss of market share are good examples. It is within this context that it is appropriate to consider the current situation as the beginning of a “new normal.” Industries and businesses will have to restart. This will often mean that new focusses are embraced leaving behind the possibilities that old focusses could have produced. This is not always a bad thing, but it is worth noting that in some situations the old focusses will not have been fully explored and might be worth considering again later.
- 6.2. There is a good debate to be had concerning the comparative benefits of just-in-time and just-in-case logistics models. Our preference is to ensure a degree of redundancy is baked into decision-making. When redundancy is not available for just-in-case situations there are safety and quality control risks that arise from having to switch to a new means of service delivery that may not have well organised procedures in place for implementation or where staff may not be familiar with handling alternative resources and procedures. Conversely, an over-reliance on a just-in-case model does eat into business efficacy and ultimately erode competitiveness. If Government intends to be deliberate in this area it will need to walk a very fine line between ensuring safe levels of redundancy and over-regulating in a manner that negatively effects the competitiveness of responsible New Zealand businesses.

- 6.3. The difficulty of switching between freight operations is also a vulnerability that relates to strategic redundancy. There will be difficulties in enabling the multi-modal use of cargo. But there is a benefit to better understanding what those difficulties are and how they can be overcome. Ultimately, building in better ability to switch cargo between modes or carriers is a form of redundancy that will aid in combating the weaknesses of just-in-time logistics models.
- 6.4. We also agree that relying on international shipping lines may mean that New Zealand's freight needs are not prioritised. We would like to make the same point regarding airfreight. As discussed above, we would like consideration given to the development of an independent airfreight capability for New Zealand.
- 6.5. We agree that port competition settings may not be optimal. However, we would suggest the problem is not limited to competition settings or only to ports. For example, the Port Authority of New York and New Jersey manages the New York-Newark port district, and this includes management of several road tunnels, bus terminals, road bridges, rail services, and JFK, Newark, and La Guardia airports (and others). To an extent, this is possible because of the physical proximity of that infrastructure. We would encourage exploration of different port and airport ownership models that could include movement away from control by local government.
- 6.6. We are concerned that the description of the sixth vulnerability is not entirely accurate. Whilst accessing labour may be difficult on occasion for businesses, to focus on the needs of businesses somewhat misses the point. One underlying point is that certain business models are not sustainable in the long term and that this is being picked up by job seekers. The other point that is being conflated with this point is that certain professions require a significant amount of training and New Zealand business is often not very good at providing that well-resourced training environments without external help. Training is often seen as an area in which resources can be skimmed and labour reacts badly to not being given sufficient training. This point would be better described as two separate vulnerabilities.
- 6.7. Another area where some businesses have not invested sufficient resource is in developing accurate and transparent data. Improving data (including health and safety data) practices is very important. But this will need to be shaped by an approach to information that reflects a positive safety culture. Positive safety culture is an approach to data (including safety data) that has been developed to maximise operational (and regulatory) learnings from data whilst protecting individual operators from retribution, litigation, or undue public scrutiny. Transport operators are justified in any concerns they might have that information they supply to the Government is likely to be subject to the Official Information Act. Enabling the sharing of this information will require the information to be shared between parties in a manner that ensures that no recipient uses it for an improper purpose. As such, a positive safety culture approach to the sharing of that information can ensure that the information is shared in a way that is accessible without being able to be used improperly. It must be noted that the purpose of a positive safety culture is to improve safety, whilst the purpose of information sharing in this environment will be much more about national resilience and productivity. However, we do not consider that this means the approach is without merit. Rather, we believe it can be accommodated to enable information to be shared between stakeholders in an anonymised manner and with legal safeguards to

prevent it being used as a tool of litigation, by regulatory agencies, disclosed to the public or for employment law purposes.

- 6.8. We agree that Government can do better to ensure that long-term Government planning is clearer. However, this also applies for significant fixed infrastructure asset owners. For example, airports and air navigation service providers also ought to be more transparent and accountable to their workers and significant customers concerning their long-term planning.
- 6.9. We also agree that we need to see more engagement between employers, unions, and government across the sector. As it stands, we find that whilst Government and employers frequently engage with ourselves, they seldom do so in a tripartite manner. Instead, we often find that Government has engaged with business in discussions and meetings to which we have not been invited. It is important for Government to engage with business and to engage with unions. We would prefer if a more structured and formalised approach could be implemented that ensured transparency of those discussions for all three parties and iwi. Further, those discussions should not be limited merely to ensuring a sustainable labour force. Unions have views on a range of issues relating to the professional obligations of their members. Instead, Government should adopt an assumption that where it consults with businesses it should also consult with any relevant unions that share an interest in the topic.

VII. STRATEGY OUTCOMES

- 7.1. Unfortunately, we cannot agree that the strategy outcomes have been described in an optimal way. We believe that equity and safety should be distinct matters. In our view equity reflects the interest in inclusive access. Safety reflects a distinct interest in healthy and safe people. There are distinct interests, in our view, between health and safety and subjective wellbeing, cultural capability, belonging. This is primarily because the latter group engage questions of distribution under the Living Standards Framework 2021, whereas the former group are primarily concerned with resilience. Likewise, at a practical level there are different questions that are engaged, safety relates primarily to the physical integrity of persons, property, and the environment. Whereas, equity relates to cultural capability, belonging, social connections, civic engagement, and governance.
- 7.2. Our own view of the outcomes within our sector has four components. These reflect our understanding of the preamble to the Chicago Convention. Those four components are: safety, financial sustainability, social sustainability, and environmental sustainability. Safety as we describe it primarily relates to the safety of human life. Financial sustainability relates to the sustainability of business models and includes elements of both what the paper describes as resilience and productivity and innovation. Namely, financial sustainability includes the ability to absorb disruptions to business, agility and flexibility, quality assurance, innovation, and competitiveness. It also would include skill and professional development. Social sustainability relates to elements of both productivity and innovation and equity. Namely, higher quality jobs, job productivity, prosperity, and inclusive access. Meanwhile environmental sustainability relates to more than merely low emissions but also includes noise pollution, and climate change impact response.

7.3. Naturally, this is merely our own model and is designed to suit our objectives and functions. However, this shapes our advocacy and inputs and where we expect to be consulted. For example, we see a much stronger relationship between equity and productivity than between safety and equity. Meanwhile we see both resilience and productivity/innovation as defined by achieving a balance between the interests of capital and the interests of labour. Regarding resilience this may not be so much of an issue because the interests of capital and labour are more likely to align. However, regarding productivity there is a definite distinction between achieving return on capital investment and job productivity. Often, but not always, innovation is a means to achieving growth in both areas. But growth in both areas can compromise resilience. Likewise, growth in both areas can be achieved through means other than technical innovation (through, for example, new procedures or ways of using current technology, or through better industrial relations).

VIII. AREAS OF FOCUS

- 8.1. Likewise, we are disappointed with the areas of focus. We understand that much of the focus of the issues paper lies on ensuring resilience and low emissions. We understand that this is driven by the desire to respond to the challenges provided in a manner that protects the national interest. Indeed, we endorse those desired outcomes.
- 8.2. However, we are concerned by the scant focus given to safety. For us, the primary concern arising from climate change, technological innovation, and international developments is the risk to human life that each of these poses. Climate change will increase the likelihood of freak weather events and natural disasters. It will also require technological innovation at speed, which we are concerned will sacrifice safety management. International developments have been shown to lead to the potential for air accidents and loss of life as well. We make a serious omission if we think that the roads are the only place where life has the potential to be lost in the supply chain. Incidents such as the sinking of *Gulf Livestock 1*, accidents at railway level crossings or the loss of MH17 demonstrate how the listed challenges can lead to loss of life in the other sectors. Safety risks to all sectors, with varying impact rates, have the potential to affect the lives of the public.
- 8.3. Nor are the challenges regarding safety identical in all workplaces. Some workplaces still face serious problems implementing effective safety reporting mechanisms. Other cultures are confronting issues with bullying and workplace culture. Other workplaces are marked by industrial relations practices that undermine collaborative safety decision making. Outside workplaces specifically, there are safety considerations in relation to drones and small aerial vehicles that must be considered. There are safety issues relating to the use of the radio spectrum. There are safety issues arising from insufficient training and training capacity. There are safety issues arising from the increased likelihood of extreme weather events.
- 8.4. We would suggest that the following could be areas of focus within a safety outcome:
- Developing effective reporting cultures;

- Defining appropriate rules and regulations for the protection of safety information (and its use in employment, administrative, civil litigation, official information reporting, financial reporting, and criminal proceedings)
- Developing a comprehensive means of measuring safety (and understanding a publicly acceptable minimum level of safety in transport; and a single regulator that would be responsible for this);
- Developing effective safety management procedures and policies for businesses;
- Understanding the effect of safety accountability on governance objectives;
- Providing effective mechanisms and process for safety assessment of new technologies;
- Understanding the impact of climate change on natural disasters and weather patterns that affect air and road traffic.

8.5. We note that much discussion has been had about systems for collecting and modelling data. We have touched on the impact of the Official Information Act 1982. The Privacy Act 2020 and the Protected Disclosures Act 2000 are also relevant to data sharing. We would hope that those Acts are carefully considered.

8.6. However, ultimately, we have expressed our view that improving data access and collection will require a data governance and management regime. In our view, such a regime must include the kind of protections against the use of that data for civil, administrative, criminal, and personal (employment) liability purposes. This is a part of the trust that will be necessary for all stakeholders to meaningfully work together. That regime will need to be something that includes a degree of self-governance and enforcement by businesses. So, businesses will need to understand those processes and commit to them voluntarily. They will need to see that they will have net gains for the businesses that do buy into them.

8.7. In terms of the areas of focus that do currently exist, we are concerned that assessment of the parts of the system that are most critical should not be solely focussed on the current state. This assessment should include review of alternatives and potential redundancies.

8.8. We would like to see the road map for infrastructure requirements for shifting to low emissions heavy vehicles expanded to include our sector as well. Low emissions aircraft will require significant fuel supply and/or charging infrastructure. Government should work with both airlines and airports to ensure funding is provided for that infrastructure.

8.9. We would like to see better intermodal connections between international airfreight and whatever mode is used to connect between AKL airport and local producers. This could take the form of regional and (first- and) last-mile airfreight. Alternatively, it may be more efficient to use coastal shipping.¹ There needs to be a careful look at the specialised supply chain needs of high value exporters. We suspect that this will involve better intermodal links between airports and the mode used to move exports between the production site and the airport.

¹ But we doubt this, given the time-sensitive nature of some high value airfreighted exports (e.g., seafood, fruit)

- 8.10. Finally, we would like to see the last area of focus be more ambitious. As discussed, we would like to see formalised tripartite mechanisms for collaboration and engagement on freight and supply chain issues. We see this tripartite aspect as fundamental to the collaboration described in this area of focus.

IX. PRIORITISING THE OUTCOMES AND AREAS OF FOCUS

- 9.1. Our organisation ethos dictates our view that safety of human life is the number one outcome of the system of which we are a part. Supplementary to that comes the freedom to carry on business (including freedom of movement and the right to decent work). The realisation of cultural capability (and equity), national resilience and low emissions are all desirable outcomes. But, in our view nothing should compromise safety.
- 9.2. Accordingly, we support outcomes that enable business to be carried on in a sustainable manner. But sustainability requires recognising social, environmental, and business standards. Just as we cannot have businesses that operate without regard to their emissions, we must also ensure that human trafficking is not enabled by our supply chains. Likewise, businesses need to approach data collection, governance and disclosure in a manner that is ethical.
- 9.3. To an extent, safety needs to be kept as a check on new developments in relation to any outcome (including equity). However, in practice, safety also acts as an enabler. It does so in that it provides the proper processes for achieving other outcomes in a manner that respects human life.

X. SUCCESSFUL STAKEHOLDER ENGAGEMENT

- 10.1. We would like to see procedures created for the collection, sharing (with relevant partners), protection and safeguarding and governance of industry information. Those procedures could be in the form of an industry accord. Such an accord would need to be supported by legislation. That legislation would need to permit the parties to the accord to handle the information used in accordance with the accord and provide guidance to the courts as to the obligations of confidence that attach to that information.
- 10.2. Separately, we would like to see a formal and enduring structure put in place of consultation between Government, businesses, unions, and iwi. That structure would sit over the whole strategy (rather than being limited to labour issues). The job of that structure would be to advise Government on steps it would need to take in relation to the five roles identified in the paper. The body would be an advisory body.
- 10.3. As an advisory body, it would have a four-way (quadripartite) structure ensuring that relevant advice representing the views of workers and iwi were always presented alongside the view of business. The body would have regular meetings and could commission research, hold technical meetings on supply chain issues, provide advisory services, carry out training and provide advice on policy, guidelines, and regulations. The body would not have the power to regulate or publish rules (other than for its own procedures).

- 10.4. The body could meet both with and without its Government representatives. However, it would be required to ensure that business, unions, and iwi were present at all meetings. The ability to meet without Government representatives would enable the parties to attempt to reach consensus on issues that were politically controversial. New Zealand politics is, to a large extent, characterised by division between capital, labour and iwi. Allowing those parties to hold discussions without Government in the room enables a better balance (acknowledging that often at least one of those parties will perceive Government as partisan).
- 10.5. However, it would also be enabled to function as a forum in which individual parties (ie. individual Government agencies, businesses, unions, or iwi) could meet under procedures enabling confidential and privileged negotiations with a view to reaching private agreements between them for the better facilitation of business. Such agreements would need to be publicly and transparently available but the negotiations under which they were agreed, and information shared in those discussions, would be protected from disclosure. Agreements reached in this forum could be vetted by the Commerce Commission or other regulators before being approved.

CONCLUDING REMARKS

- 11.1. NZALPA broadly supports the Freight and Supply Chain Strategy and we are delighted to have had the opportunity to be consulted on this important policy work.
- 11.2. However, we do hold concerns over the recognition of the importance of safety as an outcome of the system. We acknowledge that safety is easy not to notice when it is generally present. However, human life is of incalculable value. Valuing safety needs to remain at the heart of how we structure our freight and supply chain system.