



Ia Ara Aotearoa Transporting New Zealand

submission to

Te Manatū Waka (Ministry of Transport)

on

**Te rautaki ueā me te rautaki whakawhiwhinga o
Aotearoa – New Zealand freight and supply chain
issues paper**

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1. Representation

- 1.1 Ia Ara Aotearoa Transporting New Zealand (Transporting New Zealand) is made up of several regional trucking associations for which Transporting New Zealand provides unified national representation. It is the peak body and authoritative voice of New Zealand's road freight transport industry which employs 32,868 people (1.2% of the workforce), and has a gross annual turnover in the order of \$6 billion. This is part of a wider transport sector that employs 108,000 people, or 4 percent of the country's workforce and contributes 4.8 percent of New Zealand's GDP¹.
- 1.2 Transporting New Zealand members are predominately involved in the operation of commercial freight transport services, both urban and inter-regional. These services are entirely based on the deployment of trucks both as single units for urban delivery and as multi-unit combinations that may have one or more trailers supporting rural or inter-regional transport.
- 1.3 According to Ministry of Transport (MOT) research (National Freight Demands Study 2018) road freight transport accounts for 93% of the total tonnage of freight moved in New Zealand.

2. Introduction

- 2.1 Transporting New Zealand provides sector leadership and believes we all need to operate in an environment where the following must be managed and co-exist:
 - The safety and wellbeing of our drivers and other road users, our drivers are our most valuable asset
 - The impacts of transport on our environment
 - The transport of goods by road is economically feasible and viable and it contributes the best way it can to benefit our economy.
- 2.2 Transporting New Zealand welcomes the opportunity to comment on the Ministry of Transport (MOT) document: Te rautaki ueā me te rautaki whakawhiwhinga o Aotearoa – New Zealand Freight and Supply chain issues paper (the issues paper).
- 2.3 Transporting New Zealand notes that the issues paper raises a broad range of complex challenges and opportunities. It is beyond the scope of Transporting New Zealand submission to address all complexities in depth however, we refer to our relevant submissions and policies that touch on areas covered by the issues paper:

¹ [Transport factsheet \(mbie.govt.nz\)](https://mbie.govt.nz)

- (a) Green Freight Project: background paper on reducing greenhouse gas emissions from road freight in NZ through the use of alternative fuels (2019).
- (b) Ministry of Transport Te Manatu Waka (MoT): Hīkina te Kohupara - Kia mauri ora ai te iwi Transport Emissions: Pathways to Net Zero by 2050 (June 2021).
- (c) Ia Ara Aotearoa – Transporting New Zealand: Road and Rail – delivering for all New Zealanders (2021);
- (d) Transporting New Zealand’s submission to the Climate Change Commission’s 2021 Draft Advice for Consultation
- (e) Transporting New Zealand policies on:
 - New fuels and de-carbonisation
 - New technologies in road freight
 - Right to trade and mode neutrality
 - Road freight is essential to New Zealand

2.4 Although there is crossover, Transporting New Zealand’s submission will follow the same thematic structure as the issues paper, including:

- (a) Understanding New Zealand’s freight and supply chain system;
- (b) The strategic context for change
- (c) Current vulnerabilities of the freight and supply chain system; and
- (d) MOT’s proposal for developing a freight and supply chain strategy

2.5 Sections 3 to 6 of this submission include our more general comments on the broader issues and concerns we have identified in the issues paper and unavoidably there is some overlap with the specific questions asked by MOT. For MOT’s convenience we have separately addressed its specific questions in section 7 of this submission.

3. Part 1 of the issues paper understanding the freight and supply chain system in New Zealand

- 3.1 Transporting New Zealand agree that over the next 30 years, New Zealand’s freight and supply chain system will play a crucial role in the transport sector’s transformation to a low carbon future.
- 3.2 Transporting New Zealand also agrees that partnership with stakeholders should be a key focus for MOT over the next year.
- 3.3 With respect to the Government coordinating “a *more strategic and coordinated approach*”, this begs the question of how the government proposes to achieve this. Transporting New Zealand’s view is that freight and supply chains are driven by markets. The market will only respond to a coordinated approach where there is a market incentive to do so. This statement is indicative of MOT having an idealistic view of how the supply chain operates in practice and the Government’s role in it.

- 3.4 Transporting New Zealand notes the view that “*while the system is largely driven by private enterprises, and will remain so, action and cooperation by participants across the supply chain will be hard for the market to achieve by itself.*” Transporting New Zealand disagrees with this statement. The freight and supply chain is driven by the market and we should trust the market in responding to challenges outlined in the issues paper.
- 3.5 Transporting New Zealand notes that 92.8% of freight volumes within New Zealand are transported by trucks. Road transports’ input into the strategy is essential. Trucking will remain the centre of the freight and supply chain, irrespective of small shifts.
- 3.6 Transporting New Zealand notes the statistic that over 60% of road freight industry firms have fewer than two employees. A representative for these small businesses is required as the government develops its freight and supply chain strategy. As identified above, Transporting New Zealand is the peak body and the authoritative voice of the road transport industry.
- 3.7 Transporting New Zealand notes the statement that “*heavy trucks emit around 25% of total transport emissions, even though they make up only 3% of our vehicle fleet.*” Transporting New Zealand considers that without any reference to the total freight volumes carried by heavy trucks and the fact the mode contestability is limited for some freight carried by trucks, the context around heavy truck emissions is lacking. This is indicative of the anti-truck rhetoric Transporting New Zealand has submitted against previously which detracts from informed debate about freight and supply chain issues and pathways to lower harmful emissions.

4. Part 2 of the issues paper, the strategic concept for change

Climate change

- 4.1 Transporting New Zealand supports the principle of reducing harmful emissions from road freight transport over time and agrees we need to progress our work on freight decarbonisation quickly.
- 4.2 The International Road Transport Union (**IRU**) has developed a Green Compact.
- 4.3 The IRU Green Compact is a set of key principles based on IRU’s decarbonisation vision, including required action by governments to implement these five decarbonisation pillars: including:
- (a) broad implementation of low and zero carbon fuels.
 - (b) more efficient logistics with Eco-trucks.
 - (c) increased use of collective passenger transport with buses and coaches.
 - (d) more efficient and latest vehicle technologies.
 - (e) improved driving behaviour through training and education.

- 4.4 With the addition of another pillar, “improved infrastructure and network design”, the Transporting New Zealand Board has adopted the Green Compact as its Climate Change strategy.
- 4.5 Transporting New Zealand's position is that the Government and industry must focus on partnership to grasp low hanging fruit to immediately reduce emissions rather than waiting for technology.
- 4.6 In commenting on the issues paper with respect to climate change, Transporting New Zealand is mindful that there is currently:
- (a) No proven fossil-fuel alternative fuel source to power heavy trucks in a New Zealand context, available in a reliable and affordable form.
 - (b) No infrastructure of any relative significance in place to support any alternative fossil-fuel source to power heavy trucks; and
 - (c) No commercially available heavy trucks using alternatives to fossil fuels, at scale, to replace the current heavy truck fleet used to keep the New Zealand economy moving.
- 4.7 That is not to say the industry is not willing to find solutions, and a number of road freight operators are trialling trucks powered by alternatives to fossil fuel. Just this week, HW Richardson Group announced its investment in dual fuel hydrogen technology. A dual fuel approach could allow the heavy transport sector to transition as an alternative fuel in a way that is accessible, fair and equitable. These are important fact-finding trials to see how businesses will adapt to the possibility of less diesel trucks in their fleets over time.
- 4.8 With respect to Transporting New Zealand's sphere of interest, our response to the issues paper focuses on the trucks that perform the freight and transportation tasks that support the supply chain and end user consumption imperatives. These are, moving goods around New Zealand for domestic use, and to ports for export, as fast and cost effectively as possible and delivering door-to-door on time. As referred in paragraph 1.1 above, road freight transport plays a significant role in the New Zealand economy.
- 4.9 The road ahead must be guided by evidence and economics. As a trading nation, New Zealand already faces significant cost challenges that come from it being a modern, western economy, that is most distant from markets compared to its competitors.
- 4.10 Transporting New Zealand is concerned about the reference on page 23 of the issues paper regarding vehicle efficiency measures including reducing the weight of vehicles. We urge MOT to listen more to industry stakeholders like ourselves rather than groups like Sustainable Business Council (SBC) that simply do not have the level of industry expertise to make meaningful and practical comments in that area. The New Zealand heavy vehicle motorised fleet is sourced from multi-national manufacturers in Europe, America and Japan. Those manufacturers spend hundreds of millions of dollars annually investing in research and development to improving fuel efficiency and reduce weight. The non-powered heavy vehicles (i.e. trailers) are largely made in New Zealand and our local manufacturers have a massive focus on reducing weight and it increases payload capacity. The extensive use of alloys and high tensile material

in trailers demonstrates this. For SBC to suggest that significant reductions in emissions can be achieved by reducing weight is simply untrue.

- 4.11 Similarly with the SBC view on telematics and route optimisation. By global standards New Zealand does not have a large road network with many alternatives. It is currently in a transport operator's best interests, and it is their normal practice operating practice, to find the optimal route as ultimately this will improve their profit. SBC and MOT need to consider and rely on realistic and practical advice when developing policy and strategy.

Coastal shipping and rail as lower emission modes of transport:

- 4.12 The first paragraph in the issues paper notes that "*coastal emissions and rail offer lower emissions modes of transport but will require investment to increase their attractiveness to freight users*".
- 4.13 Transporting New Zealand's *Road and Rail – Delivering for all New Zealanders* Report (the Road and Rail Report) has previously noted the issue with the term "*emissions*" being used in a broad and often confused sense. In any conversation about emissions, Transporting New Zealand believes the two main types of emissions should always be included, namely harmful emissions, sometimes otherwise referred to as air pollutants, and CO₂ emissions.
- 4.14 The Road and Rail Report provided arguments around some of the difficulties in MOT comparing emissions between rail and road including:
- (a) while urban trucks have relatively high emissions per gram CO₂/tonne kilometre, they are doing a task that simply cannot be completed by rail. Other important context is that while the heavier trucks travel a disproportionately higher share of the distance travelled, they will also generally have a much better energy intensity.
 - (b) comparisons are also fundamentally flawed in that they compare average, not marginal benefits. The averages for rail are dominated by things it does well, such as bulk freight. Similarly, the averages for road are dominated by things it does well, such as fast, point-to-point delivery which cannot be done by rail. At the point where the two compete the choice is typically between intermodal (rail plus road) and road alone. The competing trucks are atypical of the road fleet, and the roads on which they travel (a subset of State Highways) are atypical of the road network.
 - (c) While theoretically one can calculate a CO₂(e) output per tonne-kilometre, in Transporting New Zealand's view it is a purely academic exercise of little, if any, value when comparing modes because they each deliver a very different service and therefore, it is meaningless to compare them. We have raised this with Government previously and we are concerned that such flawed thinking continues.
 - (d) Ultimately Transporting New Zealand rejects the efforts being made to establish whether road is more environmentally efficient than rail, or vice-versa, because it is like comparing chalk and cheese.
- 4.15 Transporting New Zealand's view is that supporting rail on emissions grounds is flawed.

- 4.16 It is important to note that Transporting New Zealand is not anti-rail. We support investment in rail where it makes good sense. Rail has an important part to play in moving the freight task and in some cases, particularly where the inherent challenges of our mountainous terrain have been reduced by the construction of railway tunnels, such as the Remutaka Tunnel and the Kaimai Tunnel, it is a competitive alternative to road freight.
- 4.17 The Issues paper notes that *“the extent of mode shift we can achieve will be limited by which products can viably be moved this way.”*
- 4.18 Transporting New Zealand estimates approximately 12 percent of New Zealand’s freight movement is contestable by rail - it currently sits at 6 percent by weight. This is probably generous. In fact, the whole notion of contestability is highly questionable.
- 4.19 Although there is no comprehensive data on New Zealand freight transport by mode, two reports provide a snapshot of modal shares in 2002 and 2008 (Bolland et al 2005; Richard Paling Consulting 2008). Data from these reports shows that road’s share of the freight market increased from about 67% in 2002 to about 70% in 2008. It appears that this increase was due mainly to substitution from rail to road.
- 4.20 The evidence and independent research says that even if rail freight grew faster than road freight, the bulk of the future freight growth would still need to be accommodated by trucks. In 2005 rail and road carried approximately 19 and 100 million tonnes respectively. Given the magnitude of order difference, it is inconceivable that rail would have the capacity or capability to accommodate the freight growth that trucks have been managing.
- 4.21 Previous New Zealand studies show that rail starts to compete with road at distances greater than 400 kilometres – inter-regionally. Yet 80 percent of freight in New Zealand is moved within a region. You aren’t seriously going to put freight on a train at the Auckland Port, shift it to a yet-to-be-built hub somewhere in Auckland. Would all that be just for the sake of saying you are “putting more on rail”? You are going to put it on a truck at the port and take it straight to its end destination. That’s the most effective use of resource.
- 4.22 The issues paper notes that *“rail infrastructure has deteriorated over past decades due to a lack of long-term sustainable investment.”*
- 4.23 New Zealand is an island nation with few people and varied often challenging terrain. We lack the scale and density needed for rail to be as successful as some wish it to be. The idea that some slogans and a few billion dollars of Government “investment” can change the trajectory of efficient and effective freight movement over the years, is a fantasy. The risk is we waste a lot of money, continue to clog our choke points in big cities, and forgo spending on other meaningful and significant infrastructure that drives our economy.
- 4.24 Generally speaking, rail’s share of the freight task has been declining and road’s share has been increasing over the past decade. It would therefore appear that some draconian regulatory intervention will be required to change the mode share that the market would otherwise normally determine.

- 4.25 Historically, Government has shown a strong desire to protect its existing infrastructure investment in rail from the increasing competition from road transport. However, given the efficiencies that road freight offers and for the good of the national economy, over time those Government constraints have subsided. Any return of Government intervention to artificially change modal share is a failing to learn.
- 4.26 With respect to the investment required, coastal shipping and road freight pay their own way. The only freight mode that gets continued and substantial Government support is rail. Diverting some of the RUC revenue paid by trucks to rail will work against, not towards, competitive neutrality. If the Government has wider policy reasons for supporting railways it should fund that in the way it funds other general policies, from general tax revenues.
- 4.27 Over time there has been a decline in rail's contribution in completing New Zealand's surface freight task. Transporting New Zealand believes rail has a place to play in moving freight however, we have seen no robust evidence from Government that resilience and reliability are the underlying issues contributing to this decline. Therefore, we cannot see how the billions of dollars that Government has committed to rail will arrest that slide, let alone shift freight off roads. The Government should act responsibly and clearly justify its commitment.

We must adapt to New Zealand's increasing densification:

- 4.28 Transporting New Zealand notes the comment that freight volumes are expected to increase 55% from 237 million tonnes in 2012/23 to 366 million tonnes in 2042/3.
- 4.29 The vast majority of road congestion occurs during peak commuting periods, and it is typically limited to urban areas. Road transport contributes to this congestion, and it also suffers from it. However, there is usually no alternative to road freight – even rail freight typically relies on road transport for the last part of the journey, particularly in urban areas.
- 4.30 Larger trucks that compete with rail want to avoid congestion too, and so typically use off-peak scheduling to reduce fuel costs and driver time.
- 4.31 Transporting New Zealand supports congestion pricing, but a percentage cap should be put on the amount of revenue diverted to public transport and rail. A certain amount must be retained for road maintenance and construction.
- 4.32 Limited time spent waiting in traffic leads to more efficient travel and less emissions for road freight. There is potential for increased productivity and enhanced economic outcomes
- 4.33 Transporting New Zealand notes that not all goods will be able to be moved by bike or drone in dense urban areas.

Technology and digitalisation may change how we move goods:

- 4.34 Unlike countries that have extensive road networks (where a significant number of alternative routes are available) telematics is of much less value in New Zealand. Route utilisation and productivity is probably best addressed in the short term by mechanisms like congestion pricing and bridge capacity upgrades to support additional HPVM routes.

- 4.35 The Government needs to use the data it collects more effectively and perhaps incentivise co-operation between companies to reduce empty running. In short, the Government needs much better data on this issue generally and should consider an examination to see how it could improve the situation within the current market, through incentives and working with industry customers.

5. Part 3 of the issues paper, current vulnerabilities

- 5.1 In terms of the COVID-19 pandemic, the road transport sector has demonstrated its resilience and solution-based approach to these vulnerabilities. The wider road freight industry has also shown itself to be very resilient. Road freight carried the country during lockdowns and drivers were very low risk in terms of catching and spreading the virus.
- 5.2 In terms of just-in-time inefficiency being prioritised over spare capacity, Transporting New Zealand agrees that this is a vulnerability. Transporting New Zealand's view is that movement from a just-in-time model will be market-driven. The Government's ability to influence behaviour would appear to be fanciful.
- 5.3 Transporting New Zealand notes Government could consider an international freight hub somewhere such as Sydney to de-risk our shipping supply chain. This would also have the benefit of building a New Zealand fleet of coastal ships going more directly to ports and reducing need for road transport.
- 5.4 Transporting New Zealand notes that the Government has recently selected preferred suppliers for new and enhanced coastal shipping services and that \$30 million dollars of NLTP funding for coastal shipping has been diverted to support that. We are concerned that MOT does not give sufficient recognition that each of the modes, air, road, rail and sea, have their own respective benefits and by and large the transport mode selected for freight is determined by the needs of the freight and the levels of service the respective mode offers. Despite Government intervention and its promotion of the coastal and rail modes, the impact on road freight will be relatively small.
- 5.5 Transporting New Zealand agrees that the competition setting for ports are suboptimal. An urgent review of the Port Companies Act 1988 is needed, with a view to allowing greater co-operation and collaboration between ports. Consideration could also be given to an offshore port hub to better insulate New Zealand's supply chain.
- 5.6 In terms of accessing labour, Transporting New Zealand submits that further support is needed from the government to attract and maintain a sustainable workforce. Better career pathways in the freight sector need to be developed. The Government should work with industry on labour shortages. Transporting New Zealand also believes that labour shortages should be supplemented with migrant labour.
- 5.7 Transporting New Zealand notes that government has already been very supportive of Te ara ki tua – Road to success, our industry traineeship. Further consideration of a freight wide career support, through on the job training and qualifications could be useful, including promotion of such a career far earlier.
- 5.8 Increasing a sustainable and equitable freight labour force is imperative to sustaining the economy. Labour pressures will only increase given the

projections that freight will increase 55% from 237 million tonnes in 2012/23 to 366 million tonnes in 2042/3, and the driving population is ageing.

6. Part 4 of the issues paper, our (MOT) proposal for developing a freight and supply chain strategy

- 6.1 Transporting New Zealand agrees the freight and supply chain should be:
- (a) low emissions
 - (b) resilient
 - (c) productive and innovative
 - (d) equitable and safe
- 6.2 A strategic and coordinated approach must involve industry. As noted previously, a large proportion of road freight companies are SMEs. Transporting New Zealand is well placed to represent those companies in developing Government strategy.

7. Responses to specific questions in the issues paper

Question 1: Do you agree with the outlined description of the freight and supply chain system?

- 7.1 Yes, Transporting New Zealand broadly agrees with the description of the supply chain.

Question 2: Do you have any views on the outlined role of government in the freight and supply chain system?

- 7.2 Transporting New Zealand agrees that the government's role in the freight and supply chain system includes:
- (a) supporting what is needed for commercial activities to occur.
 - (b) ensuring broader public outcomes and national interests are achieved.
 - (c) facilitating New Zealand's participation in global value chains.
 - (d) facilitating collaboration and coordination across the sector, and
 - (e) providing a system-wide, longer-term view.
- 7.3 Transporting New Zealand considers that Government must see itself as a builder and provider of infrastructure – for road, rail and shipping. The Government must also design a fair and transparent funding model to enable costs and revenues to be captured within the respective model.
- 7.4 Transporting New Zealand's view is that the government has historically performed poorly in achieving these outcomes. As has been confirmed in independent reviews by MartinJenkins and Kristy McDonald QC, Waka Kotahi

New Zealand Transport Agency has not done a good job recently in regulating the road transport industry.

- 7.5 The movement of freight is a key contributor to the economic success of the nation. The Government's focus should be on supporting and improving the movement of freight. With the exception of a relatively small number of cases, road freight is undeniably the most efficient and effective means of moving freight in our country.
- 7.6 Transporting New Zealand believes that the freight market should be left to be driven by the customer and ultimately, the customer, whether in New Zealand or in our export markets, will decide price, convenience and/or time, and what is the best mode of transport for their freight.
- 7.7 In terms of a desire to move freight from road to rail, Transporting New Zealand notes this is in action. It is an action that is changing an environment that is currently determined by the market. That action most likely requires Government intervention, that is, regulating to artificially promote one mode and/or constrain the other. Interventions have been tried several times before and each time they have failed and cost the economy. There has been no evidence presented to support why this proposed shift would work.
- 7.8 Finally, an urgent review of the Port Companies Act 1988 is needed to allow reform and closer relationships between ports. with a view to allowing greater co-operation and collaboration between ports. Consideration could also be given to an offshore port hub to better insulate New Zealand's supply chain.

Question 3: do you agree with the outlined strategic context and key opportunities and challenges?

- 7.9 Transporting New Zealand agrees that uncertainty around how climate change will impact future production requires agility within our freight and supply chain networks. Road transport has proven itself in the COVID-19 pandemic to be agile and resilient.
- 7.10 Transporting New Zealand agrees that freight operators will need to use low emission fuels, such as biofuels and hydrogen. Transporting New Zealand also agrees that early adoption of developing technologies could create stranded assets, which is a particular problem for smaller owner/operators in the trucking sector.
- 7.11 It's important to point out New Zealand is a technology taker and by world standards, an insignificant market. We import the trucks but build the truck bodies and the trailers they draw in New Zealand. This simple fact places New Zealand operators in a very vulnerable financial position and significant or dramatic shifts in the truck market aren't easily accommodated. This goes back to the basic economic imperatives for successful commercial truck operations, which are low operating and maintenance costs, and modest capital costs. Vehicle propulsion system longevity and in-service reliability are other cornerstones applicable to commercial truck operations and operator confidence.
- 7.12 The New Zealand trucking industry is beset by low margins, and fleet replacements result in a long legacy of finance costs that must be recovered

before the vehicle's first life comes to an end. Large fleets have more scope for purchasing new technology than smaller fleets. New Zealand's transport industry, like every other jurisdiction, is made up of small businesses, with single unit operators and independent contractors making up the bulk of players.

- 7.13 Transporting New Zealand agrees that we must adapt to New Zealand's growing population and increasing densification. While new markets may develop for first and last mile urban deliveries, Transporting New Zealand notes that it will be only certain types of goods that can be moved by these new markets.
- 7.14 Transporting New Zealand agrees that tackling congestion issues through improving public transport could provide efficiency gains for freight.

Question 4: are there any trends missing that we should consider? If so, please explain what they are.

- 7.15 Transporting New Zealand believes the main trends have been covered. While there is mention of them, we challenge whether MOT has given due consideration to major risks such as pandemic and geo-political instability and the respective consequential impacts on any future supply chain strategy. Transporting New Zealand contend that rather than investing too deeply in a particular detailed strategy, our future success lies in having a framework and system that is agile, responsive and adaptive to manage what we anticipate will be continuing uncertainty and volatility.

Question 5: which of the opportunities and challenges do you believe will be the most important in shaping the future of the freight and supply chain system in New Zealand and why?

- 7.16 Bearing in mind our response to Question 4 immediately above, Transporting New Zealand, finds this question vague. Opportunities and challenges (and possible solutions) do not present in isolation from economic drivers. Asking industry which challenge or opportunity will be the most important in shaping the future of the freight and supply chain is difficult to unpack.
- 7.17 However, at the risk of taking an overly simplistic approach, Transporting New Zealand considers population and freight demand will be the most important factors shaping the freight and supply chain in the future.

Question 6: do you agree with the outlined current vulnerabilities and why?

- 7.18 The outlined current vulnerabilities are very broad, but Transporting New Zealand agrees with them in principle.

Question 7: Is there any key information missing in understanding the vulnerabilities of the current system?

- 7.19 Transporting New Zealand considers the information to be a good overview of where the current system is vulnerable.

Question 8: Do you agree with the proposed outcomes? If not, please explain why

- 7.20 Transporting New Zealand agrees with the proposed outcomes.

Question 9: Are there more outcomes the strategy should focus on?

- 7.21 The described outcomes are very broad, and Transporting New Zealand agrees with them in principle.

Question 10: Do you agree with the potential areas of focus for the strategy?

- 7.22 Yes, on the proviso MOT have duly considered our comments above, we agree with the areas of focus.

Question 11: which of these areas of focus would be most important to prioritise?

- 7.23 Transporting New Zealand's position is that Government and industry must focus on partnership to grasp the low hanging fruit to immediately reduce emissions, rather than wait for technology. This includes:
- (a) the Government's existing bio-diesel mandate
 - (b) fuel-efficient driving; and
 - (c) eco-trucks

Question 12 what would successful stakeholder engagement on the development of the strategy look like from your perspective?

- 7.24 Transporting New Zealand believes that development of the strategy should be based on evidence-based policy, rather than ideology.
- 7.25 Transporting New Zealand believes successful stakeholder engagement will be MOT genuinely listening and engaging particularly with those parts of the supply chain that are directly impacted by changes such as the road transport sector. Traditionally, Transporting New Zealand believes MOT are too easily led and influenced by parties that have good intent but do not have the practical or realistic experience in managing the risks. Our concern raised earlier in this document regarding the Sustainable Business Council recommendations and the weight given to them by MOT is a case in point.
- 7.26 Transporting New Zealand also believes successful stakeholder engagement will be MOT supporting the road transport sector to lead and managing sector wide solutions instead of over reliance on Government agencies. The EECA heavy

vehicle fuel efficient driver programme is a recent example where we believe, had a much less bureaucratic approach by Government been taken and had it been led by the transport sector, then that programme would have been much more succeed.

Question 13: How could we best engage with Māori on the strategy?

- 7.27 Māori intrinsically see the natural interconnectivity between all things and will have an interest in engaging on the supply chain. It is not for our organisation to define how that occurs, but we trust there will be effective existing avenues that will allow collaboration and engagement across broad contexts.

END OF SUBMISSION