



TE MANATŪ WAKA
MINISTRY OF TRANSPORT

Institute of Directors

Reducing our transport emissions,
Particularly from freight

Bryn Gandy
Acting Secretary for Transport

October 2022



Horses to EVs
in 100 years



90s cycle couriers
(before the internet)



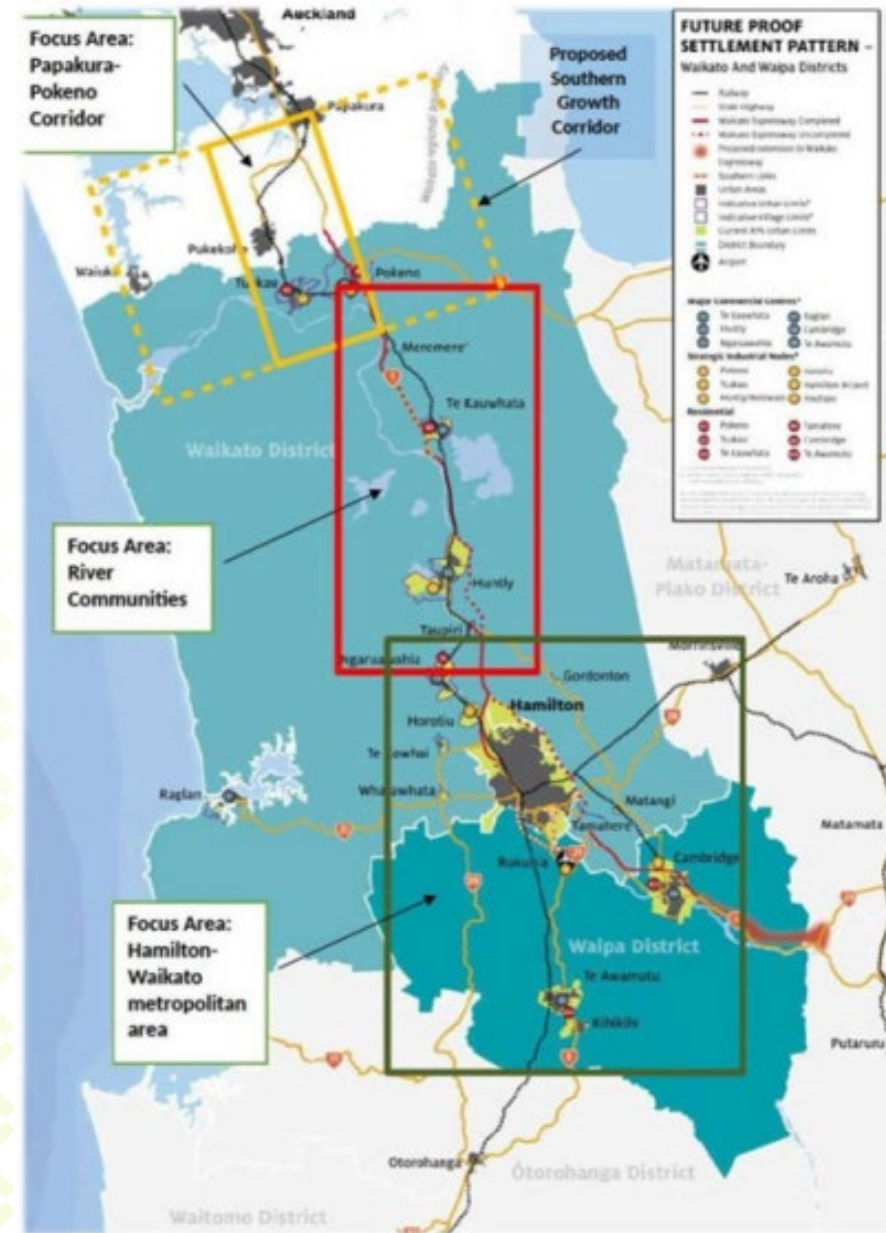
The bikes
rise again

Inter-regional passenger rail

The Hamilton to Auckland project is about exploring the viability of a faster rail service to connect the two of our fastest growing cities

Since December 2021 we have been working to complete the indicative business case which is:

- focused on taking a long-term view and considering introduction of a faster rail service in the next 30 to 50 years
- linked with the Hamilton-Waikato Metro Spatial Plan, and expected sustained growth and demand beyond
- Aims to reduce the contribution inter-city travel makes to greenhouse gas emissions, (now and into the future) by 10% by 2051, by enabling sustainable transport choices



The transport system is changing

- Not just in terms of emissions
- People expect more livable towns and cities, with more travel choices
- Resilience challenges in regions and coastal areas
- Our funding system won't pay for a lower emissions system with more travel choices
- Technology advances like increasing uptake of lower-emissions and automatic technologies will change regulation and investment approaches



A systems shift approach will help us navigate this change

Shift one: Implement long-term, integrated planning across systems

Shift two: Embed well-functioning towns and cities that provide good access to jobs, education, and amenity for all New Zealanders

Shift three: Bringing public transport and active modes back to the centre of our planning approach and partnering to achieve a resilient and decarbonised freight sector

Shift four: A principles-based approach to paying for transport and its externalities

These shifts are proposed to guide change over the **next ten years**, and are designed to:

- **align** with systems changes across government helping us identify where we need to partner with other agencies
- **focus** on those actions that are most needed so that the transport system is playing its part to best effect
- **reflect current work** that is already underway that contributes to these shifts, and help us identify **gaps and opportunities**
- **give a sense of direction** without being prescriptive on the 'how'
- provide a tool to help us consider the potential impacts of new pieces of work so that we are always checking where we can make a larger strategic contribution
- Enhance the **Crown-Māori relationship** and outcomes for Māori

Transport targets to reduce emissions

The Government committed to four transport targets for reducing emissions through the ERP

- These will support these focus areas and align with the sector sub-targets for transport

Reduce total kilometres travelled by the light fleet by

20%



Reduce emissions from freight transport by

35%



Increase zero-emissions vehicles to

30%

of the light vehicle fleet



Reduce the emissions intensity of transport fuel by

10%



Initiatives to decarbonise the freight sector

- Developing a **New Zealand freight and supply chain strategy** (NZ's first) with industry
- Continue to implement the New Zealand Rail Plan and support coastal shipping
- Providing funding to support the freight sector to purchase zero and low-emissions trucks
- Establishing a freight decarbonisation unit within the Ministry of Transport to help decarbonise the freight sector through regulation and investment policy
- Evaluating options to reduce emissions from heavy vehicles
- Evaluating options for road user charges (RUC) to support emissions reductions



Future of our freight networks

Our freight networks may look very different in the next 30 years

Some big questions we'll need to consider in developing the strategy are:

- predicted growth in the freight task (increasing by 55% between 2012/2013 and 2042/2043)
- how to build more resilience to disruptions in the system
- how we advocate for freight in the wider transport system

280m

Trucks, trains, ships, and planes move about 280 million tonnes of freight a year around New Zealand





Freight and supply chains are important and complex

280m
tonnes of freight
moved around New
Zealand each year

99%
of New Zealand's
international freight
volumes carried by
sea

93%
of New Zealand's
domestic freight
volumes carried by
road



Major trends pose significant challenges and opportunities



Climate change

- Adaptation to climate change impacts
eg. damage to infrastructure, more frequent disruptions
- Meeting mitigation goals
eg. reducing emissions, increasing efficiency, mode choice



Population growth and density

- Higher freight volumes and concentration
- Pressure on transport infrastructure and corridors
- Competition for land use



Major trends pose significant challenges and opportunities



International developments

- Increasingly volatile geopolitical landscape
- Decisions in international freight transport

E.g., larger ships, vertical integration, low emission ships



Digitisation & technology

- Potential disruptors to existing ways of moving freight
- Opportunities to integrate operations, improve visibility and efficiency

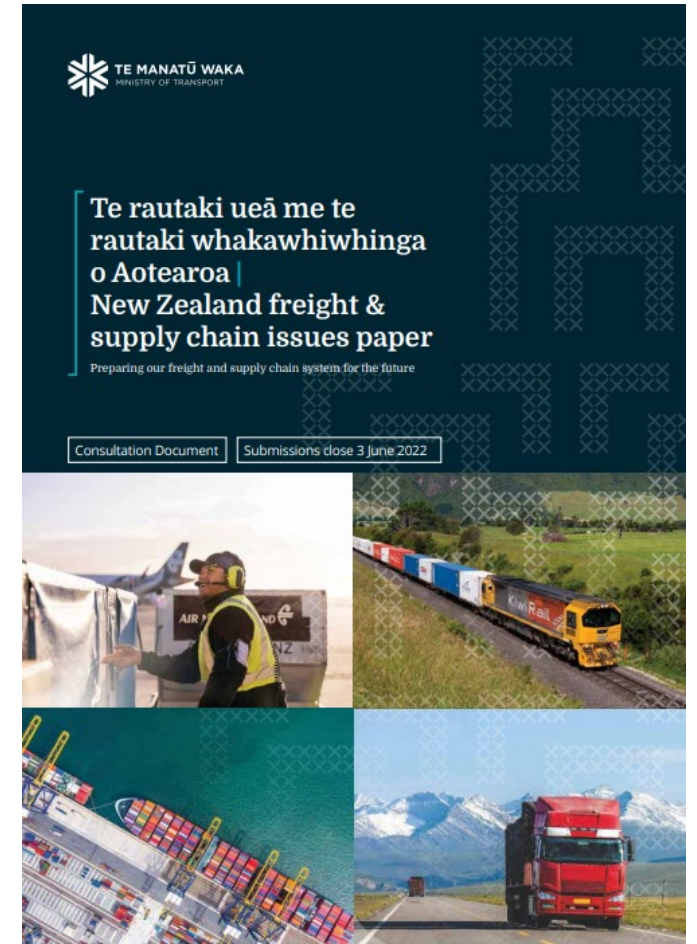
What does this all mean?

- Increasing uncertainty and difficulty in managing supply chains
- Rising freight costs, will impact New Zealand harder
- Need to improve productivity and resilience of system, while moving to a low emission future
- Potentially unequal impacts and opportunities for different groups of people
- A lot at stake for a small trading nation that is so far from its markets



The Issues Paper: what we heard from submitters

- Important to be clear about Government's role
- Long-term infrastructure investment planning pipeline needed to give industry certainty to plan their own investments
- Consenting and spatial planning issues
- Support for intermodal freight system and a more structured approach to ports
- Widespread support for improved freight data collection and sharing
- Labour concerns across the industry
- Challenges of transition: costs often borne by those who can least afford them





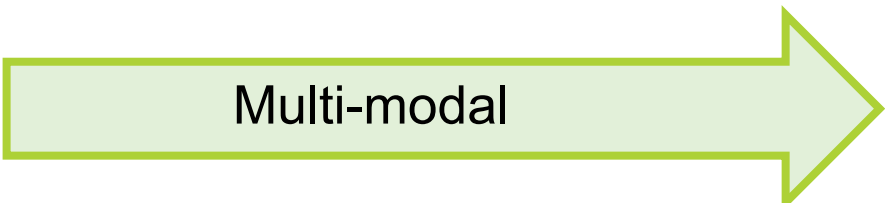
A more strategic and coordinated way forward



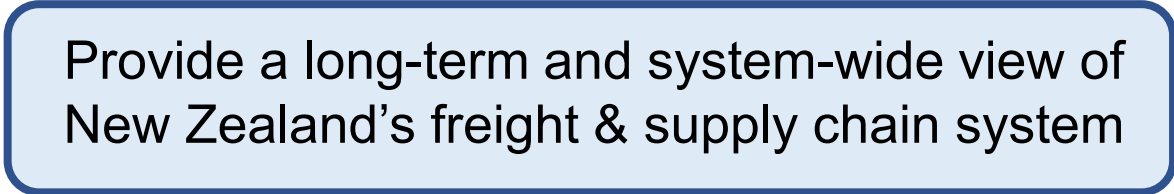
In partnership



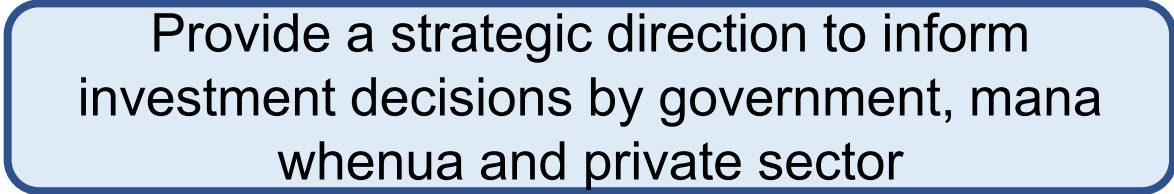
Evidence based



Multi-modal



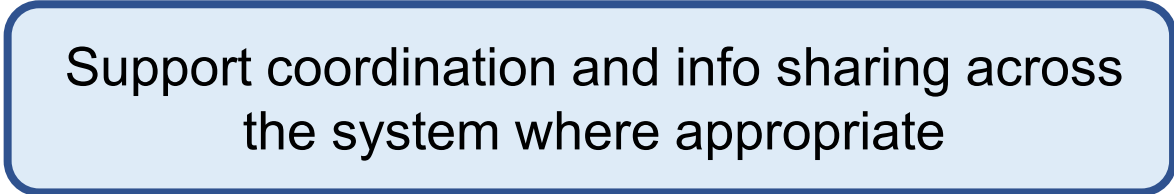
Provide a long-term and system-wide view of New Zealand's freight & supply chain system



Provide a strategic direction to inform investment decisions by government, mana whenua and private sector



Align relevant policies across government



Support coordination and info sharing across the system where appropriate



Many big questions

*How do we ensure resilience of critical infrastructure?
Who pays?*

What is the potential for mode shift to lower emission modes?

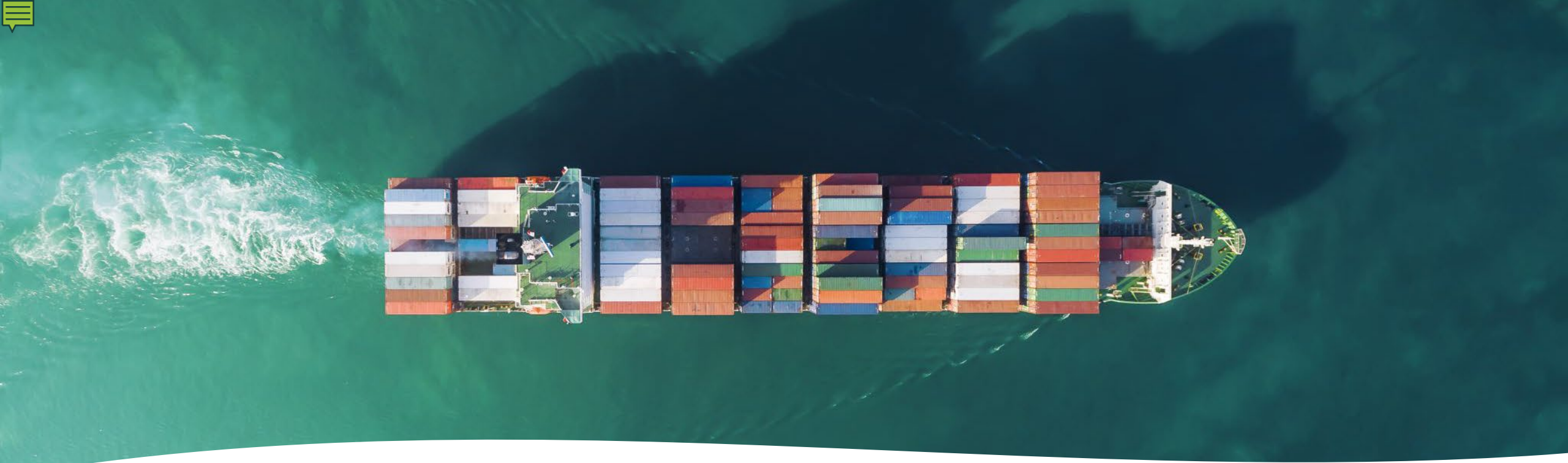
What are the decarbonisation pathways for the freight sector?

How to ensure a future-proofed labour force?

Is our current port model fit to respond to future change?

How can the freight system support the growth of the Māori economy and the regions?

How to make better use of data across supply chains?



- We have 12 years to deliver a big transformation across our transport system
- The government holds some but not all the levers
- We will have to collaborate on solutions in ways we haven't before
- Major challenge for executives and Directors: “How do we achieve these big objectives that are more fixed than ever, in a world that is increasingly uncertain, volatile and dangerous?”



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Find out more; feedback always welcome

Our website: www.transport.govt.nz/supplychain

Our email: supply.chain@transport.govt.nz