

Upper North Island Freight Story (April 2013)

Frequently Asked Questions

1. What is the Upper North Island Freight Story all about?

The Upper North Island Freight Story (the Story) is a process of high level, up front freight-focused conversations between central and local government organisations, and the private sector. The Story focuses on the key issues and opportunities to collectively help deliver freight efficiencies to reduce the cost to do business in the upper North Island. Improving freight productivity and efficiency will help grow the economy.

The Story comprises two key documents:

- Summary of Critical Issues
- Shared Evidence Base for the Critical Issues

The Productivity Commissions *International Freight Transport Services Inquiry Report 2012* endorses the approach taken in the development of the Story noting that to better coordinate investment in freight transport infrastructure, greater use should be made of 'facilitated discussion models'.

2. Why is freight important to New Zealand?

New Zealand is a trading nation, exporting and importing significant quantities of goods from all over the world. We are also distant from our markets and freight transport costs are a sizable component of the total trading costs for New Zealand.

Freight costs affect the price we pay for the goods we buy and the profits our importers and exporters receive for the goods they buy and sell in an increasingly competitive global marketplace.

The freight task is growing and improving freight efficiency is a key Government policy outcome for land transport. Improving freight efficiency reduces the cost of trade, which can result in reducing the cost of goods for all New Zealanders and increasing the competitive advantage for our country's importers and exporters.

Improved freight efficiency, especially better and more reliable access to new or existing markets, can also grow trade and create new business opportunities. This will grow our economy and our wealth as a country.

3. Why is it called a story and not a plan or a strategy?

The intent is it is just that, 'a Story', but a factual Story built by each of the partners bringing their part (of the story) to the table.

The strength of the Story is in the collaborative way it has been developed, the identification of key pan-regional issues at an upper North Island scale and the development of shared evidence to ensure we have a common focus and base of information. It does not bind partners to particular outcomes, and it is a collective response at a point in time looking purely through a freight lens in an upper North Island context.

The Story intentionally doesn't focus on all the answers but sets an agreed platform from which the Story partners can continue to build on from with wider public and private sector stakeholders. It is not a regulatory document, formal plan or strategy for the future, nor is it about investment priority or direction.

4. Who was involved in developing the Story?

The Story was developed by the following partners:

- Upper North Island Strategic Alliance (Northland, Waikato and Bay of Plenty Regional Councils and Whangarei District, Hamilton and Tauranga Councils and Auckland Council)
- Auckland Transport
- KiwiRail
- The NZ Transport Agency

The Story also involved multiple industries, freight operators, ports and local government attendees across the four upper North Island regional workshops. Multiple forums, groups, committees and industry were also spoken and/or presented to during 2012 as the Story was developed.

5. How did the collective partnership come about to do this piece of work?

UNISA is a group of seven member councils who have committed to a long-term collaboration for responding to and managing a range of inter-regional and inter-metropolitan issues. First-order issues for the Alliance include transport, economic development, ports and tourism. This provided an opportunity to partner with Auckland Transport, the NZ Transport Agency and KiwiRail to investigate freight transport issues within the upper North Island. Reducing the cost to do business through the freight task was agreed as the first focus.

A collaborative partnership to undertake the Story work was agreed in March 2012.

6. Why does the Story only focus on Freight? What about other landuse and transport issues?

Freight is a high priority for the Government as well as for regional and local councils and industry in the upper North Island. Given the freight task is expected to double by 2035 across these four regions, it was important that significant decision makers worked together on an agreed focus.

7. How did the critical issues come about?

Workshops were held in each of the upper North Island regions during April to July 2012. Representatives from across multiple sectors attended, including central and local government, industry, freight operators and ports.

Participants were asked to identify the critical issues they believe are limiting New Zealand's ability to reduce the cost to do business, particularly from an upper North Island perspective. They then ranked the top issues. From there the Upper North Island Technical Working Group tested and validated, through a shared evidence base approach, the significance of the issue at an upper North Island scale from which seven critical issues proceeded forward in the development of the Story.

8. What are the seven critical freight related issues raised in the Story?

1. Lack of shared and accurate data
2. Strategic road and rail network constraints
3. Delivery of High Productivity Motor Vehicle (HPMV) programme
4. Utilisation of industrial land
5. Lack of strategic, integrated land use and transport planning and investment
6. Need to understand costs of freight supply chains for critical industries in the upper North Island
7. Challenging local government and central government funding structures

9. What is the Shared Evidence Base?

A shared evidence base has been developed by the ten partner organisations to provide decision makers with a greater depth of information relating to the critical issues and will be used as a key reference for any relevant freight related decisions by the partner organisations.

This is a separate document supporting the Summary of Critical Issues.

10. What is the purpose of the critical road and rail constraints table and how was it developed?

The critical constraints were identified by partners and stakeholders during the regional workshops. These road and rail network constraints are recognised as either currently impacting or in the future will significantly impact on the freight task in the upper North Island.

The critical constraints have been assessed (by the Technical Working Group) to identify where the greatest benefit for further collaborative focus could lie. The methodology, in summary, used information about whether the issue was of significant scale, needed to be addressed in the short to medium term (<10yrs), whether investment was already committed to address the issue and, finally, ranked the corridors based on the value and volume of product being transported through the constraints. This provides a comparative list of significant areas where partners could focus further collaborative work.

It is imperative to note that the table is not about priority for or order of investment decisions. Investment decisions sit with the relevant organisations, need to be weighed up along with other investment priorities, and in most cases are governed by legislation or Government policy.

11. What is included in the industrial land evidence?

All existing and proposed industrial areas with an area of over 50 hectares are included in the shared evidence base.

The industrial areas included range from existing and fully utilised to any emerging proposals, where the council or a developer is known to be considering significant (i.e. more than 50ha) industrial proposals, either through a plan change or resource consent process.

The definition used in the Story for industrial includes: heavy industry, storage and distribution, industrial manufacturing, portside land, large factories or plants, airports often have associated industrial land, processing plants, e.g. forestry, dairy factories – providing they meet the 50ha minimum.

12. What is the industrial land evidence telling us?

The evidence includes information on all the industrial land developments 50 hectares and above within the upper North Island. The findings included that there is currently approximately 13,000 hectares of industrial land available (including proposals for new industrial sites). Of that total, just over 10,000 hectares is existing land which is either utilised or is zoned, serviced and ready to go. Of this existing land, nearly 1/3 is thought to be underutilised or not yet used at all.

The industrial land evidence set is a significant amount of data that can support future work and analysis on this critical issue. However it is important to note that this is just the beginning of a conversation at this pan-regional scale.

Areas that the collective partnership is interested in having further conversations on and/or analysis include:

- Further understand for each of the sites, primarily where the land is yet to be developed, exactly what is planned for in the future i.e. some of the industrial land sites may never be developed due to being used as buffer zones for existing industry and assets.
- Work closer with industry to better understand:
 - Where we expect major growth to be in the future and what impacts, if any, this may have on freight flows.
 - What attracts industry to particular sites / areas, what is the market looking for and what are seen as barriers to industrial land development.
- Understand further the statutory rule frameworks across the various regions and local government agencies for industrial land development to determine areas of alignment or misalignment.

13. What is the Story going to be used for?

The Summary of Critical Issues and the Shared Evidence Base will be used by the partners to help inform discussions and decisions about land use, transport and infrastructure planning and investment, including the development of an Upper North Island Freight Plan, which will be facilitated with the sector by the NZ Transport Agency.

The collaborative approach taken and the wide availability of the Story output means the partners and stakeholders can engage with each other using collective, credible information. This will help all involved have informed discussions on key issues and questions raised by the Story work.

14. Will there be further Phases of the Story?

The Story includes key actions that the project partners have agreed to take forward in 2013 as part of their respective work programmes. The partners will continue to work collaboratively together on these agreed initiatives.

15. What have we got out of the process to date?

- A collective view
- A broader understanding of the freight task and critical issues in neighbouring regions and organisations
- More open conversations
- Identification of key issues and progress on a number of key actions
- Shared evidence base for discussions and decisions

16. What will the partners do with the Story?

The Story is there to support discussions and decisions and is for each of the partner organisations to decide how it will use and continue on from the Story, including with other partners and stakeholders.

Key actions have been agreed with lead organisations within the Upper North Island Strategic Alliance councils and the NZ Transport Agency in partnership with KiwiRail. The intent is the ten partner organisations will continue to work collaboratively together on freight as well as other relevant strategic initiatives.