The Upper North Island Logistics and Supply Chain - Planning for a Country of 6 Million

Chris Money, EY
Now.....

...How did we get here?
Why is the UNI Supply Chain So Important? – The three critical planks

• A key to our growth, and minimising the growth penalty
• Population
• Land use:
  • Friction
  • Efficiency
  • Signalling
How Many People are in New Zealand

National population: Actual versus projections

- **Actual population**
- **2006 projections**
- **2013 projections**


Population ranges: 2,500,000 to 6,500,000
Lines on a Graph have real meaning from a planning and funding perspective

5 million people at least 10 years earlier than planned

- Waikato Expressway
- Transmission Gully and Kapiti Expressway
- Northern Gateway
- Tauranga Eastern Motorway
- Christchurch Transport Interchange
- Auckland Electrification and double tracking
- Victoria Park Tunnel
- AMETI

5 million people at least 2 years earlier than planned

- City Rail Link
- Puhoi to Warkworth
- East-West Connections
- Inter-Island Ferry and Terminal Upgrades
- Entire NZUP programme (e.g. Otaki to North Levin)
- 3rd and 4th Main
Next.....

.....what do we need to consider?
UNI Logistics should be a whole of supply chain view – not just about ports
Over 30 studies in the last 15 years – are we any further ahead?

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<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Ongoing questions</th>
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<tbody>
<tr>
<td>- You ultimately can’t tinker</td>
<td>- Location for ports</td>
<td>- If you build it, will they come?</td>
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<td>- Multimodal solution</td>
<td>- 1, 2, 3 or 4 Port strategy</td>
<td>- Frictional priorities</td>
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<td>- Port side technology for container operations</td>
<td>- Structural and competitive arrangements</td>
<td>- Impact of COVID in the medium to long term</td>
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<td>- Timing and windows of opportunity</td>
<td>- Technical feasibilities (especially FoT and Manukau)</td>
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<td>- Timing drives feasible options</td>
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<td>- Finite window driven by landside considerations</td>
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Presentation title
Does COVID give us some breathing space?

- High demand for returnees:
  - 62,000 returnees since March
  - Demand remains high
  - Net Migration in the year to August 71,500 (compared to average annual net migration of 53,000)
  - MIQ capacity around 170,000 per annum

- Outlook for returnees remains strong

- “COVID Dividend” emerging for both long-term migration (Trump/Biden and Brexit refugees) and “Safe Haven” business operations (e.g. Film and Television)
Beyond.....

....we can’t afford to make the mistakes we are making.
We can afford to make the mistakes we aren’t making
"Land side considerations always out-value port considerations. Maybe we've been starting at the wrong place?"
We are underestimating the value of certainty and signalling

"We need to put a price on inaction"
Is COVID the breathing space the Transport and Logistics sector needed?

Or has it made things worse?
The impact of COVID-19 on the Transport, postal, and warehousing sector
Courage – to set the strategy
Nerve – to hold the course
Awareness – to understand the gains and consolidate success
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