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Diesel shock tests bus and coach sector resilience

Forest owner held accountable for not consulting on the safety of a road



6



The Chartered Institute of Logistics and Transport

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ON THE COVER

The Government has recently announced changes to the investment assurance system so that the public sector can effectively plan, deliver, and manage the infrastructure New Zealanders need. PHOTO: NZ Infrastructure Commission



8



14



18

Contents

- Budget 2026 reshapes the transport landscape..... 3
- A more rigorous test for infrastructure investment..... 5
- Diesel shock tests bus and coach sector resilience 6
- Eight patterns shaping transport and logistics performance in practice 8
- Forest owner held accountable for not consulting on the safety of a road 11
- Fuel crisis accelerates transport rules overdue for reform 12
- Before and after Cyclone Gabrielle..... 14
- What recent transport investigations reveal about safety culture . 15
- An interview with TAIC Chief Commissioner David Clarke..... 17
- KiwiRail’s new Waltham Maintenance Hub..... 18

In the next edition

The editorial team welcomes expressions of interest for submitting an article for the September 2026 edition of this journal, especially from young professionals (those under the age of 35). Contributors should in the first instance contact the editorial convenor, Murray King (email murray.king@xtra.co.nz) to discuss their article. **Deadline for the September 2026 edition: 7 August 2026.**

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Budget 2026 reshapes the transport landscape

THE BIGGEST STORY in Budget 2026 for the logistics and transport sector isn't a dollar figure. It's a structural change that will reshape how transport policy is made in New Zealand for years to come.

From 1 July 2026, the Ministry of Transport ceases to exist as a standalone agency. In its place sits a new super-ministry: the Ministry for Cities, Environment, Regions, and Transport, absorbing not just transport but the former Ministry for the Environment, the housing policy function of the Ministry of Housing and Urban Development, and the local government functions from the Department of Internal Affairs. It is one of the largest machinery-of-government changes in recent memory.

For the logistics and transport sector, the implications are significant. Transport policy will now sit alongside resource management, urban planning, environmental regulation, and regional development inside a single agency. The intent, as signalled by the Government, is to break down the silos that have historically slowed major infrastructure projects, where a road or rail corridor might require separate engagement with multiple ministries before a shovel hits the ground.

Resource Management Reform, funded at \$77.7 million in this Budget, is part of the same agenda. Finance Minister Nicola Willis pointed to the scale of change the new planning system will deliver: "This includes a new, centrally managed platform for planning, consenting and compliance, so things aren't still done 78 different ways across 78 different councils."

For major logistics infrastructure, like ports, freight hubs, road and rail corridors, that standardisation could mean faster, more predictable consenting. The sector will be watching closely to see whether the new ministry can deliver on that promise.

Whether the broader structural change works will depend heavily on how the new ministry is structured internally and where transport sits within it. Officials who have historically been across transport policy exclusively will now be working in a much broader portfolio context. For organisations seeking to influence freight and logistics

policy, understanding the new ministry's internal architecture will be an early priority.

Civil Contractors New Zealand welcomed increased government infrastructure investment and increased recognition of the critical role infrastructure plays in creating thriving, resilient communities.

Chief Executive Alan Pollard says clarity in funding channels and the prioritisation of a sustainable pipeline of infrastructure investment is a good step. This clear and stable funding for infrastructure, he adds, would provide communities with much-needed assets, and valuable certainty.

"In particular, a new package of transport resilience projects to protect transport networks from the impact of severe weather and natural hazards was welcome, and something contractors had long called for, as was funding for rail, hospital and school infrastructure."

Transporting New Zealand Chief Executive Dom Kalasih said investments in the Cambridge to Piarere Expressway, state highway resilience, additional strategic fuel reserves, and contingency funding for fuel price support demonstrated the Government was maintaining focus on long-term infrastructure and supply chain resilience.

"The Government has shown a continued commitment to addressing New Zealand's infrastructure deficit and delivering fit-for-purpose transport infrastructure despite tight fiscal conditions. That's good news for productivity, safety, and keeping New Zealanders in employment."

Record rail investment

Alongside the structural change, Budget 2026 makes the largest rail investment commitment in recent years, allocating just over \$1.4 billion for rail activity across the network. Willis pointed to the headline commercial investment: "The Budget also puts aside just over \$1 billion for KiwiRail's network improvement programme."

In the Estimates, that breaks down to \$609 million for the Rail Network Investment Programme (covering track renewal and



Minister of Finance Hon Nicola Willis

network resilience) and a separate \$592.7 million equity injection into KiwiRail Holdings to fund capital expenditure on the national freight network.

The Lower North Island Rail Corridor (the Wellington commuter and freight network) receives \$46.7 million in specific funding. This is a network that has faced significant reliability challenges and deferred maintenance. For freight operators who move goods between the Manawatū, Hawke's Bay, and Wellington, improved reliability would have tangible supply chain benefits.

Maritime Union National Secretary Carl Findlay says the confirmation of funding ensures a positive future for publicly owned, rail enabled Cook Strait ferries.

"We have consistently argued that rail-enabled ferries are an absolute backbone in New Zealand's domestic freight system," says Mr Findlay.

"Shifting freight by rail and sea just makes sense as our recent report on transport fuel efficiency demonstrates. It's good to know that someone in this government understands the urgent need for a long-term focus on economic resilience.

"Winston Peters should be commended for his political skills in wrestling this money from coalition partners who are wedded to the trucking industry and a Finance Minister who has been openly hostile to sensible supply chain infrastructure.

Cont. on page 4

“In an otherwise lacklustre and visionless budget, this funding stands out as an investment in New Zealand’s future.”

Roads: strengthen before they fail

The National Land Transport Programme is funded at \$3.97 billion, the largest single appropriation in Vote Transport. Willis used it to articulate a shift in the Government’s approach to roading: “The Government is making the choice to strengthen roads before they fail, rather than repeatedly paying to rebuild them afterwards.”

That framing has practical implications for freight operators. A focus on preventive maintenance over reactive repair should mean fewer emergency closures and more predictable transit times on key freight routes.

Budget 2026 also includes new funding for the Waikato Expressway extension. Willis described it as “this critical freight and economic link”, which will extend the expressway from Cambridge to the Tauranga turnoff. This will close a gap on one of New Zealand’s most significant freight corridors connecting Auckland, the Waikato, and the Bay of Plenty.

Coastal shipping gets its own fund

One of the more notable new items for freight operators is the Coastal Shipping Resilience Fund, allocated \$14.5 million. This is new money, not a continuation of existing spending, and it signals a shift in government thinking about coastal shipping as a strategic freight asset.

New Zealand’s exposure to supply chain disruption, reinforced by the COVID-19 pandemic and subsequent severe weather events, has elevated coastal and short-sea shipping on the policy agenda.

The resilience fund suggests the government wants to maintain viable coastal shipping capacity as an alternative freight route, particularly for bulk freight between the major ports. How the fund will operate, and whether it supports operators, infrastructure, or both, will become clearer as implementation details are released.

Severe weather recovery and EV infrastructure

Budget 2026 continues funding for road network recovery from the 2026 severe weather events. For freight operators in the affected regions, progress on specific routes remains the critical question (best directed to the NZ Transport Agency as recovery work proceeds).



PHOTO: NZ Transport Agency Waka Kotahi

The Government has also allocated \$56 million for electric vehicle charging infrastructure, focused on highway and inter-regional routes. For fleet operators considering electric freight vehicles, closing the coverage gaps on key freight corridors is a practical prerequisite to transition.

What it means for the sector

Budget 2026 is a substantial investment in transport infrastructure, with close to \$5 billion across rail, roads, and new funds like coastal shipping. But the investment comes

alongside a governance change that is at least as significant as any spending line.

The new Ministry for Cities, Environment, Regions, and Transport is, in effect, an experiment in integrated infrastructure planning. If it works, the logistics and transport sector should find it easier to engage with government across the full lifecycle of a project (from land use planning through to construction). If it doesn’t, the risk is that transport gets lost inside a much larger policy agenda.



PHOTO: Engineering New Zealand

A more rigorous test for infrastructure investment

BY JAMES PAUL

NEW ZEALAND'S infrastructure investment decisions are about to face a more rigorous and independent test before the money is committed. Cabinet has approved significant changes to the country's Investment Management System, transferring external assurance responsibility from Treasury to the Infrastructure Commission from 1 November 2026.

The announcement, made in April by Finance Minister Nicola Willis and Minister for Infrastructure Chris Bishop, responds to longstanding concern that major public infrastructure projects have entered the delivery pipeline without adequate scrutiny.

Willis was direct about the state of play. "For too long, decisions have been made with patchy or inconsistent information, and with too little visibility of delivery risk." She described a system in which poor projects gain momentum before anyone calls a halt, with taxpayer money spent on business cases and feasibility studies for projects that should never have proceeded. "What ministers need is clear, frankly expressed 'go/no go' expert advice on each project," she said.

From Treasury to the Commission

Under the changes, the Infrastructure Commission will consolidate existing assessment tools, including the Infrastructure Priorities Programme and Treasury's Gateway Review process, into a single, streamlined assurance function covering all major central government-funded projects: hospitals, schools, prisons, courthouses, and transport infrastructure.

A new ministerial oversight mechanism will also be established. The Infrastructure and Investment Ministers Group will review high-risk, high-profile investments before they proceed to Cabinet for approval. Treasury will introduce standardised two-page fitness assessments to sharpen the front-end discipline of major investment decisions. The Commission's role will extend to asset management as well: capital-intensive central government

agencies will be required to have their long-term investment plans independently assessed, putting stewardship of existing assets on the same footing as the case for new build.

Bishop drew a direct comparison to how the Crown approaches other parts of the public sector. "Central Government already holds regulated utilities and local government to these standards, and it's time we held ourselves to that same standard."

What it means for transport

The changes apply to major central government-funded transport projects. The important caveat is that projects funded through the National Land Transport Fund, where most NZTA spending sits, are excluded. For road transport, that limits the day-to-day reach of the reform. But central government funds a significant volume of transport infrastructure outside the Fund, and those projects will now go through the Commission's assurance process.

Bishop's description of what changes in practice is straightforward. "These changes will mean less stopping and starting of projects as good projects rise to the top, and unrealistic and unfunded projects quickly sink to the bottom," he said.

The sector has consistently called for better investment decisions: clearer problem definition, stronger options analysis, and more honest assessment of whether agencies are actually ready to deliver. This reform is a direct attempt to provide that.

Asset management in focus

One of the most significant elements of the package is the extension of assurance to agency asset management plans, a function that has lacked formal oversight at the central government level. For Āpōpō, the professional body representing New Zealand's infrastructure asset management community, it is a pivotal moment.

Āpōpō President Nicola Chisnall described the reforms as a generational shift. "This is a once-in-a-generation opportunity to elevate the role of asset management and the people who deliver it," she said.

Chisnall was clear that the quality of what follows will determine whether the opportunity is taken. "The new oversight regime will only succeed if it is built on strong asset stewardship, robust data, and skilled professionals. Our members are central to that success."

The professional capability point matters. For transport networks, deferred maintenance is expensive to recover from. It compounds over time, and the bill for catching up is almost always higher than the cost of staying on top of it. "New Zealand's infrastructure future depends on the quality of decisions we make today," Chisnall said. "Asset management professionals bring the evidence, insight, and stewardship needed to make those decisions well."

A cautious welcome

Infrastructure NZ chief executive Nick Leggett welcomed the announcement, though not without reservation. "We finally have the start of an Infrastructure Commission with some proper powers. This is another step in its maturity, and that will ultimately benefit New Zealanders through better assurance of what is built on their behalf," he said. His concern is that the reform not simply add layers: "There is a clear opportunity here, but also a risk. Additional assurance must not become a handbrake on delivery."

The reforms land at a time when the country is committing to major infrastructure investment across multiple sectors. Whether they deliver depends on how the Commission uses its new role: whether the assurance it provides is genuinely frank and independent, or whether it becomes another process that projects work around rather than genuinely engage with.

For transport and logistics professionals, poor investment decisions at the front end have long-term consequences. Projects built in the wrong place, sequenced badly, or scoped without regard for freight demands are hard to undo. A stronger check before the money moves is, on paper, exactly what the sector needs. Whether the Commission has the capacity and the will to use it is the question that now needs answering.



Diesel shock tests bus and coach sector resilience

RISING DIESEL PRICES linked to the Iran conflict are creating uneven pressure across New Zealand's bus and coach sector, with the sharpest strain falling on operators exposed to spot-priced commercial work rather than contracted public services.

Delaney Myers, Chief Executive of the Bus and Coach Association (BCA), says the impact depends heavily on the type of operator and the structure of its revenue.

For bus companies running contracted services for public transport authorities or the Ministry of Education (MoE), diesel cost increases are partly cushioned by existing contract mechanisms. Those contracts include quarterly price adjustments, meaning higher fuel costs are recoverable over time. The protection is not immediate, however.

"There'll be a lag, so there is cashflow challenges, but they will be compensated," Ms Myers says.

That distinction matters. In practical terms, contracted operators are under pressure, but not necessarily facing the same direct margin erosion as businesses operating in the tour and coach market.

For tour and coach operators, the position is more exposed. Many have already priced work in advance, often on assumptions that no longer hold. Diesel is a major input cost, and where prices rise sharply after a job has been sold, operators can find themselves absorbing the increase.

Ms Myers says some are now "working at a loss", particularly where commercial relationships make it difficult to reopen agreed pricing.

In some cases, operators have been able to approach regular clients and negotiate. In others, competitive pressure is limiting that option. The result is a commercially awkward choice between protecting margin and protecting customer relationships.

The concern is amplified by the sector's recent history. New Zealand's coach and tourism businesses were among the transport operators hardest hit by Covid-era border closures and lockdowns. Some exited the market altogether. Others stayed in operation by taking on debt or depleting reserves.

That leaves parts of the industry entering another external shock with limited balance-sheet strength.

"This is really unfortunate, because it's come at a time where people had just started to feel really good about the rebound in the tourism sector," Ms Myers says.

The tourism dimension is significant beyond the operators themselves. Coach services are a core part of the visitor economy, particularly for regional itineraries, group travel and packaged tours. Pressure on that capacity therefore has wider implications for the quality and resilience of New Zealand's tourism offer.

Ms Myers argues that, if conditions worsen materially, the Government may need to consider targeted business support rather than blunt changes to fuel taxes or road user charges. Her position is not that the bus and coach sector should be treated in isolation, but that relief may be

justified where businesses are economically important and clearly exposed to a shock beyond their control.

It is also a risk-management issue. Ms Myers says operators under financial stress inevitably prioritise immediate non-negotiables such as fuel. The danger is that pressure then flows through to other obligations.

"Road user charges and keeping up with your maintenance schedules and adherence to the work time rules for driving hours, those are the kind of things that have the potential to slip," she says.

That is not a claim of systemic failure, but a warning about where sustained financial strain can lead if left unmanaged.

BCA is now talking with agencies including NZ Transport Agency Waka Kotahi, the Ministry of Business, Innovation and Employment, the MoE, and client organisations, while also engaging alongside tourism bodies. Ms Myers says one lesson from Covid is that relationships across government and industry are more open and better developed than they were previously.

That may prove valuable if volatility persists. The sector used about 6.5 million litres of diesel in February alone, underscoring both its exposure to fuel markets and its economic weight.

Tranzit Group, New Zealand's largest family-owned transport and tourism company, sits across all those segments. Celebrating 100 years in business in November 2025, it operates a fleet of 3,000 vehicles across public transport, school bus and SESTA

services, tourism, events, charters, and rentals.

For its contracted work, including public transport services for regional councils and school bus runs for the Ministry of Education, contracts include indexation mechanisms linked to NZTA methodology that provide partial recognition of fuel cost movements. Transport Minister Chris Bishop announced in May that NZTA would encourage contracting parties to move to monthly fuel price adjustments, reducing the lag between a cost increase and its recovery.

Tranzit's fleet of more than 200 electric buses adds another layer of protection for its urban services. Across a typical month, those buses prevent the use of close to 500,000 litres of diesel. If fuel supply becomes constrained, that capacity means public transport services can continue running in communities where diesel-dependent operators would face more acute uncertainty.

The tourism and charter side of the business faces different pressures. Diesel costs have doubled since the conflict began, and where rates were already agreed for work completed toward the end of the 2025/26 peak season, Tranzit absorbed those increases.

"These cost pressures are being felt right across the transport and tourism sector, including airlines, cruise operators, ferries as well as bus and coach services, so it's important any response is measured, fair, and reflects the realities of the current environment," says Jenna Snelgrove, General Manager of Tranzit's Coachlines, InterCity and Tourism Division. Tranzit is working through pricing conversations with key clients and has reminded its driving teams of fuel-efficient techniques to reduce consumption where possible.

Regional aviation under pressure

The diesel shock has not been confined to road transport. New Zealand's regional airlines, many operating on thin margins with limited ability to pass costs on quickly, have been among the hardest hit.

Air Chathams, which serves some of the country's most isolated communities, has seen its jet fuel bill roughly double, from around \$500,000 per month to more than \$1 million. The airline responded with significant flight reductions: 45 per cent fewer services to Whakatāne, 22 per cent to Whanganui, and 10 per cent to Kāpiti. Chief executive Duane Emeny put the position plainly. "There's no real point in operating the services, if we can't even cover the direct cost," he said.

The Government responded in April with a \$30 million loan facility for regional airlines affected by the fuel crisis. The first tranche allocated around \$22 million across three operators: Air Chathams received \$17.2 million to refinance debt, Sounds Air received \$4.5 million for fleet upgrades and debt refinancing, and Island Air received \$252,000 for fleet maintenance. Golden Bay Air had received a \$1.1 million loan earlier, in February.

Associate Transport Minister James Meager, who announced the package alongside Shane Jones, acknowledged the unique vulnerability of these operators. None were facing immediate closure, he said, but the longer the fuel crisis persisted, the more that assessment would need revisiting.

The impact runs beyond the airlines themselves. These services connect communities with no viable road or rail alternative. Reductions in frequency or capacity are not simply a commercial inconvenience. For patients, students, freight, and tourism operators in affected regions, they represent a real access problem.

Budget 2026, delivered on 28 May, set aside \$450 million in a contingency reserve for further fuel-related support if prices remain elevated. Finance Minister Nicola Willis was direct about the reasoning: "In a situation where fuel prices stay higher for longer, or they spike, I want to be able to look New Zealanders in the eye and say we are ready to take further responses if needed, timely, temporary, targeted responses, and so that's what that fund is about."

A monthly fix for cashflow

For bus and ferry operators running contracted public transport services, the existing contract mechanism offers some protection against fuel price increases, but the standard quarterly adjustment cycle was creating cashflow strain at a time when costs were moving fast.

NZTA responded by introducing interim monthly fuel price adjustments across its public transport, construction, and maintenance contracts. Transport Minister Chris Bishop described it as a practical intervention. "Rising fuel prices are putting pressure on Kiwi businesses, including the public transport operators keeping our buses and ferries running," he said. "This is a practical, common-sense change. It doesn't increase the overall cost of contracts, but it does smooth cashflow and reduce risk."

The change applies to bus and ferry operating contracts co-funded through the

National Land Transport Fund with terms exceeding 12 months. Monthly interim index values are published following the release of Statistics New Zealand data, and use of the monthly values is optional alongside the continuing quarterly process. NZTA has indicated it will return to quarterly-only adjustments once prices stabilise.

The practical effect is straightforward: operators no longer have to carry the full weight of a fuel price spike for a quarter before relief flows through their contract payments. The total they receive does not change. The timing does.

Lessons from across the Tasman

While New Zealand's response has focused on contract flexibility and targeted loans, Australia has taken a different approach. In late April, Fair Work Australia handed down the Road Transport Contract Chain Order Fuel Cost Recovery — 2026, a mechanism allowing road transport operators to formally negotiate cost recovery with the businesses that engage them.

The order followed diesel prices in Australia reaching \$3.10 per litre in late March, then climbing to \$3.30 per litre in the weeks that followed. The federal government responded by cutting the fuel excise by 26.3 cents per litre from 1 April, effectively halving the rate, and increasing the diesel fuel rebate.

The cost impact analysis prepared by Dr Kim Hassall for the Fair Work Australia hearings set out the numbers plainly. For a typical small articulated fleet, an 80 per cent rise in fuel prices translated to a 25.5 per cent increase in total operating costs, with fuel's share of the cost structure rising from 30 per cent to 55 per cent. For owner-drivers, who operate as price-takers with limited ability to pass costs on, the picture was worse: without any relief, a cost impact of 34 per cent; with the excise reduction and fuel credit increase, still close to 25 per cent. As the report noted, that is "still horrendous unless these prices can be passed on."

The Contract Chain Order gives operators the legal basis to have that conversation. It allows them to formally enter negotiations to recover incurred costs and establish revised trip rates, a process that previously had no formal structure in many arrangements.

New Zealand has no equivalent mechanism. For owner-drivers and small operators here who face the same exposure but lack formal contracts with escalation provisions built in, that gap is worth noting.



Eight patterns shaping transport and logistics performance in practice

BY ALAN WIN, FOUNDER AND CEO, MIDDLEBANK CONSULTING GROUP AND CILT MEMBER

MOST LOGISTICS PROBLEMS don't start in an obvious way. They build slowly, and by the time they are noticed properly, they have usually been in the system for a while.

Small disruptions tend to appear first as routine exceptions rather than failures. A supplier misses a cut-off, a delivery lands outside its window, inventory is temporarily out of position. Warehouses adjust in real time to keep freight moving. Individually, these are absorbed without concern. It is only when they repeat that performance starts to shift.

By the time something shows up at delivery level, the causes are usually long upstream. Planning decisions, procurement behaviour, inventory positioning, and how well information moves between parties all play a part.

That is the reality in most supply chains. Transport is just where the issue becomes visible.

And in recent years, that visibility has become sharper. Demand is less predictable. Costs don't settle for long. Freight flows are more uneven. In New Zealand, weather disruption and driver availability add another layer, but the underlying challenge is the same elsewhere too.

Transport performance is really a reflection of how well the system is working as a whole, not just what happens on the road.

Some of the recurring patterns in day-to-day operations are as follows.

Planning is already out of date when the week begins

Weekly planning still exists in a lot of operations, even though the operation itself no longer behaves in weekly cycles.

Demand shifts midweek, promotions change overnight, suppliers miss production timing, and inventory moves through the system without the downstream impact always being fully visible until later.

As a result, the plan quickly becomes something people work around rather than something they actually follow. You see it in the operation first: warehouses swing from quiet to overloaded, transport utilisation becomes uneven, and dispatch teams step in constantly just to keep things stable.

In most cases, the issue is not that planning is wrong. It is that it is too slow. By the time decisions are made, the situation has already moved on.

The better operations do not try to perfect the plan. They reduce the distance between

what is happening and what gets adjusted. That alone removes a significant amount of friction.

Visibility is still not shared in any meaningful way

Most organisations have decent internal systems now. The problem is no longer inside the business itself, but between businesses.

One party is working off updated data, while another is still relying on what they had yesterday. A shipment is technically visible, but there is often no shared view of when it will actually arrive or how reliable that timing is.

As a result, teams fall back on workarounds. Emails, calls, spreadsheets, constant checking and re-checking because the system does not fully reflect what is happening on the ground.

This is still a normal part of daily operations in many supply chains.

Technology has improved tracking and exception reporting, and artificial intelligence (AI) is starting to support forecasting and earlier identification of issues. But none of this resolves the more fundamental problem of inconsistent inputs across organisations.

If the underlying data is not aligned, all that happens is that disagreement becomes faster and more visible.

The organisations that are getting real value from these tools usually have something far less visible in place first: discipline around how information is created, maintained, and shared across the network.

Inventory grows where confidence drops

Inventory rarely increases for the reason people think. It is usually not driven by demand, but by uncertainty in the system.

When suppliers become less reliable, safety stock increases. When freight timing becomes harder to predict, additional buffer is introduced. Procurement responds by ordering earlier or in larger quantities to reduce exposure. Over time, warehouses end up holding the combined effect of those decisions.

Stock builds gradually, not because demand is growing, but because confidence in timing has eroded.

The cost impact shows up first. Working capital increases, slow-moving stock accumulates quietly, and space becomes tighter. Yet service levels do not necessarily improve, because the underlying issue was never volume. It was coordination.

A recurring challenge is that transport and inventory are still treated as separate decisions, managed in different parts of the business and optimised in isolation.

In practice, they operate as one system. The organisations that perform better tend to recognise this earlier and manage both together, rather than dealing with the consequences later.

Most late deliveries start before transport is involved

When a delivery is late, transport usually gets the first call, but that is often not where the delay actually started.

Orders are released late, freight is not ready, paperwork is incomplete, and loading plans change at short notice, which means the driver often arrives only to wait.

That waiting time then becomes the issue that flows through the rest of the day's schedule.

In tighter networks, there is very little room for this kind of inefficiency. In New Zealand especially, capacity constraints mean even small delays can quickly spread through the system.

The operations that perform consistently well tend to focus just as much on what happens before the truck arrives as on the transport movement itself.

That area is often underestimated.

Warehouse and transport are not separate systems, even if they are managed that way.

Warehouses and transport teams are still often run independently, with warehouses focused on productivity and picking rates, and transport focused on cost and delivery performance. Both can look fine in isolation, but the system between them tells a different story.

If warehouse execution falls behind, trucks end up waiting. If transport timing is inconsistent, inbound flow becomes disrupted. During peak periods, these issues do not stay separate and tend to amplify each other quickly.

considered once something has already failed.

That thinking is starting to shift, with more discussion around routing flexibility, coastal shipping, and rail. These are not positioned as direct replacements for road transport, but as additional options when parts of the network are compromised.

The real issue is not whether disruption will occur, but how long operations can continue to function when it does.

A lot of stability still depends on manual effort

Many logistics systems look more stable than they really are, largely because experienced people are constantly adjusting things behind the scenes.

Schedules are changed manually when needed, warehouse supervisors override system outputs to keep things moving,

A recurring challenge is that transport and inventory are still treated as separate decisions, managed in different parts of the business and optimised in isolation.

It is not unusual to see both functions meeting their individual Key Performance Indicators (KPIs) while overall customer performance is still under pressure.

The stronger operations avoid treating them as separate parts of the business. They manage them as a single flow, and that shift changes how decisions are made in practice.

Resilience has moved from theory to reality

Recent disruption events have made supply chain vulnerability far more visible in practice rather than in theory.

Cyclone Gabrielle is a clear example. Road closures across key regions disrupted freight movement for days, and recovery was not immediate, taking longer than many organisations initially expected.

Most organisations still tend to think about resilience in terms of inventory buffers, holding more stock as a way of absorbing disruption when it occurs. Transport alternatives, in contrast, are often only

and dispatch teams often rely on spreadsheets or informal updates when the system is not fully aligned with operational reality.

It works in practice, but it is inherently fragile.

The underlying risk is that a significant amount of knowledge sits with individuals rather than being embedded in the process. When those people leave, or when volumes increase beyond normal levels, the gaps in the system become visible very quickly.

AI and automation are increasingly being introduced into this space. They can improve consistency and responsiveness, but they do not fix weak underlying processes. In some cases, they make those weaknesses more visible.



The strongest supply chains are those that remain stable when conditions are not perfect. PHOTO: RPC Logistics

Cost pressure keeps reshaping decisions

Cost pressure is constant now and does not really ease between cycles. Fuel, labour, equipment, and infrastructure costs continue to move, while at the same time service expectations keep increasing.

As a result, decisions are often made under sustained tension rather than in stable conditions.

Inventory is reduced to release cash, freight is consolidated to improve utilisation, and investment is delayed until conditions appear clearer.

But the system is highly connected, and this is where pressure begins to accumulate.

A saving in one area often creates strain elsewhere. Lower transport cost can lead to warehouse congestion, reduced inventory can increase service risk, and tighter schedules can reduce flexibility when conditions change unexpectedly.

The strongest supply chains are not those that optimise each function in isolation, but those that remain stable when conditions are not perfect.

Looking beyond the disruption

None of this is really about technology, even though technology will continue to play

a growing role in planning and decision support.

The fundamentals remain unchanged. Reliable planning, clean and consistent information, effective coordination between teams, and decisions made early enough to

prevent small issues from escalating.

Most disruption is not the result of a single major failure. It comes from the gradual accumulation of small decisions across the system, which only becomes visible once performance starts to drift.

Alan Win



Alan Win is the Founder and CEO of Middlebank Consulting Group, a supply chain and value chain management consultancy. Founded in 1998 in New Zealand, Middlebank Consulting Group (MCG) has been operational in Australia since 2003, in Singapore and India since 2016, in the USA since 2022, and recently in the Middle East. Alan is an accomplished professional with over 45 years of practical management and consulting experience in the fields of logistics, supply chain, and value chain management. His extensive expertise encompasses various areas, including value chain management outsourcing (3PL & 4PL) and risk-based inventory management.

Alan has extensive experience in practical logistics, supply chain & value chain management, having spent 17 years in line management roles for several leading international companies before moving into consulting in 1992. Since commencing a consulting career, Alan has worked internationally (in a dozen countries) on some 200+ projects, across multiple industries & organisations. His work has focused on strategic development of logistics & supply chain operations as well as detailed implementation of transport, warehousing, inventory management and systems improvement projects. In addition to consulting, Alan is a Professor of Practice at the University of Canterbury, and Honorary Professor at the University of Sydney and institutions across India and Asia.

Forest owner held accountable for not consulting on the safety of a road

BY MURRAY KING

LATE LAST YEAR in the District Court in Thames, a forest owner and a trucking operator were convicted under the Health and Safety at Work Act 2015 in relation to a logging truck crash.¹ The nine axle HPMV truck, weighing 47.8 tonnes, failed to negotiate a tight bend on a steep downgrade and rolled over, killing the driver. The case revolved around the condition of the road, although the actual charge was about a failure to consult a third party on that condition.

There were a number of interesting things about this case:

- All the discussion about culpability around consulting related to the infrastructure, and not about procedures (other than consultation), working hours, or the characteristics of the truck or driver.
- The road was a private road. As a private road, in essence, it was treated just like any other potentially dangerous asset that the forest company owned.
- It was very steep, (nearly 20%) downhill, and included a very sharp bend described as an “arrowpoint”.
- There were no warning signs for the grade or curve. The accident happened at night.
- The change in vehicle gross mass limits making 50 Max HP MV trucks near universal especially in the logging industry, had turned what might have been an acceptable road under the old weight limits of 44 tonnes into one that could not cope with the higher weight

The status of the road being a private road, and not a public road, appears to have exposed its owner to this action. In that respect it was reminiscent of an earlier case called *Berryman* in which a contractor fell through a bridge on a private road. Had it been a public road, the case around its failure would have been unlikely to have even been brought, let alone result in a conviction. And on a public road, the driver is responsible for his or her own safety and that of others.

Instances of inadequate design or maintenance are not uncommon on public



The scene of the dramatic crash on Thames Coast Road. PHOTO: WorkSafe NZ

roads but there have been no prosecutions under the HSWA for road owners like NZTA. Coroners dealing with these cases have simply only been able to exhort road owners to improve safety of roads in cases like rockfalls or inadequate signage

There is no explicit exemption for road owners under the HSWA. Roads are “structures” and people who design and maintain structures have duties under section 39. The analogous railway is clearly covered by the act and KiwiRail has been prosecuted a number of times for rail infrastructure issues.

Why then are public roads different? Historically roads had an exemption from being sued for failure to do something (“non-feasance”) but not for doing something badly (“misfeasance”). This was known as the “highway rule”. The privately owned Southern Railway in 1930s Britain tried to claim the exemption for one of its access roads, but failed.

These cases had their roots in the unincorporated nature of counties in the eighteenth century and earlier, and the consequent difficulty of naming who to sue there. Trying to sue “the men of Devon”

failed in a 1788 case. But despite this narrow background, the rule developed a life of its own and the specific circumstances of its roots were forgotten.

Despite the words to the contrary of one English Judge, it does seem as if the law did have a “special tenderness” for roading, and still has. The rule still applies in New Zealand but with the ACC legislation it is of minor consequence. It was also concerned with civil liability (negligence), and not statutory liabilities and offences. It could be however that roading inherited the sympathetic view and it carried over into other spheres like HSWA, and the absence of strict obligations on NZTA to operate safe roads. Or it could be a deeper issue like roading authorities being at arm’s length from the users and accidents, unlike in the HSWA cases.

Other jurisdictions have thrown out the “highway rule” and replaced it with a legislative obligation for the roading authority to run a safe highway system.

We already have such a piece of legislation for the railways, so why not roads?

¹ WorkSafe NZ Ltd v Specialty Timbers (1087) Ltd and Trevor Masters Ltd

Fuel crisis accelerates transport rules overdue for reform

BY JAMES PAUL



NEW ZEALAND'S FUEL CRISIS has done something years of industry lobbying could not: force the pace on heavy vehicle rules that operators have long argued are holding back productivity.

In May 2026, the Government announced a set of immediate and phased heavy vehicle rule changes under the National Fuel Response Plan, explicitly designed to help operators move more freight per trip and reduce diesel consumption. Transport Minister Chris Bishop was direct about the link. “Fuel prices are already putting pressure on households and businesses, which is why this work matters,” he said. “We need to balance benefits with safety and network impacts, but there are sensible changes we

can make that will lift productivity without compromising standards.”

The changes sit alongside a broader Land Transport Rules Reform Programme launched in late 2025, covering seven workstreams across an 18-month timeline. But where that programme moves at a structural pace, the fuel crisis has created a separate, faster track — and exposed just how much productivity has been left on the table by rules that have not kept up with the fleet.

What changed immediately

Permanent changes under the Fuel Response Plan took effect in May: permit requirements were removed for 50MAX vehicles and

for returning empty rental trucks between depots. Class 2 licence holders gained the ability to drive heavier electric buses.

More significant measures are staged to fuel response phases. At Phase 2, over-dimension vehicles will be temporarily permitted on motorways and toll roads currently closed to them, shortening routes and cutting fuel use. At Phase 4, the highest alert level, weight limits will temporarily increase by 4 per cent for high productivity motor vehicles (around two additional tonnes per truck) and by 10 per cent for 50MAX vehicles, lifting the cap to 55 tonnes.

Transporting New Zealand chief executive Dom Kalasih welcomed the direction but called for the Government not to wait.

“Trucking companies and their customers are already experiencing a fuel price crisis,” he said. “We estimate that a two-tonne payload increase for high productivity motor vehicles using five-axle trailers could save over 6 million litres of diesel annually. That would mean real fuel reductions for the freight companies transporting essential goods like milk, fuel, logs and produce.”

The Heavy Vehicle Package: wins and frustrations

Consultation on the Heavy Vehicle Package and Lane Use Package ran through March 2026, ahead of the Fuel Response Plan announcement. The latter package addressed how road space is allocated between vehicles, cyclists, and pedestrians (such as lanes on roads, footpaths, and shared paths).

The package produced some concrete results for the bus and coach sector: drivers travelling under 60 kilometres per hour must give way to buses pulling out from stops; Class 2 licence holders can drive electric buses up to 22,000 kilograms; and overseas heavy vehicle licence holders can convert their licences by sitting tests or completing approved courses.

But the broader reaction from the heavy vehicle sector was pointed. Bus and Coach Association Chief Executive Delaney Myers described the VDAM consultation as so limited that what officials had framed internally as “low-hanging fruit” was, in her words, “so low it’s on the ground decomposing.” The BCA, along with all other heavy vehicle user associations, wrote jointly to the NZTA Board Chair to put their frustration on record. The industry, Myers said, needs “ambition from the government and movement towards meaningful change, targeting the things that will make a difference and listening to industry, rather than further rounds of soothing noises and consultant reports.”

VDAM

The frustration runs deepest on axle weights. Urban public transport buses saw their axle limit increase from 8.2 tonnes to 9 tonnes in 2018. At the time, NZTA stated that “axle weight limits of 10 tonnes will be established with the next VDAM rules to align with most modern buses”. That commitment remains unfulfilled. Coaches and the rest of the bus fleet remain at 8.2 tonnes on a twin-tyred single axle.

New Zealand’s axle weights, mass limits, height and length settings lag behind comparable jurisdictions. The full VDAM

review has been flagged for mid-2026. Transporting New Zealand has described recent NZTA regulatory amendments as “tinkering around the edges” and emphasised that any changes require proper collaboration with affected stakeholders and adequate time for operators to adjust.

Modernising road user charges

Running alongside the vehicle rules reform is a separate overhaul of how road user charges are administered. The Land Transport (Revenue) Amendment Bill was reported back by the Transport and Infrastructure Committee on 18 May, unanimously recommended to pass. The bill separates NZTA’s regulatory function from its retail role and creates a new class of approved commercial RUC providers, opening the market to technology firms, retailers, energy companies, and telecommunications providers with existing billing infrastructure and customer relationships.

For existing RUC users, the practical changes are straightforward: physical licence displays will no longer be required, monthly billing will be available, and combined fees are expected to be lower. The longer-term objective is to bring petrol vehicles into the RUC system, removing their reliance on fuel excise duty at the pump. Cabinet has not set a date for that transition and will consider the question in 2027, once the market for third-party RUC solutions has had time to develop. The Ministry of Transport’s consultation on the draft regulations is open until 12 June 2026.

Tightening the other end of the rope

The same week the Government eased truck weight limits, Parliament passed a piece of legislation that barely made the news. The *Regulatory Systems (Transport) Amendment Act 2026* introduces two provisions with significant implications for anyone running a licensed transport business.

New section 30LA requires director approval for any person who takes or assumes control of a licensed transport service. That approval is personal, so it cannot be inherited or transferred. When the controlling person changes, existing approvals are voided and the process starts again. The days of passing a transport licence ticket down the hall are over.

New section 30UA gives the Director of Land Transport new power to immediately suspend a transport service licence for significant health and safety reasons. Triggers include: an unsafe vehicle operating under

the licence; a driver breaching work time requirements; a vehicle operating over dimension or mass limits; or a driver with significant impairment operating a vehicle. The suspension takes effect immediately by notice in writing.

Notably, the normal procedural requirements in Subpart 5 do not apply to an immediate suspension under 30UA. There is no advance warning, and the suspension takes effect the moment the notice arrives. Operators can challenge the decision, but they stop operating first.

Previously, equivalent immediate suspension powers applied to rail and aviation operators. The Act brings road transport into line and does it with teeth. Overloading, in particular, can now end a business overnight.

The full VDAM review has been flagged for mid-2026.

Transporting New Zealand has described recent NZTA regulatory amendments as “tinkering around the edges” and emphasised that any changes require proper collaboration with affected stakeholders and adequate time for operators to adjust.

The window

The fuel crisis has created conditions for rule changes that might otherwise have taken years to clear the system. The immediate heavy vehicle changes are a partial vindication of arguments the freight sector has made for decades. The RUC overhaul addresses a different kind of accumulated lag: a road funding system built for an earlier era, being rebuilt to support a future where distance-based charging replaces the pump for all vehicles.

Whether the window stays open long enough to address the deeper structural issues, including a full VDAM overhaul and a defined timeline for the petrol vehicle transition, will depend on whether the Government maintains momentum once the immediate pressure eases.

The risk the sector has seen before is that urgency produces incremental change, and incremental change becomes a reason to defer the harder work.

Before and after Cyclone Gabrielle

IN FEBRUARY 2023, Cyclone Gabrielle seriously damaged Devil's Elbow on State Highway 2 (SH2). This publication dedicated Volume 22 Issue 4 covering the event. It caused more than 100 faults, which needed major repairs. The Transport Rebuild East Coast (TREC) alliance repaired this road so that both lanes were available again. Multiple recovery sites on SH2 included underslips (below the road), overslips (above the road), culverts (large pipes), repairs and drainage. It includes the Devil's Elbow section where TREC completed repairs at 11 sites. The last of these (and their most complex) – at Devil's Corner – was completed in December 2025. A 4-kilometre stretch of road was asphalted in February and March 2026 providing a smoother drive over this badly damaged section and completing major Hawke's Bay recovery work on SH2.



2 Devil's Elbow Culvert

2 Devil's Corner (Project I)

Hawke's Bay

Road rebuild

The road surface which stretches across 4 kilometres of the highway has now been rebuilt to create a smoother drive over the numerous underslip repairs.

Channelling water away

New drainage has been installed to channel water away and protect this area from future erosion.

Scour proof mesh

The mesh helps prevent erosion and has been overlaid with a concrete liner and covered with coconut matting and then hydroseeded (water, seeds and fertiliser mix sprayed on) to promote growth.

Rip rap (large rocks)

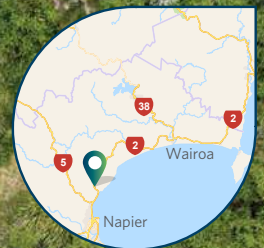
These will help to break down and spread the energy of water running down the concrete lined channel.

Retaining wall

A 12-metre high Mechanically Stabilised Earth (MSE) wall supports the road and manages water run-off.



Underslip damage at Devil's Corner after Cyclone Gabrielle.



PHOTOS: NZ Transport Agency Waka Kotahi



What recent transport investigations reveal about safety culture

BY JAMES PAUL

THE TRANSPORT ACCIDENT INVESTIGATION COMMISSION has rarely had cause to be this active across multiple sectors simultaneously. Over the past 18 months, TAIC has published or opened investigations involving runaway wagons at a port, two ferry groundings, a foreign ship that lost power twice in New Zealand waters, and a near miss between a freight train and track workers in Dunedin. Taken individually, each is a safety incident with its own circumstances. The pattern they form together is worth examining: not what went wrong in each case, but the conditions that allowed it to.

Port Otago: when normalisation takes hold

In the early hours of 23 January 2025, nine wagons at Port Otago's rail storage facility at Port Chalmers rolled back down a gradient toward a stationary locomotive. The wagons had not been secured correctly. The crew had failed to clearly confirm the task was complete. No one was injured, but the

Commission's report made clear how close the outcome could have been.

TAIC Chief Investigator of Accidents Louise Cook was direct: "A 472-tonne rake of wagons moving at only a walking pace carries enough force to cause serious injury or death."

What made the findings significant was not the mechanics of the incident but what they revealed about the environment in which it occurred. Training had not adequately covered the air-brake systems and equalisation timing that workers relied on. Rule violations and unsafe practices had become normalised at the facility. Incident reporting was unreliable. The culture had drifted, quietly, until the drift became visible.

Cook's framing of the broader lesson extends well beyond Port Chalmers: "Depth of training matters because procedure compliance is more robust when workers understand the 'why' as well as the 'do.' Communication discipline matters in all safety-critical work."

The Aratere: change management as a safety question

In June 2024, the Interislander ferry Aratere ran aground at Titoki Bay near Picton during a freight sailing with 47 people on board. The vessel was refloated the following evening with no oil spills or hull breaches. Its final Cook Strait crossing came in August 2025 after 26 years of service. But the circumstances of the grounding warranted close attention.

Maritime NZ's investigation found that changes to a safety-critical steering system had preceded the incident. Failures were identified across change-management processes, organisational controls, training and familiarisation, documentation, and bridge resource management. The crew did not have a clear understanding of how the modified systems worked.

Cont. on page 16

In May 2026, Wellington District Court sentenced KiwiRail to a \$375,000 fine and \$25,000 costs under the Health and Safety at Work Act. Maritime NZ Director Kirstie Hewlett was plain about what the case established: “Steering systems are safety-critical. The crew must have a clear understanding of how the systems work.”

The lesson here sits upstream of the incident itself. Safety failures are not always the product of complacency in the moment. They can be the downstream consequence of decisions made weeks or months earlier, in project and change management processes far removed from the bridge. A change to a safety-critical system that is not accompanied by adequate retraining and documentation creates a gap that only becomes visible when something goes wrong.

Black Cat and the tourist sector

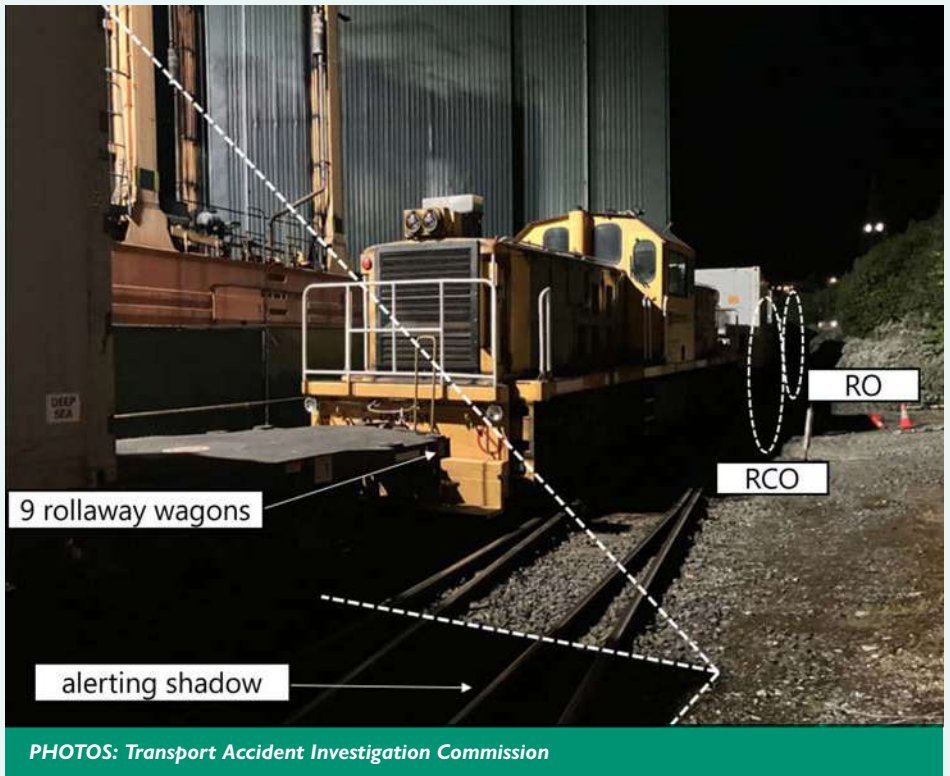
On 31 January 2026, the 17-metre commercial ferry Black Cat grounded in Akaroa Harbour with 38 passengers and three crew on board. All were evacuated to nearby vessels without injury, but the vessel subsequently listed and was beached. TAIC dispatched a team of investigators to begin evidence collection.

The investigation is ongoing. But the incident is a reminder that passenger vessel safety is not confined to the major operators. Tourist ferries and commercial passenger vessels operate in complex harbour environments, often at the interface of commercial pressure and the expectations of visitors with no maritime experience. The same questions about training, maintenance, and operational culture apply across the sector.

Substandard ships: a regulatory gap

The most systemic concern to emerge from TAIC’s recent work involves foreign-flagged ships in New Zealand waters. In June 2025, the Commission published its report on the container ship Shiling, which had lost power on two separate occasions in New Zealand waters in 2023 — once while departing Wellington Harbour, and once entering the Tasman Sea. The ship’s history of deficiencies was well-documented before either incident occurred.

TAIC Chief Investigator Naveen Kozhupakalam was unambiguous: “Substandard ships represent a real risk to crew, New Zealanders, and coastal environment. The Shiling had a history of deficiencies and it’s virtually certain the ship wasn’t seaworthy.”



PHOTOS: Transport Accident Investigation Commission

The Commission recommended that Maritime NZ be given legislative authority to ban certain ships from New Zealand waters, comparable to powers held by the Australian Maritime Safety Authority. That legal authority does not currently exist. As a small market at the end of long global shipping routes, New Zealand has limited leverage over vessel standards of foreign operators. The Commission also called for improved tow-salvage capability and a stronger maritime incident response strategy.

What connects them

The incidents span different sectors, operators, and vessel types. But the threads running through them are consistent: training that covers procedure without building understanding; cultures where unsafe practices have become unremarkable; change management that does not account for safety-critical consequences; and a regulatory environment that, in some areas, lacks the authority to act on known risks before something goes wrong.

An interview with TAIC Chief Commissioner David Clarke

DAVID CLARKE oversees the Commission that produces those investigative reports. As Chief Commissioner since December 2022, his role is to establish not just what happened, but the systemic conditions that made it more likely. Transport & Logistics NZ put the big questions to him directly.

1. Looking across TAIC's recent investigations (Port Otago, the Aratere, the Shiling, Black Cat) do you see common conditions that allowed these incidents to develop, or does each tell a different story?

While each incident has its own circumstances and causes, many share familiar safety factors: weaknesses in control of safety-critical change, drift from formal procedure into routines that may feel practicable for those 'on the ground' but are in fact more risky, and gaps in oversight that allow problems to build before they become visible.

On the Aratere, the project for the new steering system change lacked a wholistic management view to include human factors. The rail wagon runaway at Port Otago was made more likely by a poor safety culture and training issues; and Shiling showed the risk of deferred maintenance and a ship being in very poor condition despite valid certificates. Black Cat is still the subject of an ongoing inquiry, so I would not want to pre-empt any findings.

The broader lesson is that the event on the day is often the last moment in a longer chain of inflections. And it is strategic leaders who should have that long chain view.

Reports by the Transport Accident Investigation Commission are particularly helpful for the decisions of strategic leaders because we look hard at the systemic conditions and circumstances that made the incident or accident more likely, not just the proximate cause.

2. "Safety culture" is a phrase that gets used a lot. From an investigator's perspective, what does poor safety culture actually look like day to day, before anything goes wrong?

TAIC's recent report on the wagon runaway at Port Otago describes safety culture as the shared values, beliefs, attitudes and patterns of behaviour that shape how people think about and act on safety. How employees go about their day-to-day work will be reflective of safety culture so observable behaviours amongst the workforce offer a valuable insight. Often what starts as a small

safety deviation or procedural workaround can become a widespread practice within an organisation eventually leading to a desensitisation to risk.

This is why TAIC looks beyond the behaviour and asks why people feel it's a good idea at the time. Not every accident can be attributed to a poor safety culture, but issues like deadlines, inadequate resourcing or training can indicate that safety is not actually the organisation's top priority. This can lead to resignation or complacency amongst workers – you'll see this when workers view a safety briefing or toolbox talk as just box-ticking exercise. This is characteristic of poor safety culture.

Another sign to look out for is the absence of a just culture. If people fear, embarrassment, blame or career consequences for speaking up, important safety information will never reach those who need to hear it. The results can be tragic. Several recent TAIC investigations have highlighted situations where organisational leaders lacked an accurate picture of what was happening at the operational front line. By the time they knew of the problem, it was too late; the risk was already embedded in everyday practice.

3. What does good safety culture look like in practice; is there a specific element you'd point to as the clearest indicator that an organisation has it?

Every good safety culture has leaders genuinely committed to safety. While there will always be a natural tension between balancing production goals with safety protections, workers should never feel they need to make unsafe choices to get a job done.

One of the clearest indications of a healthy safety culture is that people are willing to report the precursors to accidents -- the mistakes and near misses that could easily be covered up because nobody saw them and nobody was hurt at the time. Organisations with strong safety cultures thoroughly understand their risks. Rather than assuming how their employees are operating on the frontline, they proactively close the gap between 'work-as-imagined' and 'work-as-done.' In short, they're not relying on the absence of accidents or incidents as evidence that everything is working well.

4. TAIC's role is to establish what happened. When you publish a report, what do you most want the broader sector (not just the operator involved) to take from it?

Our role is to identify systemic issues. Because they are systemic, they have much broader application. They are relevant not just to that incident and operator but could manifest in many different circumstances. We want people to read our reports with this broad reach in mind -- not limited to the circumstances of the particular incident. The key question for every reader should be: "Could something like this happen in my organisation?" If the answer is even "possibly", there is an opportunity to learn without paying the price of an accident.

5. Are there areas of New Zealand's transport sector where you think the regulatory framework needs to be strengthened before the next incident, rather than in response to one?

Yes. In fact, many of TAIC's recommendations are directed at regulators because strengthening the regulatory framework is often the most effective lever for achieving enduring, sector-wide safety improvements.

Recent investigations have highlighted opportunities to strengthen areas such as safety-critical change management, assurance of maintenance standards, oversight of training and competency systems, and the quality of information available to regulators about emerging operational risks. That's because regulatory settings help organisations identify and manage risks before those risks contribute to an accident.

TAIC's recommendations are intended to help leaders build highly effective safety systems that create multiple opportunities to detect and correct safety issues before they're revealed by a serious accident.

David Clarke

David is a senior lawyer with 27 years of legal professional experience that includes litigation, and corporate and commercial advice for private and listed company boards and public entities. David brings over 20 years' experience in governance roles in the commercial, public and charitable sectors, including in Chair, finance and audit and risk roles. David was appointed to the Commission in December 2022. His term expires on 30 November 2030.



KiwiRail's new Waltham Maintenance Hub

PHOTOS: Chris Gunn

KIWI RAIL'S NEW Christchurch maintenance hub at the Waltham yard is steeped in New Zealand's rail history. The very first steam railway line opened 160 years ago in 1863, running from Ferrymead to Moorhouse Ave, adjacent to the new facility.

It is now home to the main South Island locomotive, passenger carriage and wagon maintenance facility. Minister for Rail Rt Hon Winston Peters officially opened the new Waltham Maintenance Hub, following a \$110 million Government investment, and the first of the new, low emission and more powerful DM locomotives, being built by Stadler in Spain, were also on display.

The Government has invested \$533m for 66 DM locomotives, 47 (\$372m) of which will replace the aging South Island locomotive fleet.

KiwiRail Chief Executive Peter Reidy says the hub will provide a modern, safe environment for staff to

work on 24 different assets at the same time, complete with electronic safety systems to protect staff from any unplanned rail movements and is supported by enough solar panels to meet half of the site's electricity needs.

"Thanks to further significant Government support, we have ordered the new DM

locomotives. Four have entered service in New Zealand now, with the rest to arrive in batches over the next two years.," Reidy says.

"The Waltham hub and the DMs are a game changer for KiwiRail's South Island operations. Waltham ensures our maintenance crews have the capability to move to the preventative asset management approach needed to deliver consistent reliability of service for our customers.

"More efficient maintenance, combined with more reliable locomotives will mean better and more timely services for our South Island customers. It is the crucial foundation that will allow us to get more of the island's freight onto rail."

The hub and DM locomotives are part of a \$1.2 billion dollar Government investment in South Island rail since 2019.

The building will stand for over 50 years so further consideration has been given to enable the maintenance of the next generation of locomotive, whether they be powered by hydrogen or batteries, or something else.

Alan Hill, General Manager Future State RSAS at KiwiRail, says the building has the ability to flex and adapt to maintenance needs beyond 2050.

Some other key features of the construction and the site include:

- 450 different companies.
- 489 piles have been bored 25m deep each, totalling 12¼ kilometres of piling.
- 49,866 cubic meters of concrete has been placed that about 1300 concrete trucks.
- The volume of concrete poured in the project could fill up four Olympic-sized swimming pools.
- 1,141 tonnes of reinforcing steel.
- 475 tonnes of structural steel.
- 1 kilometre of track within the building.
- 3.5 kilometre of compressed air piping.
- Roof height 15 metres at apex, to allow a 25- tonne gantry crane with a hook height of 10 metre.
- 9400m² (90 x 97m) total floor area

FOOTNOTE: On 5 March 2026, CILT's Southern Section enjoyed a site visit to the new facility and were kindly hosted by Doug Medlycott, Transition Leader, Future State, RSAS. His comprehensive knowledge of all aspects of the technology employed in this ultra-modern maintenance hub made for a very enjoyable visit. Notable in his comments was the fact that, in the previous four months, KiwiRail achieved a zero-rate of workplace accidents, and this bodes well for all staff working in such a heavy engineering facility.





2026

CILT Annual Forum and Awards Dinner

WHEN: FORUM 10:45 AM – 5:00 PM
DINNER 5:30 PM - 11:00 PM,
November 20 2026

VENUE: JetPark Hotel Auckland
Airport & Conference Centre

This premier industry event is not to be missed, complete with an exciting lineup of speakers to discuss the Forum themes of:

- › Leadership
- › Productivity
- › Innovation

<https://cilt.co.nz/event/>