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CRL's numbers game – the scale and shape of transformative change

Getting more from every tonne of steel

Where the parties stand on transport



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ON THE COVER

New Zealand's largest transport infrastructure project, the City Rail Link, was finally completed and officially opened on 11 September.
PHOTO: CITY RAIL LINK



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In the next edition

The editorial team welcomes expressions of interest for submitting an article for the December 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 December 2026 edition: 2 November 2026.**

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Auckland's trains carried more passengers in the first seven days of the City Rail Link than in any week in the network's history, with 528,007 boardings recorded between 13-19 September. PHOTO: CITY RAIL LINK

CRL's numbers game – the scale and shape of transformative change

THE CITY RAIL LINK (CRL) is New Zealand's largest transport infrastructure project ever, and after a decade it was officially opened on 11 September 2026 with services for the public beginning on Sunday 13 September 2026.

Completing such a project and starting a new era for rail and public transport in Auckland through the CRL is a numbers game.

For starters, Auckland Council estimates 21,000 or more city centre residents, 17,000+ students and 37,000 existing jobs will now be within a 12-minute walk of CRL's two new underground stations. Further out, CRL will double the number of people living within a 30-minute train journey of the city centre. Add in the hard yards to achieve that – over 28 million work hours to build CRL, site inductions for CRL staff, suppliers and subbies exceeding 14,000 and a workforce of more than 2,200 at construction peak – and it is clear CRL's scale will have a game

changing impact not only on the way people travel but on Auckland city itself.

CRL together with a revamp of Auckland's public transport and KiwiRail's huge upgrade of the wider rail network will maximise the new line's benefits.

Patrick Brockie, Chief Executive of City Rail Link Ltd (CRL Ltd), the organisation responsible for project delivery, says CRL will “launch changes as profound as the impact on the city as the Auckland Harbour Bridge did when it opened back in 1959.”

Bottom line

Stacey van der Putten, Chief Executive of Auckland Council's transport organisation, Auckland Transport (AT), adds that the bottom line for Aucklanders is a great one.

“CRL means shorter, more frequent and convenient commutes, easier one-seat trips into the city centre and across Auckland to see friends and whānau, while places like

Eden Park for a sports game or a concert become more convenient destinations.”

Auckland Council's Chief Economist, Gary Blick, says CRL will improve access to jobs and services in the city centre, particularly around the underground Te Waihorotiu and Karanga-a-Hape Stations.

“Improved accessibility makes these locations more attractive for employers, workers and investment. There are already examples of private sector development around the new stations.”

CRL is 3.45 kilometres long, and its underground twin tunnels unlock Auckland's city centre by connecting the previously dead-end Waitematā (formerly Britomart) Terminus downtown with Maungawhau (formerly Mt Eden Station).

Karanga-a-Hape Station is the country's deepest with platforms 33 metres below street level, and Te Waihorotiu in the central city will become the country's busiest.

Rail's revival

Putting Auckland rail underground was first suggested around 100 years ago with what was called the Morningside Deviation or Morningside Tunnel. Costs derailed the proposal and decades of missed rail opportunities followed, usually in favour of building roads.

Rail's revival began in the early 2000s due, in part, to increased road traffic congestion, and the return of trains into the city centre for the first time in 70 years with the opening of Britomart Transport Centre (now Waitematā Station), rail electrification, and a rise in public transport patronage.

Auckland Council and Auckland Transport began CRL construction in 2016. Following a decision by the Government of then Prime Minister John Key, the Crown became the project's joint funder with Auckland Council. In 2017, they established CRL Ltd, a Crown entity with an independent chair and board.

"We were building something on a scale not seen in this country before - a huge, complex and challenging underground railway under the heart of a big city and a very busy motorway connection known as Spaghetti Junction," says Mr Brockie. "Our immediate neighbours during heavy construction were business owners and residents."

The three main contracts out of six signed to deliver CRL were:

- C1: which included the weight transfer of Waitematā Station, occupying the heritage-listed Chief Post Office, onto new foundations for tunnel box construction in the basement
- C2: 350 metres of cut and cover tunnel boxes under Albert St to the site of the Te Waihorotiu Station.
- [Separately, CRL tunnels were built through the foundations of a downtown office and shopping complex being developed between C1 and C2]
- C3: CRL's biggest contract delivered by the Link Alliance to design, procure and deliver the mined section of tunnels between Maungawhau (previously Mt Eden) and Te Waihorotiu Stations,

station construction, systems installations across CRL and connecting CRL with the wider Auckland network.

Mr Brockie says that in many ways, CRL's impact extends well beyond Auckland city boundaries.

"From day one, the project was determined to be an exemplar for other large-scale projects to follow – lifting the bar across many construction disciplines that will benefit wider New Zealand."

He says one of the most important and rewarding legacies was the project's partnership with eight Tāmaki Makaurau/Auckland iwi.

"Our Mana Whenua Forum produced stunning station designs based on the city's cultural past that help make CRL a

"All together, a pretty impressive tick list of legacies that will endure for generations."

Mr Brockie acknowledges, however, that alongside the gains, there were challenges:

- Covid's long shadow created 271 work-day restrictions, affecting the timing of work programmes
- Two funding reviews led to CRL's cost rising to \$5.493 billion. The first focused on the original cost and changes to project scope including the extension of platforms for longer trains and adding an entrance at Beresford Square at Karanga-a-Hape Station. The second reflected the pandemic's impact on work restrictions and CRL's domestic and international supply chain.



world class railway. The Forum helped drive employment and business opportunities for Māori and Pasifika communities and, critically for us, played a key role in the wellbeing of our very diverse workforce."

Lifting the bar, Mr Brockie adds, included "out-of-the-box" innovation like shifting Waitematā Station on to its new foundations and then designing new machinery and materials to build tunnels in the basement - "a fabulous example of the project's positive 'can-do' attitude!" The list also includes job upskilling; health and safety processes to ensure workers got home safely which were adopted by overseas companies; the use of new technologies like the installation of high-speed 5G communications technology in the tunnels and new stations; international recognition for environmental protection.

- Heavy construction at the C3 contract's three station sites became a disruption and access issue for neighbouring businesses. Support available through the project was reinforced by a Targeted Hardship Fund established by the Government and Auckland Council. Over five years the Fund paid out in total \$10.7 million to 72 individual businesses.

Heavy construction ended last December, and work focused on an exhaustive and detailed testing and commissioning phase of all of CRL's systems to ensure they worked as they should.

KiwiRail, AT and CRL Ltd agreed the programme was complex and elaborate involving months of staged testing of CRL

infrastructure, systems and people. KiwiRail also had to ensure a brand new CRL could interact seamlessly with existing rail assets including the 100-plus year old Purewa and Parnell tunnels and a freight network which is unique in sharing the same tracks as Auckland's metro network.

Test and test again became the project's mantra. Test covered track work, overhead power lines, lighting, station lifts and escalators – at 43 metres long, New Zealand's longest escalator has been installed at Karanga-a-Hape Station. Fire detection and suppression systems, ventilation, security cameras, communications, and station ticket machines and gates all also needed to be tested both individually and together.

Large-scale emergency testing with CRL Ltd, Link Alliance, AT, KiwiRail and Auckland One Rail – which operates the metro services – working alongside emergency services was also completed. Involved were realistic, high-pressure scenarios across stations and tunnels, including fires, onboard incidents, and evacuations. Some exercises included hundreds of volunteer passengers to replicate real-world conditions.

The readiness programme also included testing timetables across the network, training drivers, train managers, station staff and controllers and Auckland Transport buying an additional 23 trains, bringing the total to 95 commuter trains to support expanded services.

Rail network updated

Underpinning CRL construction is KiwiRail's modernised metro rail network.

With significant funding from the Crown (\$2.4b), KiwiRail's investment has transformed a network designed and built decades ago for low-speed, low-frequency freight services rather than the level of use associated with a busy, modern metro.

"We've brought the 150-year-old network up to modern standards," says Bevan Assink, KiwiRail's Chief Metro Officer.

"We've delivered large new infrastructure projects to support CRL – 19km of electrification from Pukekohe to Papakura, the Third Main Line and upgrades to infrastructure from Wiri to Quay Park (Auckland's port), and the Western Power Feed and new stations in southern Auckland are complete, with another power feed and one more station in southern Auckland to follow."

Mr Assink says that globally most metros do not share networks with freight. In

Tāmaki Makaurau/Auckland, however, rail is mixed use – a busy passenger metro co-existing with freight services.

One way KiwiRail is addressing this complexity is the construction of the 6.5km-long Third Main line – an additional track that allows freight and metro services to bypass each other at the busiest part of the southern line that manages 1500 passenger and 380 freight services weekly.

A network-wide maintenance upgrade is also a huge part of KiwiRail's preparations for CRL. The five-year Rail Network Rebuild (RNR) programme, completed last January, rebuilt the foundations, drainage and tracks from the bottom up. The invasive civil works and track programme literally lifted rails to dig underneath, as well as replacing rails and sleepers.

Mr Assink says RNR brought the network up to a modern standard capable of supporting the CRL timetable and placing rail at the centre of public transport and improving network reliability.

The facts and figures demonstrate the scale of the job; 80km of rail replaced, 30km formation, 70km drainage, 40km sleepers, 50km ballast, 40-plus turnouts, four new crossover locations, 15 on-tracking pads.

"We've estimated it to be over a decade's work in just under five very busy years."

Mr Assink says it was "a no brainer" to also futureproof the network ahead of forecasted population growth in southern Auckland.

"We've got ahead of the game by extending electrification 19km between Papakura and Pukekohe for cleaner and faster journeys and built three new stations along this section ensuring that public transport networks are factored into the big picture for economic growth in the south."

CRL's new owners

On June 30, 2026, CRL Ltd achieved 'Practical Completion' – the end of CRL Ltd's contractual obligation to successfully construct and commission CRL's lines, tunnels, stations and systems. CRL was handed over to new owners: Auckland Transport will own the stations and KiwiRail the tunnels and track infrastructure.

A completed CRL had eliminated an historic bottleneck caused by trains having to terminate at dead-end Waitematā Station – limiting the number entering and leaving the city and impacting on rail's

overall efficiency. With Waitematā now a through station, the future will look much different, says Ms van der Putten.

"At peak times, trains will run every four to five minutes through the central city, with initial capacity for up to 19-thousand passengers an hour through the city-centre stations."

AT has overhauled rail routes to focus on CRL and the quicker and frequent access it gives people to central city locations. Many bus routes across the city are being improved to create easier connections with trains.

"Better public transport for all," says Ms van der Putten. "Reshaping travel across Auckland will encourage greater use of public transport – trains, buses and ferries – and, in time, reduce road traffic congestion, lower transport-related carbon emissions, and allow Auckland to grow and prosper."

More options



Auckland Council's Gary Blick believes that the City Rail Link will support Auckland's long-term productivity by improving access to jobs and services while supporting more intensive use of land around stations across the network.

"CRL gives people more options for reaching jobs and services across the city. Shorter travel times effectively bring more opportunities within reach, helping people access a wider range of jobs, and improving the matching between workers and employers.

"Combined with proposed changes to planning rules, CRL creates opportunities for new homes near stations. This gives more people a choice to live closer to jobs, services and transport connections, while making better use of infrastructure Auckland has already invested in," Mr Blick says.

A fire, a Minister, and the first train through CRL

Auckland One Rail chief executive Martin Kearney rode the first train through the City Rail Link. Then a fire at Waitematā stopped everything.

Martin Kearney was on the 4:57 from Ōtāhuhu, the first service through the City Rail Link, when wiring at Waitematā caused a small fire.

The Auckland One Rail team put it out and even cleaned the platform so services could restart quickly. As a precaution, every underground station was evacuated so platforms didn't overload with new passengers.

"Briefing the Transport Minister on the spot regarding the fire was not something I had expected to be carrying out so you can imagine what was going through my head," says Kearney.

Trains were back to schedule by 8.30am. "At the same time, I had a media standup, and even with such a challenging start to the day, you could see we had something to be proud of."

In the first week, patronage rose around 50 per cent, back to pre-Covid levels. Punctuality and reliability are both in the high 90s.

On day one, Auckland One Rail ran 84 trains with 145 drivers, 120 train managers, more than 100 customer service staff and ambassadors, and more than 100 security staff. "It's more than just running trains through a new tunnel!"

Auckland Transport (AT) bought 23 extra trains, taking the fleet to 95. Each one has to be allocated, crewed with a driver and a train manager within rostering rules, and berthed overnight so it starts the next day in the right place, while leaving room for planned engineering work. "It's all about the timetable but that's just the start."

In January, the team ran the proposed timetable at maximum capacity to find its limits. What they learned shaped the plan they gave AT: a train every 15 minutes, seven days a week, doubling at peak. It passed an April test with some tweaks, and a July test was "a huge success".

At peak, trains now run every four to five minutes through the central city, so dwell



Despite having undergone evacuation procedures ahead of the CRL opening, no one could have expected a fire to play a small part on the service's first day.

times matter a great deal. "It's critical that trains depart on time." The Operations Centre manages every train to time and clears delays fast, because "a delay of just over two minutes can cause a knock-on delay to another service through the CRL". The new routes also keep units and crew separate, so a problem on one route stays there.

Karanga-a-Hape has New Zealand's longest escalator at 43 metres, just short of the longest in the Southern Hemisphere. Staff are trained in first aid because "accidents on escalators can be quite nasty".

Before opening, Auckland One Rail joined CRL Ltd, Link Alliance, AT and KiwiRail in emergency testing at every CRL station and in the tunnels: fires, tunnel evacuations and other critical scenarios. Some drills used a handful of volunteers. The biggest used 400 volunteer passengers, some playing acting roles.

"We had smoke filled carriages, 'wounded' mannequins, fake blood and a lot of people being rescued from tunnels."

Train managers and station staff trained to get hundreds of people off a train in a tunnel, something that "simply hasn't existed at this scale on Auckland's network before".

In all, around 580 frontline staff were trained across drivers, train crew and customer service. Drivers start in the simulator, then

move to supervised on-the-job training across the whole network, "from Pukekohe to Swanson via all routes!"

"Existing drivers know how to drive a train, but it's like a pilot flying into a new airport. You need to intimately understand the new environment you're operating in."

Station staff numbers have doubled, with some taking on new roles such as fire wardens. Extra staff are on platforms making announcements while customers learn their new journeys, backed by an industry-wide Hypercare plan that put extra people and resources into the first few weeks.

Some peak services are expected to extend from Kingsland to Henderson in November, with extra Friday and Saturday evening trains. Next February, more Ōtāhuhu to City peak services will lift trains through the tunnel from 14 to 16 per hour in both directions.

Before opening, Kearney had asked the team to get through the first couple of days of peak running. On the Tuesday, seeing strong performance and high customer numbers, he believed they had achieved a successful opening.

"All the team are working with a smile on their face and are excited to see the increased patronage. I am so proud of how they have adapted to make the CRL a huge success."

Government responds to National Infrastructure Plan

SIX MONTHS after Te Waihangā released its National Infrastructure Plan, the Government has formally responded. For the most part, it agreed with it.

Of the Plan's 16 recommendations, spread across 10 priority areas, the Government accepted 13 in full and supported a further three in principle. That's a high hit rate for a government response to an independent infrastructure body's advice.

It signals the Plan's diagnosis (that New Zealand's infrastructure investment has lacked discipline, prioritisation, and long-term thinking) has landed with reasonably broad political acceptance.

Some of the response is about work already underway rather than new commitments. A new assurance process for central government infrastructure investment is set to launch on 1 November 2026, designed to give decision-makers a consistent check on whether major projects are being planned and delivered properly.

Alongside it, an asset management assurance process is being developed jointly with Treasury, aimed at making sure existing infrastructure is being maintained and renewed as rigorously as new projects are pitched and approved.

The response also backs expanding the coverage of the National Infrastructure Pipeline, the same pipeline the WSP/Helen Clark Foundation report [see story on page 8] criticised as an unprioritised "big pile of projects", and lifting project leadership capability across government agencies.

That's an implicit acknowledgement that poor delivery capability, not just poor planning, has been part of the problem.

The Government also pointed to changes already in motion elsewhere in the system as evidence the direction of travel is right. Some network providers are shifting toward usage-based pricing models, volumetric water charging and time-of-use road pricing among them, as a way of better matching infrastructure costs to actual demand.

Auckland Council, meanwhile, is enabling upzoning around major transport corridors, a planning response that aligns housing growth with existing transport investment rather



The Government's own response to the National Infrastructure Plan is, in effect, an admission that the current system isn't disciplined enough. PHOTO: GETTY IMAGES

than requiring new corridors to be built from scratch. Both are held up as examples of the kind of integrated, demand-responsive thinking the National Infrastructure Plan was pushing for. The tone of the formal response is notably self-critical for a government document.

"New Zealand spends a lot on infrastructure, around 5.8 per cent of GDP annually over the last 20 years, one of the highest in the OECD, yet we rank towards the bottom for efficiency," the response states. Infrastructure Minister Chris Bishop put it more bluntly: "The Government is determined to do better."

Mr Bishop said the response covers action on all 10 priorities identified by the Commission, including progressing time-of-use pricing, fleetwide road user charges, a National Infrastructure Framework, lifting hospital investment, integrated spatial planning, and upzoning around key transport corridors. "Delivering and maintaining better infrastructure is a key part of the Government's plan to fix the basics and build the future New Zealanders both need and deserve," he said.

For CILT members, the most consequential part of the response sits specifically in land transport funding. The Government agrees with the Commission's diagnosis that investment, pricing, and delivery settings in land transport are broken, and it isn't treating that as a minor tweak. The newly formed Ministry for Cities, Environment, Regions and Transport (MCERT) has been tasked with reviewing the entire funding system and developing proposals for public consultation by June 2028. That's a long runway, but it signals the Government sees the current

model as unsustainable rather than merely imperfect.

The underlying problem is a familiar one to anyone who tracks the sector: land transport spending has outgrown what the National Land Transport Fund can actually cover. The Fund has traditionally run on road user charges and fuel excise duty, topped up with additional Crown funding, but that revenue base hasn't kept pace with the scale of projects being proposed and delivered. Progressing fleetwide road user charges (extending RUC to all vehicles rather than just diesel and heavy vehicles) and time-of-use pricing are the two levers the Government is pursuing right now, alongside the longer MCERT review. Both are aimed at the same goal: charging users in a way that better reflects actual road use and network cost, rather than relying on fuel excise, which shrinks as vehicles become more fuel-efficient or electric.

For members running freight, logistics, or fleet operations, fleetwide road user charges are the one to watch most closely. A shift to universal RUC would change how every vehicle in a fleet is charged, not just heavy vehicles already paying it, and the mechanics of that transition, timing, rates, and any transitional relief, haven't been detailed yet.

The 2028 consultation date gives members time to engage, but MCERT's review of the wider funding system is likely to shape freight costs and infrastructure priorities for years afterward, so it's worth getting on the front foot early rather than waiting for the formal consultation to open.

Cont. on page 8

Read alongside the WSP/Helen Clark Foundation cost-benefit analysis report, this response takes on more weight than it might on its own. That report found only two of six major agencies consistently use cost-benefit analysis, and that fewer than a quarter of infrastructure bids put to the Infrastructure Commission over the past five years included one.

The Government's own response to the National Infrastructure Plan is, in effect, an admission that the current system isn't disciplined enough. The new assurance processes launching in November are the first concrete step toward addressing the exact gap that report identified.

Whether that translates into better outcomes for logistics and transport projects specifically will depend on how the assurance process is actually applied once it's live, and whether transport agencies are held to the same standard as the rest of government or continue to be treated as a special case because of NZTA's existing cost-benefit practices.

For CILT members, the practical takeaway is to watch the 1 November launch date closely. Any project currently in early planning that will still be seeking funding approval after that date should expect a more rigorous assurance process than has applied historically.

It's worth getting ahead of that now rather than being caught out by tighter scrutiny later in the year.

It's also worth reading this response against the National Infrastructure Plan's own framing, rather than just the Government's reaction to it. The Plan itself argued that infrastructure spending should sit at around 6 per cent of GDP annually over the next 30 years, within a sustainable 5-7 per cent range.

It called for a rebalancing of investment priorities: more into electricity and hospitals to meet decarbonisation and demographic pressures, with land transport, water, and education easing off slightly as relative demand pressure in those areas moderates.

If that rebalancing plays out as described, land transport won't necessarily see its share of the pipeline shrink in dollar terms, but it may see slower growth relative to sectors the Plan judges to have more urgent unmet need.

The Plan also pushed for "needs-based capital allowances" where Treasury builds the Infrastructure Commission's long-term forecasts directly into fiscal strategy and capital allocation from 2026 onwards.

That's a more automatic, less politically discretionary way of deciding what gets funded. Whether that survives contact with an actual Budget process, where transport projects have historically competed hard and often successfully for funding, is one of the more interesting open questions the Government's acceptance of this recommendation raises for the sector.



New report calls for stronger use of cost-benefit analysis in infrastructure investment

NEW ZEALAND SPENDS billions of dollars on infrastructure every year. It routinely can't say whether any of it worked.

That's the blunt finding of a new report from engineering firm WSP and the Helen Clark Foundation, *Measuring What Matters — Getting the Best Value From Infrastructure Investment*. The report set out to answer a simple question: does New Zealand actually check whether infrastructure spending delivers what it promises? The answer, in most cases, is no.

The numbers back that up. Fewer than a quarter of infrastructure bids put to the Infrastructure Commission over the past five years included a cost-benefit analysis, the standard tool for weighing up whether a project's social, environmental, and economic benefits justify its cost. Of six major infrastructure-intensive central government agencies contacted for the report, only two, NZTA and Kāinga Ora, use cost-benefit analysis consistently as part of their investment decisions. Health NZ has no framework at all for measuring the health benefits of the infrastructure it builds. Corrections has no standardised methodology either. In other words, most of government is making multi-billion-dollar calls without a shared, disciplined way of testing whether they stack up.

The report lands against the backdrop of a \$193 billion pile of unfunded projects sitting in the national infrastructure pipeline. Report author Kali Mercier described the pipeline in blunt terms: it's "just a big pile of projects," not a prioritised plan. There's no consistent mechanism forcing agencies to rank projects by value, or to demonstrate that the most urgent or highest-return projects are the ones that get funded first.

"We don't routinely check whether projects achieved the outcomes they were funded to deliver," Mr Mercier said. That's arguably the most damning line in the report. It's not just that business cases are weak going in. Nobody circles back afterwards to see if the money was well spent.

The report's recommendations are direct and, on the face of it, uncontroversial: make cost-benefit analysis mandatory for major central government infrastructure investment; strengthen the Infrastructure Commission's oversight role, including publishing business cases so they can be scrutinised; and build in routine post-implementation evaluations, so projects are judged not just on their pitch but on their delivery.



This isn't an abstract governance debate. Every port upgrade, rail corridor, freight hub, and road project competing for a share of that \$193 billion pipeline is, in effect, competing on the strength of its evidence. Projects backed by a disciplined, well-evidenced business case are better placed to survive budget scrutiny and political change than those riding on momentum or advocacy alone. As Wellington moves toward tighter fiscal settings and greater public scrutiny of spending, the logistics and transport projects that can show their working (clear costs, clear benefits, a credible before-and-after evaluation plan) will be the ones that get across the line.

There's also a sector-specific angle worth watching. Land transport has historically been one of the more mature users of cost-benefit analysis in government, largely because NZTA's funding model has long required it. That gives the sector a head start if cost-benefit analysis does become mandatory across the board, but it's not a reason for complacency. The report's criticism is aimed at the system as a whole, and a rising standard of scrutiny for

hospitals, corrections facilities, and water infrastructure will likely raise expectations for transport business cases too, not lower them.

There's a harder edge to this too, worth stating plainly for members. If cost-benefit analysis becomes mandatory across government, the agencies with the least mature practice (Health NZ, Corrections, and others named in the report) will need to build capability quickly. They'll likely be competing for the same pool of analysts and advisors that transport agencies already draw on. That's not necessarily bad news for the sector's consultants and advisory firms. But it does mean the "easy" projects with obvious, well-documented benefits will get funded first. More complex or contested transport investments, anything with diffuse benefits, long payback periods, or politically awkward trade-offs, will face a harder time justifying themselves under tighter scrutiny. Members involved in early-stage project scoping should treat this as a signal to invest in the business case earlier and more rigorously than they might have in the past, rather than treating cost-benefit

analysis as a box-ticking exercise added late to satisfy a funder.

The Northland Expressway is a live example of exactly the problem the report describes. The last publicly available benefit-cost ratio for the project's first stage, a 26km four-lane highway from Warkworth to Te Hana including an 850m tunnel through Dome Valley, was 0.7, from a 2019 business case that predates Covid-era construction cost inflation. That means every dollar spent was projected to return 70 cents in benefits, well below the threshold that would normally justify proceeding. The Government has declined to release updated cost and BCR figures while it finalises a public-private partnership deal, arguing disclosure could undermine its negotiating position. Transport advocate Connor Sharp put the sceptical read on that bluntly: the implication, he said, is that the BCR is so bad that releasing it would make the project untenable. Whether or not that's the case, it's a live illustration of the report's core complaint: a major, multi-billion-dollar project moving toward contract signing without the public seeing a current cost-benefit case at all.

Getting more from every tonne of steel

BY JEREMY SOLE, EXECUTIVE OFFICER, SUSTAINABLE STEEL COUNCIL

STANDARD DESIGN PRACTICES often use roughly 20–50 per cent more structural steel than is strictly necessary. That gap represents a significant opportunity to cut steel's carbon footprint.

Steel is in our buildings, bridges, water networks, transport systems and renewable energy infrastructure. Around 52 per cent of all steel globally goes into buildings and infrastructure. Reducing the greenhouse gas emissions associated with steel is therefore both a pressing challenge and one that extends well beyond the steel industry itself.

In April, the Sustainable Steel Council released *Forging Ahead*, a plan for net-zero greenhouse gas emissions from steel used in New Zealand buildings and infrastructure. It sets a pathway to reduce direct and electricity-related emissions by more than 30 per cent by 2030 and more than 90 per cent by 2050, compared with a 2020 baseline.

Those reductions are significant because our modelling assumes New Zealand's population will grow by around 31 per cent, from 5.1 million in 2020 to approximately 6.7 million by 2050, with steel demand rising proportionately if there is no intervention. The plan therefore does not depend on reduced economic activity. It requires us to lower emissions per tonne of steel and reduce unnecessary material demand.

There are five main strategies: extending the life of existing assets through adaptive reuse, using steel more efficiently through better design and construction, decarbonising electricity and hydrogen supply, expanding scrap-based electric arc furnace production and reducing emissions from ironmaking.

For those involved in infrastructure delivery, some of the earliest and most accessible opportunities lie in the first two.

Start with design

Optimising structural design can reduce the amount of steel required without compromising safety or performance. Getting there requires decisions to be made early. Early peer review, digital modelling and better coordination between designers and contractors can all reduce routine over-specification – including the additional



Around 52 per cent of all steel globally goes into buildings and infrastructure, so reducing the greenhouse gas emissions associated with steel is a pressing challenge. PHOTO: GETTY IMAGES

material that can result from standard safety factors and simplifying the range of structural members sent to site.

The opportunity continues through fabrication and construction, where greater efficiency can further reduce material use and waste. By 2050, our modelling assumes a 20 per cent reduction in steel use in new construction through better design. That is a substantial contribution to the overall emissions reduction path.

This also changes how we should think about embodied carbon during project development. Greenhouse gas emissions need to become a standard consideration in early design, alongside cost, quality and timeline – not an afterthought applied once the structural system is already set.

Procurement then has a critical role in ensuring those design intentions survive from drawing board to completed asset. Our plan envisages procurement contracts incorporating upper limits for embodied carbon by material type, supported by industry benchmarks. It also identifies the need for mechanisms to verify specified low-emissions materials have not been value engineered out during construction.

Better digital workflows between design and construction can help here too, enabling products to be specified precisely rather than relying on generic, off-the-shelf materials.

Keep steel working for longer

There is another way to reduce demand for new steel: get more life from the steel we already have.

Adaptive reuse means extending the life of buildings and infrastructure rather than automatically demolishing and replacing them. It can include repurposing existing structures, upgrading assets instead of replacing them and designing new assets so they can themselves be adapted in the future. Our modelling assumes this approach can reduce steel demand by 10 per cent by 2050.

Steel is well suited to this. Approximately 85 per cent of steel in New Zealand is recovered for reuse or recycling at the end of its current life. Steel can be reused directly and recycled repeatedly without loss of quality, which means the end of an asset's current use is best understood as the beginning of another material life cycle.

That has practical implications for how assets are designed and documented. Digital material passports is one of the tools that can help. Better records of what has gone into a building or structure allow it to function as a material bank. When its original use ends, steel sections can be identified, recovered and reused, while high-quality scrap can be recycled into new steel.

Many of the benefits of decisions made today will be realised beyond 2050. Buildings being constructed now are likely still to be standing then, which makes designing for disassembly and reuse a long-term but necessary part of the picture.

Alongside these changes in demand, the steel supply chain is changing too.

A changing supply chain

Our plan identifies greater recycling of steel scrap as its single most important short-term strategy. Recovered steel should be treated as a strategic resource – one that needs efficient collection, sorting, domestic processing and recycling rather than export.

Electric arc furnaces can melt steel scrap into new steel using electricity and, when powered by renewables, achieve emissions around 80 per cent lower than conventional coal-based blast furnace production. This shift is already under way in New Zealand. A new electric arc furnace is now operating at Glenbrook, backed by around \$300 million of co-investment from BlueScope Steel and the New Zealand Government. From late 2026 it is expected to cut national greenhouse gas emissions by around one million tonnes a year – more than 1 per



cent of the country's gross emissions, and the largest single-site emissions reduction initiative in New Zealand to date.

For logistics, infrastructure and procurement professionals, Forging Ahead has implications well beyond decisions about which steel product to specify.

Before replacing an asset, ask whether it can be retained or adapted. Bring designers and engineers together early to reduce material use, and make sure those decisions are captured in procurement contracts that hold through to construction. Invest in better records of what goes into assets so steel can eventually be identified, recovered and returned to productive use.

And treat recovered steel as a logistics challenge as much as a materials one – it needs to be collected, sorted, moved and processed efficiently to realise its value.

The steel industry has set a target of more than 90 per cent reduction in direct and electricity-related emissions by 2050, without relying on carbon offsets. Reaching it will require action across the entire value chain – from manufacturers and importers to designers, engineers, builders, recyclers, asset owners, government and those responsible for the infrastructure and logistics systems that connect them.

The projects being delivered today are part of that process. The choices made now – about what to build, how to specify it and what happens to it at the end – will determine how quickly the industry gets there.



Jeremy Sole is the Executive Officer for the Sustainable Steel Council (SSC), the leading industry body for sustainability in New Zealand's steel sector. He spearheaded the development of SSC's Green Building Council recognised Responsible Products Certification.

Where the parties stand on transport

New Zealand goes to the polls on 7 November. Transport and freight policy rarely leads the campaign, but it shapes almost everything New Zealanders do day to day: how infrastructure gets funded, how freight moves between road, rail, and coastal shipping, and how the regulatory environment operators work under is set.

Ahead of the election, we invited every parliamentary party to set out their transport vision directly to our readers, in their own words. National, Labour, and the Greens took up the invitation. We've run their submissions unedited and side by side over the following pages, so you can compare where each stands on land transport funding, freight and supply chain resilience, infrastructure prioritisation, and the regulatory settings operators work under.

New Zealand First was also invited but did not submit by the deadline.



BY HON. CHRIS BISHOP,
NATIONAL PARTY
TRANSPORT SPOKESPERSON

NEW ZEALAND'S ECONOMY depends on a transport system that works. For the freight and logistics sector, that is not an abstract policy goal. It means roads that are maintained, ports and rail links that can be relied on, sensible regulation, and a clear pipeline of infrastructure so businesses can plan and invest with confidence.

Over the past three years, the Government has put a much stronger focus on those fundamentals. If National is re-elected, our commitment to delivery will continue through continued improved maintenance, more disciplined investment, a more sustainable funding system, stronger freight resilience and rules that support productivity rather than getting in the way of it.

One of the biggest challenges is how we pay for the land transport system.

New Zealand has traditionally operated on a user-pays principle, with Fuel Excise Duty (FED) and Road User Charges (RUC) flowing into the National Land Transport Fund, but the balance has shifted. FED and RUC have not increased since 2020, fuel excise has fallen by around 21 per cent in real terms, and Crown funding now makes up 39 per cent of the current National Land Transport Programme.

GPS 2024 provided for FED and equivalent RUC increases from 2027. However, as we have signalled for some time, National considers a delay appropriate following the recent fuel crisis. Cabinet has agreed to cancel the FED and RUC increases scheduled for 2027 and instead proceed with five-cent-per-litre increases every six months from 1 January 2028 for two years, before slowing to annual five-cent-per-litre increases from 1 January 2030.

Meanwhile, across the aisle, Labour has promised to cancel all FED and RUC increases for three years if they win the election, while simultaneously promising \$65 million a year for public transport fare caps from the same fund.

Labour says it will cover the difference by "scaling" transport projects – in other words, projects will be delayed or cancelled. After spending the last term calling for greater infrastructure certainty and bipartisanship, Labour is now putting that certainty at risk without saying which projects would go.

A major reduction in revenue for the Land Transport Fund has consequences for road maintenance and pothole prevention, resilience projects, local road improvements and public transport, as well as the

thousands of jobs supported by that work.

National will take a fiscally responsible approach to FED and RUC that recognises cost pressures on motorists without blowing a hole in the transport programme or undermining New Zealand's infrastructure pipeline.

We also acknowledge that the longer-term answer cannot simply be to continue putting more tax on every litre of petrol. We need a funding system that better reflects how people actually use the network, and that gives us more tools to pay for major investments.

That is why we are progressing the transition toward electronic road user charges for the whole vehicle fleet, so that over time vehicles contribute according to distance and weight rather than the type of fuel they use.

We are also advancing time-of-use charging, greater use of tolling and Infrastructure Funding and Financing Act levies where they make sense. These tools will not replace the National Land Transport Fund, but they can take pressure off it and help bring forward projects where there is a clear group of users or beneficiaries.



At the same time, we have to get much better at looking after what we already own.

Maintenance and renewals were allowed to fall behind for far too long. We created a dedicated \$5.5 billion Pothole Prevention activity class in the 2024–27 National Land Transport Programme and put tougher performance requirements on state highway maintenance contractors. Around 98 per cent of identified state highway potholes are now being repaired within 24 hours each month.

That matters to every road user, but particularly to freight operators. Poor road surfaces damage vehicles, increase operating costs and make journey times less reliable. Maintenance is not the less exciting cousin of new infrastructure, but rather one of the most important investments government can make.

We are also building to address our infrastructure deficit, with a credible plan that goes deeper than a list of projects.

Ōtaki to north of Levin, the Hawke's Bay Expressway, Takitimu North Link Stage 1 and SH29 Tauriko West are under construction. Work on Warkworth to Te Hana, the first stage of the Northland Expressway, is due to begin by the end of this year, and Cambridge to Piarere is expected to start in early 2027. By early next year, six Roads of National Significance will be under construction.

In the longer-term, the independent New Zealand Infrastructure Commission's National Infrastructure Plan has given the country a 30-year view of how we should plan, fund, maintain and deliver infrastructure. The Government has supported all 16 of its recommendations in full or in part.

That includes stronger asset management, better independent assurance and a more disciplined approach to project selection.

We have transferred central government infrastructure assurance from Treasury to the Infrastructure Commission, and I have asked the Commission to report on why major transport projects cost so much in New Zealand compared with earlier projects here and with comparable countries overseas.

We need to be prepared to ask hard questions before committing billions of dollars: is the project needed now, does demand justify it, is there a lower-cost option, is it deliverable, and does it represent value for money?

NZTA's Major Transport Projects Pipeline is part of the same approach. The sector should be able to see what is coming, in what order, and with a realistic pathway to funding and delivery.

Freight resilience is another core part of that picture.

Around 300 million tonnes of freight move around New Zealand each year. Road will continue to carry the majority of that task, but road, rail, ports and coastal shipping all have a role in a resilient national system.

We reinstated the National Freight Demand Study and established the Freight Advisory Council so decisions are informed by current data and the people who operate supply chains every day. Budget 2026 also included \$400 million for state highway resilience work on vulnerable routes around the country.

Rail needs to be reliable and properly maintained where it supports productive freight movements. Coastal shipping provides another option when roads or other parts of the network are disrupted. Ports are nationally important infrastructure, and the road and rail connections into them

need to be treated as part of the same freight system rather than in isolation.

Government also has a responsibility not to tie operators up in rules that no longer make sense.

Our Land Transport Rules Reform programme is modernising a system that has accumulated unnecessary complexity over many years. For freight operators, that includes simplifying heavy-vehicle permitting, reviewing licence weight thresholds, making better use of digital documents and removing obsolete requirements that add cost without improving safety.

The test should be straightforward: rules should manage real risks and support safety, but where they impose cost or delay for no good reason, they should change.

There is still a lot to do. The next National-led Government will need to confront the funding gap in land transport, keep bearing down on infrastructure costs, protect maintenance and renewals, and be more disciplined about which major projects proceed and when.

My goal is a transport system where users and beneficiaries meet a fair share of the cost, the assets we already have are properly looked after, investment follows demand and value for money, and freight can move reliably around the country.

For New Zealand to grow, the transport system has to keep up. That means doing the basics of regulation, funding and maintenance well, making better long-term decisions, and getting on with building the infrastructure the country needs.



BY JULIE ANNE GENTER, GREEN PARTY TRANSPORT SPOKESPERSON

THE GREEN PARTY HAS long campaigned for government to invest in modern, sustainable, and affordable transport options. This will make it easier and cheaper for people to safely get around our cities and regions.

Aotearoa was once joined up by buses and a reliable passenger rail system. Frequent, affordable and reliable public transport ran throughout our cities and towns.

After our rail network was sold off for private profit, it was returned to the people in disarray. Successive governments have failed to invest in our rail network or plan for the future in our urban areas. Our cities are now choked with cars, instead of flourishing with people.

People have been priced out of our central cities and now live in the outskirts, where they are poorly served by public transport and don't have safe walking and biking infrastructure. The Coalition Government is also forcing public transport authorities to increase fares, through its "private share" policy, and has cancelled work to introduce frequent services to smaller towns, including Dunedin, Levin, and Hawke's Bay.

This has left so many with no option but to rely on cars to get around, adding to congestion, increasing their dependence on fossil fuels and making people vulnerable to oil price shocks.

The Green Party will invest in transport as a public good, so we all have real options to get around our communities, wherever we live. We'll ease congestion with rapid buses and modern trams in our biggest cities. We will fund councils to build linked-up micro-mobility (bike, trike and scooter) networks and invest in rail to move people and freight. Giving people the freedom to take public transport or a bike instead of being forced into cars will provide them immediate relief where it counts — their wallets.

Coastal shipping deserves a bigger focus for freight as well, and there is an opportunity to publicly fund logistics and services, as opposed to just focusing on new infrastructure, to reduce the cost of moving goods around the country. We will electrify our transport system: buses, trains, ferries,

cars and trucks, bikes, cargo bikes and trikes all present a massive opportunity for our country to reduce costs, become more energy independent, and to help us achieve cleaner air and a stable climate.

The Green Party has a very successful track record of implementing practical policy for public good, with long term benefits. We campaigned for the Northern Busway, the electrification of Auckland's rail network, and the transformational City Rail Link. We campaigned to save the Auckland to Wellington passenger train services, and KiwiRail's electric locomotives.

From 2017-2020 as a confidence and supply partner to the Labour-NZ First coalition government, the Green Party delivered the evidence-based Road to Zero road safety strategy and action plan, spearheaded the Clean Car Discount and Standards which massively increased the fuel efficiency of vehicles being imported to New Zealand, and increased the funding in the Government Policy Statement on Land Transport for local road and state highway maintenance and renewals. We campaigned for more affordable public transport fares for everyone, and the Community Connect card, which targets much reduced public transport fares for those on benefits and low incomes. Over the years, we have also won an exemption for public transport and bikes, scooters and electric-assist versions from Fringe Benefit Tax, which is now resulting in employers being able to enable their employees to save money when they use greener transport modes.

The Green Party has criticised both the Coalition Government (National, ACT and NZ First) and the Labour Party for kicking the can down the road on transport funding by repeatedly delaying fuel tax rises that are needed for the transport budget to keep up with inflation. We also do not support the unaffordable promises made by the National Party to continue building new four lane expressways, at the expense of maintaining and renewing our entire road network and improving safety and capacity in more targeted means. We fully support the recommendations in the National Infrastructure Plan, including restoring a

more user-pays approach to funding our road network so that Crown funding can be used for our public health and energy infrastructure.

Our plan

- Transform public transport networks, including building mass rapid transit in Auckland, Wellington and Christchurch, and provide comprehensive bus lanes in all cities.
- Invest in nationwide rapid rail for passengers and freight to connect regions and major cities and contribute to economic development and decarbonisation.
- Introduce targeted subsidies and zero interest loans for e-cargo bikes. Introduce e-bike sharing schemes in community hubs to allow more families to save on transport costs.
- Fund affordable, reliable, interregional rural bus services, and on-demand public transport, including by-Māori for-Māori public transport to serve kōhanga reo and rural schools.
- Extend Community Connect to provide free fares for students and apprentices, community service card holders, everyone under 18, and all Total Mobility card holders.
- Enable the provision of publicly owned public transport services instead of being limited to the private contracting of services.
- Create safe walking and biking routes to all community hubs, including schools, through the building of more bike lanes and safe crossings, and lowering speed limits near schools.
- Implement a phase-out date for the importation of fossil-fuel powered vehicles, build more electric vehicle charging stations, remove regulatory barriers to EV car-sharing and re-introduce incentives for EV uptake, like the very successful Clean Car Discount, or alternatively, removing Fringe Benefit Tax from EVs for a period of five years.



BY TANGI UTIKERE, LABOUR PARTY TRANSPORT SPOKESPERSON

IN 2021, THE LABOUR GOVERNMENT

ordered two rail enabled Cook Strait ferries. Nicola Willis cancelled them in a knee-jerk decision in late 2023, and a shipyard is now building a replacement designed to a standard described as 'Minimum Viable Product'. That phrase, and its implications for the quality of the programme New Zealanders are going to receive, deserves more scrutiny, because the Cook Strait is the joint on which New Zealand's national supply chain hinges. It also sums up this government's approach to infrastructure and supply chains more generally.

Cancellation costs and the maintenance needed to keep an ageing fleet in service have been put at over \$1 billion and counting, the replacement programme now runs to almost \$2 billion, and the ships will be smaller than the ones that Nicola Willis cancelled. Raising the Picton rail yard, which the cancelled programme provided for, has been ruled out as unviable for financial reasons, and engineering advice indicates that towards the end of the working lives of the new wharves and linkspans - assets expected to last 60 and 30 years respectively - extreme high tides could stop ferries loading and unloading passengers, vehicles and rail freight altogether. The sea level assumptions underpinning that design sit at the conservative end of the accepted range, and the implications for New Zealand's productivity could be dire.

With that in mind, it is clear that this government has not delivered savings, but a deferral. The bill for their procrastination will fall on freight operators and their customers decades from now, when remediating a wharf that cannot be worked will cost a great deal more than raising a rail yard would have while the ground was already open. Infrastructure of this significance needs to be designed for the conditions the country will face across the life of the asset, not the conditions that make the next Budget line appear more manageable.

Ministers' handling of the programme has only made things worse. Questions about scope, cost, delay and risk on a publicly

funded strategic asset have been met with redactions and commercial sensitivity, while the readiness dates that have surfaced are already well behind schedule, with completion unlikely to be seen this decade as promised. If iReX hadn't been cancelled, the bigger, better ferries would have arrived by now.

'Minimum Viable Product' is a philosophy rather than an isolated decision, and it is the same philosophy that builds a pipeline in three-year increments. To contrast, Labour is committed to projects that are already contracted, that are underway and are funded - we won't abandon a plan merely because we didn't design it, and we will work with what we inherit.

More scrutiny should fall on projects announced without a completed business case, without confirmed funding, or with benefit cost ratios that do not survive contact with their own numbers. Seventeen Roads of National Significance were promised in 2023 and almost none of them have been funded, with the vast majority having been effectively cancelled - while hundreds of millions of dollars have been poured into planning and land acquisition. Cost benefit analysis and independent assurance should mean something in practice, and a pipeline capable of surviving a change of government is worth more to this sector than any single project sitting on it.

None of this can be funded by charges households cannot carry, which is why Labour has committed to no increases in fuel excise duty across the next term. Fuel is not a luxury, and while global oil prices sit outside the control of any government, the tax added at the pump is a choice. It is also a flat charge on every litre that takes no account of what the person buying it earns. A night shift worker running a 20-year-old car pays the same cents per litre as someone in a new hybrid, burns more litres covering the same distance, and is the less likely of the two to have any alternative. Households on the lowest incomes already spend a far larger share of what they earn simply getting around, so a flat increase takes its biggest

bite from those least able to absorb it. The Government has cancelled the 12 cents legislated for January, but replaced it with increases from 2028 building to 20 cents by the end of the decade, bridged by a Crown top up of around \$1.5 billion that is mostly yet to be sourced.

Labour's public transport fare cap works on the same principle. From 1 July 2027 the most anyone pays in a week on buses and trains will be \$20 in Auckland, Wellington and Christchurch, and \$10 elsewhere, at a cost of about \$65 million a year, less than one per cent of the National Land Transport Fund. Every person on a bus is a car not sitting in front of a truck transporting goods.

Confidence in the regulatory system matters just as much, and it is under strain. NZTA is investigating allegations of bribery, corruption and fraud across the driver licensing system, testing officers have been suspended or stood down, hundreds of drivers have been required to re-sit, hundreds of fraudulent commercial licences have been identified, and heavy vehicle testing is among the areas most affected. An industry whose standing rests on a heavy vehicle licence meaning exactly what it says cannot afford doubt on that point, and Labour will follow those investigations to their conclusion and act on the findings in government. Alongside it sits the ordinary barrier of cost and difficulty in getting and holding a licence, which weighs heaviest on the workforce the sector most needs to recruit.

When New Zealanders vote on 7 November, Labour is asking for the opportunity to run an integrated transport system, sized honestly against what it can pay for, funded without pushing charges onto the households least able to meet them, and built for the conditions the country will face. We cannot afford three more years of needless and destructive transport and infrastructure policies that prioritise short term political goals over New Zealand's long-term interests.



New Zealand has lost its last New Zealand-flagged, New Zealand-crewed container ship. PHOTOS: GETTY IMAGES

Swire Shipping closes Pacifica coastal service, ending New Zealand's last domestic-flagged container ship

NEW ZEALAND'S LAST SCHEDULED coastal container freighter has made its last run. This time it isn't coming back.

Swire Shipping has confirmed the closure of its Pacifica coastal service, telling customers on 9 July 2026 that it could not find a sustainable pathway to keep the service running. The *Moana Chief*, Pacifica's remaining 1,740 TEU vessel, made her final coastal voyage in late July, departing Auckland on 23 July and arriving in Lyttelton on 26 July. What had originally been flagged as a pause for mandatory drydocking has now been confirmed as a permanent withdrawal. New Zealand has lost its last New Zealand-flagged, New Zealand-crewed container ship.

To understand why this matters, it helps to look at how Pacifica got here. The service, operated under Swire Shipping's New Zealand arm, has run coastal freight for close to 40 years. It was the last one of the few remaining New Zealand-flagged options for moving containers between our own ports rather than trucking or rail them the length

of the country. Until 2024, Pacifica ran two vessels: the *Moana Chief* and the *Takutai Chief*, together offering a 3.5-day service frequency between Auckland, Lyttelton, and Marsden Point. That two-ship operation was underpinned partly by a roughly \$10 million government subsidy introduced in 2022 to bolster coastal shipping, alongside support for several other operators. When that subsidy ended and reduced feeder volumes from international shipping lines bit into the economics, the *Takutai Chief* was withdrawn in August 2024, taking 12 maritime jobs with it and leaving the *Moana Chief* running solo.

It's not just Pacifica that's struggled. Maersk's competing Coastal Connect service, which ran two New Zealand-crewed ships and received no government subsidy, was withdrawn in 2023. Two different operators, two different funding models, the same result. That pattern suggests the problem isn't one company's cost structure; it's the underlying economics of coastal shipping in New Zealand.

Swire Shipping country manager Jan Hintz has pointed to reduced market demand, port constraints, and an inconsistent regulatory landscape as ongoing challenges. The company says it explored options to keep the service running but couldn't secure replacement tonnage given a tight global shipping market and elevated charter rates, and consultation with seafarers and shore-based staff has now concluded alongside the confirmed closure.

Industry reaction has been sharp. Maritime Union of New Zealand (MUNZ) national secretary Carl Findlay called the withdrawal "a devastating blow, not just to the skilled Kiwi seafarers who face redundancy, but to our entire island nation". He linked it to decades of transport deregulation and government indifference to coastal shipping as strategic infrastructure: "New Zealand is an island nation that relies on sea transport to move freight, yet our 'blue highway' has been left to rot." Findlay warned the loss leaves supply chain decisions in the hands of overseas operators with no stake



in New Zealand: “Our absolute reliance on foreign-flagged, foreign-crewed vessels means that decisions about New Zealand’s supply chain security are now made entirely in overseas boardrooms with zero loyalty to our country.”

Findlay has also directed criticism at KiwiRail, calling it “a disgrace” that the taxpayer-owned entity has chosen to outsource domestic freight movement to foreign vessels operated by international lines such as CMA CGM and ANL, rather than supporting local coastal shipping capacity. That’s a pointed claim, and one CILT members with rail and coastal shipping interests will likely have views on, either way. MUNZ is pushing for an amendment to Section 198 of the Maritime Transport Act 1994, which currently allows international vessels to carry domestic cargo without restriction, arguing New Zealand should return to rules that prioritise New Zealand-flagged and New Zealand-crewed vessels for domestic port-to-port trade.

For CILT members, the real question isn’t the fate of one ship. It’s whether New Zealand retains any dedicated coastal shipping option at all, and what happens to the freight that currently moves by sea if it doesn’t. Coastal shipping has always been a relatively minor share of New Zealand’s total freight task compared with road and rail. But for certain routes and certain freight types, it’s the only viable third mode: it reduces pressure on roads, offers a lower-emissions alternative, and provides resilience if road or rail corridors are disrupted, as they regularly are around Cook Strait and the lower North Island. Losing that option, even partially, pushes more freight onto already-stretched road and rail corridors, with knock-on effects for congestion, emissions, and resilience planning that the sector will be dealing with for years, not months.

There’s also a policy dimension members should keep an eye on. Coastal shipping has been the subject of periodic government attention for years (subsidies,

reviews, and various “coastal shipping strategy” documents have come and gone) without a durable answer to the underlying economics. The pattern with both Pacifica and Maersk’s Coastal Connect suggests subsidy alone doesn’t fix the problem. A longer-term policy response would need to address the structural cost disadvantages coastal shipping faces against road and rail: port charges, crewing costs on New Zealand-flagged vessels, and the relatively small scale of the domestic freight task compared with the fixed costs of running a dedicated coastal fleet. Findlay’s call for cargo-preference legislation is one possible answer, but it’s a contested one. Mandating New Zealand-flagged vessels for domestic cargo would likely raise freight costs in the short term, even if it rebuilds long-term capacity. Members with a stake on either side of that trade-off, whether as shippers, forwarders, or port operators, should expect this to be a live policy conversation for months to come, regardless of whether Pacifica’s exit prompts any government response.

Early detection stops potential biosecurity threat

A SHARP EYE, a speedy response, and a strong working relationship between a Timaru-based transport company, an importer and Biosecurity New Zealand helped stop a potentially significant biosecurity threat.

On 24 February, staff at Brosnan Transport Limited (BTL) opened a container of diced tomatoes in drums from Turkey.

During the inspection, BTL's Pete Corry, who is accredited by Biosecurity New Zealand to inspect shipping containers, noticed several warning signs on the wooden pallets supporting the cargo. These included extensive webbing, dead insects, and small piles of fine dust known as insect frass.

The BTL team immediately paused unpacking operations, secured the cargo and packaging inside the container, and contacted the local Biosecurity New Zealand team.

According to regional quarantine officer Mike Severinsen, it was exactly the sort of response that stops biosecurity threats from becoming much bigger problems.

"This is a really good example of the value of early detection. The signs were recognised quickly, work stopped immediately, and the issue was reported before any potential pest could spread beyond the container."

Biosecurity New Zealand officers arrived on site soon after and confirmed the concerns raised by the BTL team. Following discussions with the importer and its agent, officers recommended a supervised devan and re-palletising of the consignment.

Because wood-boring pests were suspected, fumigating the entire consignment was not considered suitable due to the potential impact on the food cargo.

Working alongside Biosecurity New Zealand staff, the BTL team carefully isolated all 56 pallets, shrink-wrapped them, and reloaded them into a spare container for secure management.

Laboratory analysis later identified four live larvae collected from the pallets as belonging to the Cerambycidae family, commonly known as longhorn beetles.



During the inspection of a container from Turkey, staff noticed several warning signs that something wasn't right, like small piles of fine dust known as insect frass. *PHOTOS: MINISTRY FOR PRIMARY INDUSTRIES*



Unusual damage to pallets or packaging should be reported immediately to Biosecurity New Zealand while the goods are contained.

While the exact species could not be determined, several longhorn beetle species found in Turkey are internationally recognised forestry and agricultural pests.

"The discovery highlights why attention to detail matters," says Mr Severinsen. "Something as small as fresh frass on a pallet can provide an important clue that leads to a significant interception."

The affected packaging from the consignment was subsequently sent for steam sterilisation.

But the story did not end there.

A second consignment of diced tomatoes containing another 56 pallets showed similar signs of fresh insect activity. Once again, the BTL team identified the issue early, re-palletised the cargo, and worked closely

with Biosecurity New Zealand to ensure the affected pallets were isolated and fumigated.

A recent third consignment also arrived with signs of infestation. Given the extent of contamination, the entire consignment was fumigated and sent for deep burial.

Mr Severinsen says the importer played an important role in managing the risk.

"Rather than treating the issue as an isolated event, they worked proactively with Biosecurity New Zealand and BTL to identify solutions and prevent future occurrences.

"The importer was understandably disappointed with what had been found and has been committed to helping resolve the issue," says Mr Severinsen.

"They've taken the findings seriously and are exploring options to prevent a repeat, including reviewing their supply arrangements."

Mr Severinsen also praises the efforts of the BTL team, who managed the repeated interceptions during an exceptionally busy period.

"BTL's site was under significant pressure at the time, but the team never hesitated. They reported each find promptly, supported our investigations on site, diverted staff to carry out the labour-intensive re-palletising work, and helped coordinate multiple treatment requirements.

"These incidents created a lot of extra work for them, but they understood the importance of protecting New Zealand from unwanted pests and followed the correct processes every step of the way."

For Mr Severinsen, the outcome demonstrates what can be achieved when industry operators and border officials work together.

"Strong biosecurity outcomes rely on strong partnerships. In this case, the importer, BTL's container handling team, and Biosecurity New Zealand all worked together to manage the risk safely and efficiently.

"BTL's biosecurity capability and its close working relationship with local quarantine officers played a key role in the response. Staff not only recognised the warning signs but were confident in the steps required to contain and report the issue.

"For people working with imported cargo every day, this is a reminder that vigilance makes a difference. Knowing what to look for and acting quickly helps protect New Zealand's environment, primary industries, and economy."

Mr Severinsen also acknowledges fellow Biosecurity New Zealand officers Heidi

Weston and Helen Todd for helping foster a positive and supportive relationship with industry.

"Heidi and Helen have worked hard to create an approachable and educational environment where people feel comfortable contacting us when they see something unusual. That's particularly important when businesses are busy and under pressure.

"Those relationships make a real difference when it comes to protecting New Zealand's biosecurity system."

The longhorn beetle threat

Longhorn beetles (family *Cerambycidae*) are wood-boring insects found throughout the world. Their larvae tunnel deep into timber and wooden packaging, where they can remain hidden for extended periods.

While New Zealand is home to native species such as the huhu beetle, some introduced longhorn beetles are serious pests capable of damaging forests, orchards and urban trees.

Common signs of infestation include:

- Fine, sawdust-like material (frass)
- Round exit holes in timber
- Tunnelling or galleries inside wood
- Live insects or larvae

Species such as the Asian longhorned beetle (*Anoplophora glabripennis*) and citrus longhorned beetle (*Anoplophora chinensis*) have spread internationally through the movement of wood packaging and are considered significant biosecurity threats.

Longhorn beetles and other wood-boring pests can be difficult to detect because much of their activity occurs inside the wood. That's why early detection is so important.

If you notice insect frass, live insects, unusual damage to pallets or packaging, or anything else that doesn't look right:

1. Stop work immediately
2. Contain the goods
3. Report it to Biosecurity New Zealand 0800 80 99 66



The huhu beetle - *Prionoplus reticularis*.



Pupa inside a log with frass from feeding.



Asian Longhorn Beetle – *Anoplophora glabripennis*.



Live longhorn larvae and beetle.



2026

CILT Annual Forum and Awards Dinner

WHEN: FORUM 9:00 AM – 5:00 PM
DINNER 5:30 PM - 10:00 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/>

