

The 2014 National Freight Demand Study Some Key Findings for Waikato



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It should be noted that the views expressed in this presentation represent those of Richard Paling Consulting and are not those of the Ministry of Transport

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Freight in New Zealand

- Freight plays a vital part in a modern economy
- Efficient movement of goods:-
 - Supports the movement of exports
 - Supports quality of life of New Zealanders
- Volumes potentially large
 - 50 tonnes per resident per year

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Freight in New Zealand - 2

- But also adverse impacts
- Fuel consumption and pollution
 - Freight consumes about 40-45 per cent of energy used in transport sector
 - Different methods of freight consume different levels of energy and have different emission levels
- Movement of freight impacts on communities
 - Noise
 - Severance
 - Perceived safety issues

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Freight in New Zealand - 3

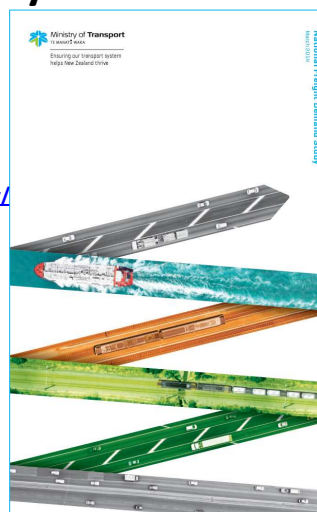
- Planning for freight important
 - What infrastructure and services are required
 - What opportunities exist
- Need an understanding of
 - the current patterns of freight flows
 - the ways these may develop over the future

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The Current Study

- Changes in patterns of transport
- Need for update of earlier study
 - Commissioned by MoT and available on:-
www.transport.govt.nz/research/nationalfreightdemandsstudy/
- Built on earlier work
- Hybrid approach pulling data together from a range of sources
- Wider range of commodities examined
- Also considered movements associated with exports and imports



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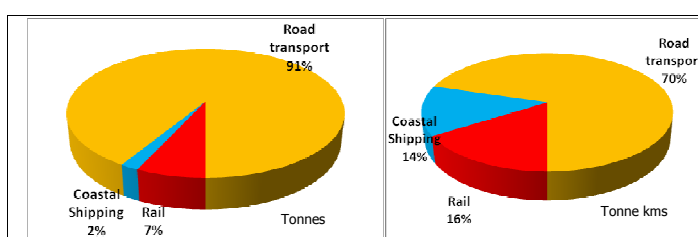
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The Position in 2012

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The National Position in 2012 : Modal Shares

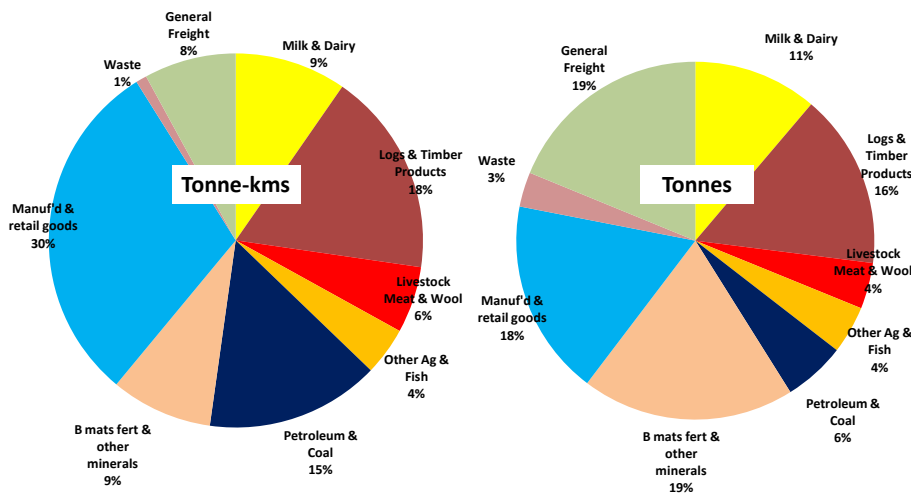


- Dominance of road transport particularly in terms of tonnages
- Less so for tonne-kms because of longer movements by rail and coastal shipping

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The National Position in 2012 : Shares by Commodity

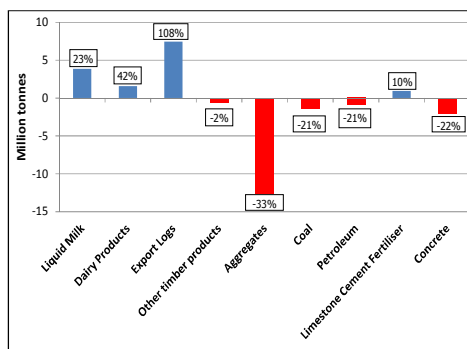


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The NZ Position in 2012 : Comparison with 2006-07

- Total freight volumes similar
 - Little overall growth
- Change in mix
 - Growth in agricultural commodities for export
 - Logs and dairy
 - Falls or stable position for goods linked to domestic demand
 - Building materials
 - Retail & manufactured goods



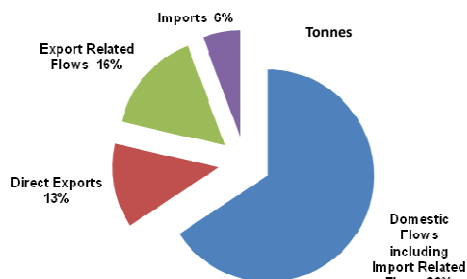
Changes in Flows of Selected Key Commodities NZ
2006-07 to 2012 (million tonnes)

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The Position in 2012 : International Traffic

- Assessment of international traffic in total freight flows
- Export related flows about 30 per cent of all movements
- Imports harder to define since supply chains more complex
- International trade at least a third of all freight movements

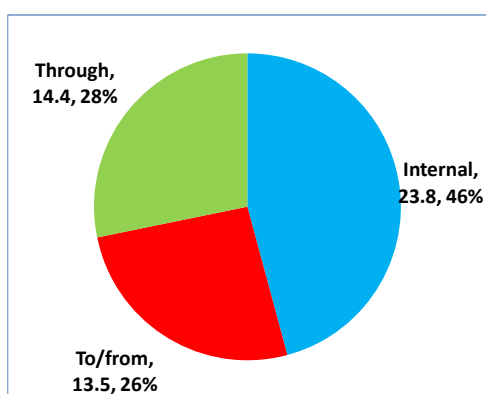


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Total Traffic Impacting on Waikato

- Internal freight traffic within region
- Freight traffic to or from Waikato
- Through freight traffic



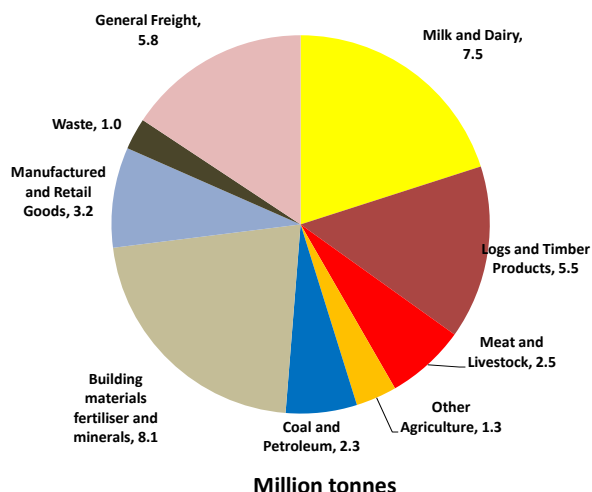
Total Freight Flows Impacting on Waikato
(m tonnes , per cent of total)

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2012 : Freight to/from or within Waikato

- Dominance of basic products especially milk and dairy and building materials
- High shares in relation to national totals



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Patterns of Movement in 2012

- Freight traffic impacting on Waikato about 22 per cent of national total
- Dominated by internal movements which represent almost half of total
- Importance of movements with other Upper North Island regions about one quarter of total
- Longer distance flows with areas outside UNI small at about 3 per cent of total
- Through flows substantial at just over a quarter of total
 - Reflects role of Waikato as freight crossroads
 - North-South movements particularly to or from Auckland
 - Movements to or from Bay of Plenty

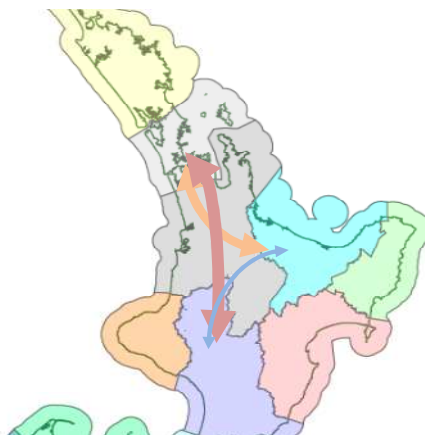
	Total Freight in 2012 (m tonnes)	Per cent of total
Northland	0.2	0%
Auckland	6.8	13%
Within Waikato	23.7	46%
Bay of Plenty	4.9	9%
Other NI	1.3	3%
South Island	0.2	0%
Through	14.4	28%
Total	51.6	100%

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Waikato as Freight Crossroads

- Bay of Plenty to north
 - 5.2 m tonnes
- Bay of Plenty to south
 - 2.5 m tonnes
- Auckland/Northland to South
 - 6.7 m tonnes

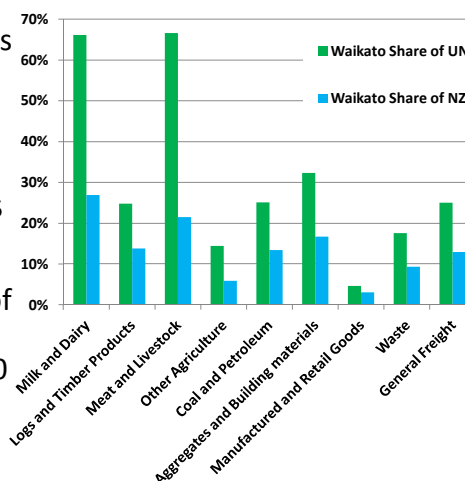


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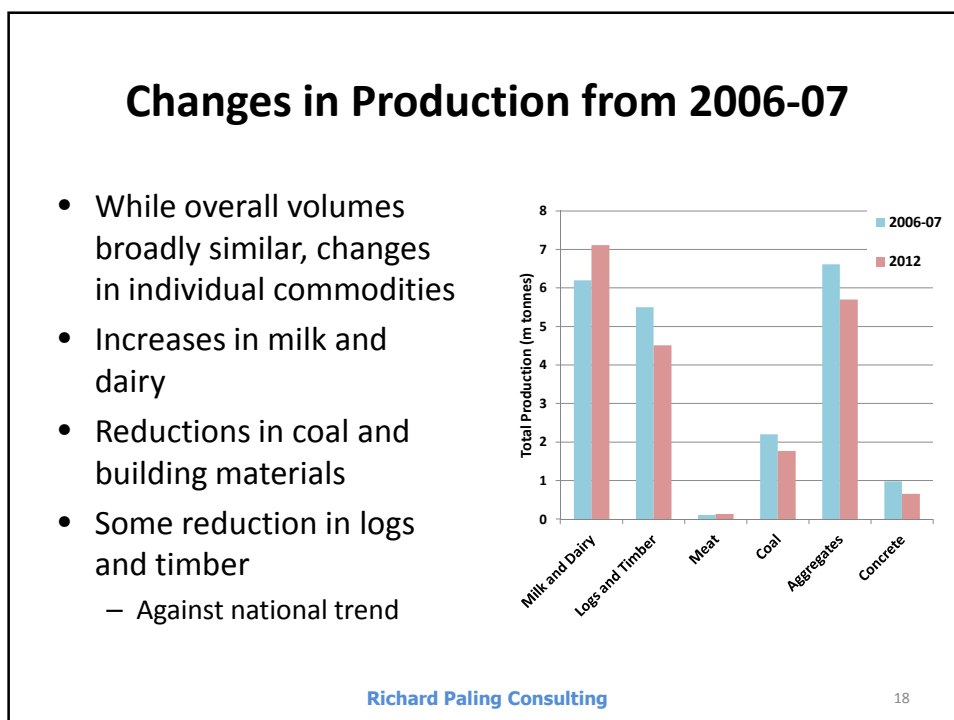
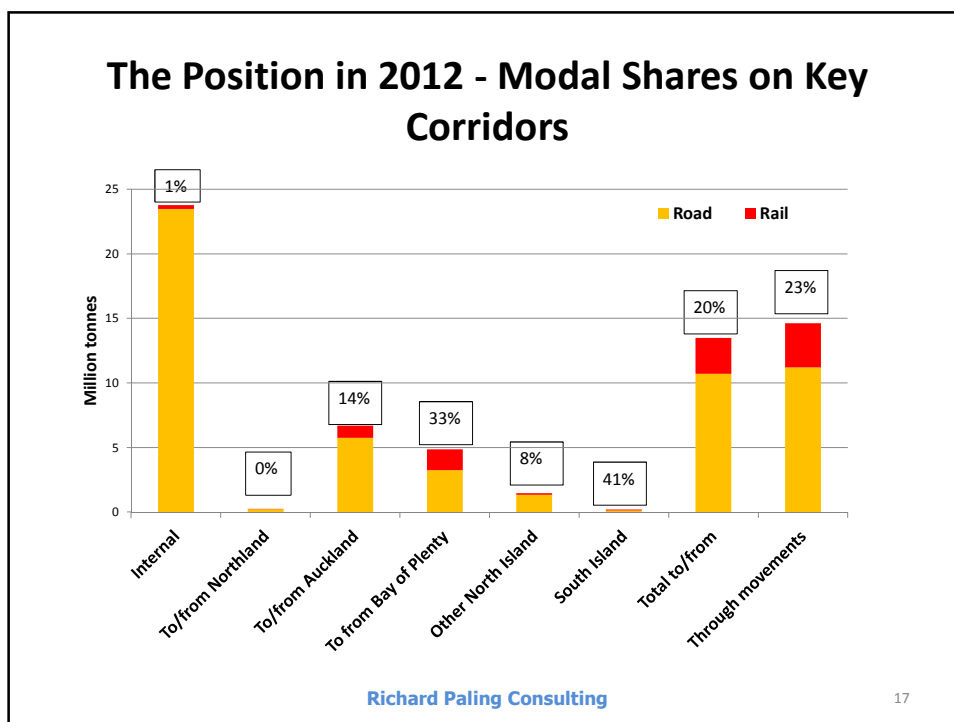
The Position in 2012 – Waikato Shares of UNI and National Production

- Waikato milk & dairy products and livestock & meat
 - Almost two thirds of UNI totals
 - About 20-25 per cent of NZ
- Logs & timber
 - about 25 per cent of UNI and 15 per cent of national
- Aggregates more than 30 per cent of UNI and 17 per cent of national
- These commodities almost 70 per cent of Waikato total
 - Compares with 50 per cent nationally



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Forecast Growth to 2042

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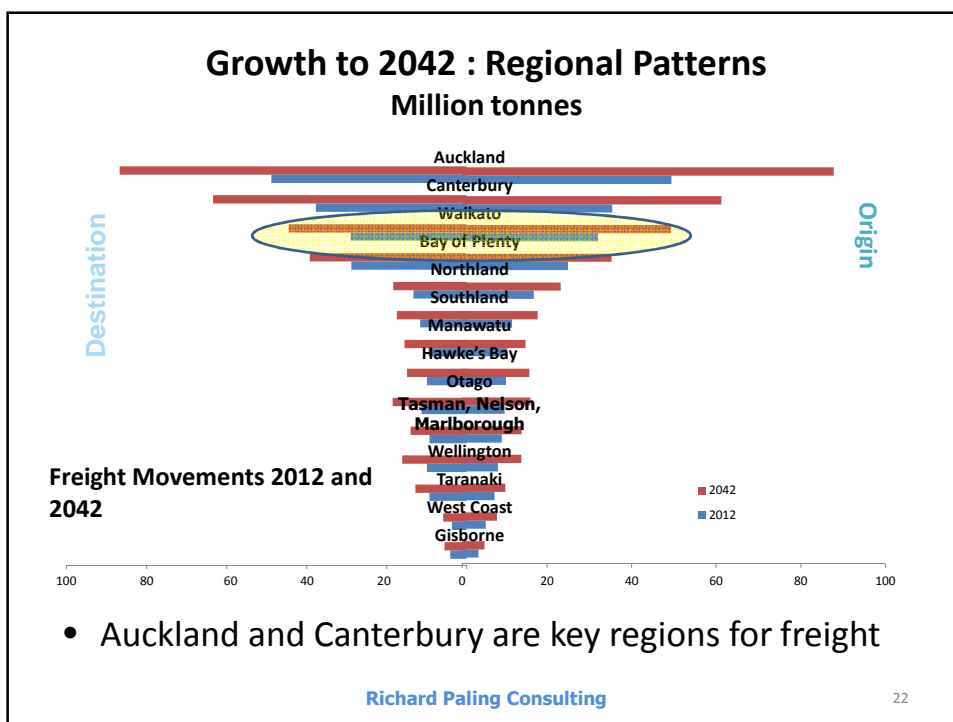
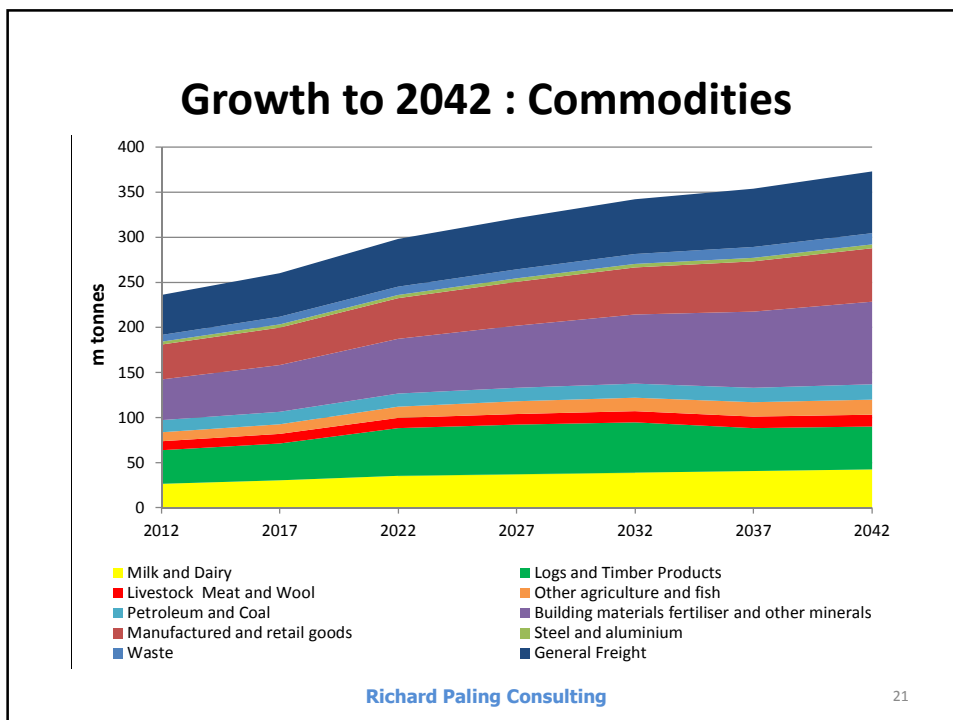
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Growth to 2042 : General Approach

- Individual forecasts produced for each commodity examined
- Take into account constraints on agricultural production and supply as well as potential demands
- Nationally overall growth in tonnage forecast to be just under 60 per cent over 30 years

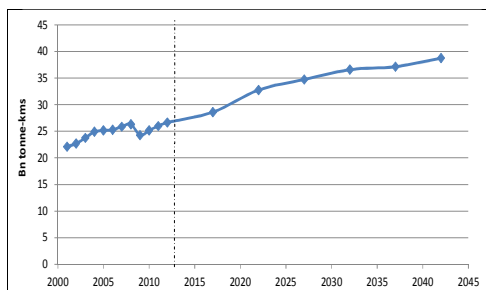
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Growth to 2042 : The Total Position

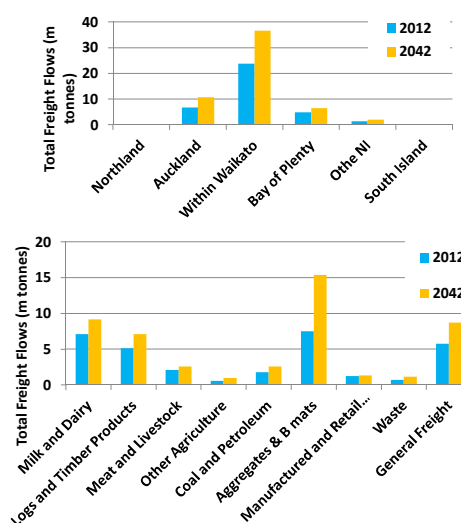
- Putting future forecasts in context of estimated historical growth
- Effects of agricultural constraints (logs, dairy)
- Effects of winding down of Christchurch rebuild



Actual & Predicted Growth in Total Freight Traffic

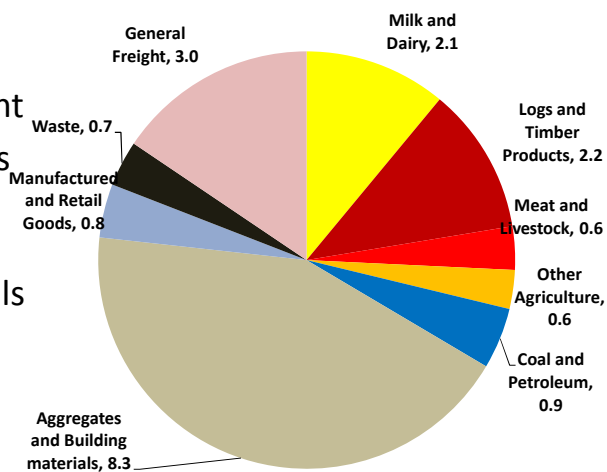
Growth to 2042 : Waikato Commodities

- Total growth of traffic to/from Waikato about 52 per cent
- Main growth internal traffic moving within Region and flows with Auckland
- Some growth to Bay of Plenty
- Main commodity growth in building materials
- Growth in milk and dairy and logs and timber.
- Through traffic forecast to increase by about 45 per cent



Contributions to Growth 2012-2042 in Waikato

- Total growth of about 52 per cent
- Large part of this made up of aggregates and building materials
- Also growth in agricultural products



Growth in Waikato Flows 2012-2042 (m tonnes)

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Growth to 2042 : The Position for Waikato

- Key elements of growth
 - Aggregates and building materials
 - Agricultural products especially milk and dairy and logs and timber
 - Movements of through traffic
- Need for freight network to provide the links between these locations.

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Estimated throughput through Port of Tauranga

- Exports - Waikato products about 2.3 m tonnes or 21 per cent of Tauranga exports
- Imports – Products for Waikato about 0.8 m tonnes or 22 per cent of Tauranga imports
- Decline in volumes and shares from 2006-07 reflecting
 - Reduction in logs harvest and changes in use with smaller share of export logs
 - Cessation of coal imports for Huntly
 - But partly balanced by growth in dairy exports and imports of animal feed.

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Conclusions

- Freight movements in Waikato dominated by road traffic but rail also important
- High proportion of basic commodities for which the cost of freight is important
- Waikato important generator and attractor of freight but also provides through routes between Auckland and south and into and out of Bay of Plenty
- 50 per cent growth to 2042 mainly driven by growth in milk and dairy and building materials
- Movements through Port of Tauranga important but share falling with changes in logging and cessation of coal traffic

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Questions

Thank you



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