

SUBMISSION

BY THE

NEW ZEALAND MEAT INDUSTRY ASSOCIATION

TO

**TRANSPORT AND INDUSTRIAL RELATIONS
COMMITTEE**

On the

LAND TRANSPORT MANAGEMENT BILL

28 FEBRUARY 2003

PO Box 345
Wellington
Ph: 04 473 6465
Fax: 04 473 1731

LAND TRANSPORT MANAGEMENT BILL

SUBMISSION BY NEW ZEALAND MEAT INDISTRY ASSOCIATION (MIA)

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1. Introduction

- 1.1 MIA represents New Zealand meat processors and exporters. Its member companies are responsible for 98 per cent of New Zealand's beef and sheepmeat exports valued at approximately five billion dollars.
- 1.2 MIA member companies operate nearly eighty processing plants dispersed throughout the country. The plants slaughter and process annually about 25 million lambs, 3.8 million sheep and two million cattle. Roughly 85 per cent of the added value output from the plants is exported to overseas destinations; this involves the annual movement to New Zealand ports, spread around the coast in both islands, of approximately 750,000 tonnes of processed meat products.
- 1.3 It follows that the meat processing and export industry has a substantial commercial interest in the management, cost, and operational efficiency of New Zealand's rail and road network. The industry is a very major user of these facilities. The annual industry bill for domestic transport is about \$100 million. The "blue water" bill for shipment of meat products to over seventy overseas markets is approximately \$400 million.

2. Land Transport Management Bill

- 2.1 The Land Transport Management Bill has some positive features, such as the emphasis on a longer-term approach to infrastructural development and encouragement of tolling schemes and private-public partnerships. However these welcome elements are offset by significant shortcomings and in particular:
 - the dismissal of "economic efficiency" as a principle and the inflated importance given to social and environmental considerations
 - the substantial powers contemplated for Ministerial involvement in funding allocation decisions with the scope this would give for political influence
 - the cumbersome and potentially very costly consultative processes envisaged that would inevitably impede timely decision-making
- 2.2 MIA is concerned that the Bill if passed without substantial changes would impose a regime that did little to tackle New Zealand's transport challenges, would not encourage efficient infrastructure spending, and make little contribution to the country's economic growth.

MIA Recommends that:

- 2.3 The Land Transport Management Bill not proceed without major amendments to make the Bill consistent with the Government's stated priority of increasing New Zealand's sustainable rate of economic growth and its recognition of the importance of infrastructure, particularly in roading, to facilitate economic development.
- 2.4 The Committee direct officials to undertake and make publicly available more detailed analyses of the costs and benefits of the Bill's provisions, including quantitative analysis.
- 2.5 The New Zealand Transport Strategy be revised to make it consistent with the Government's stated priority of increasing New Zealand's sustainable rate of economic growth and its recognition of the importance of infrastructure, particularly in roading, to facilitate economic development.
- 2.6 The Committee restore the promotion of economic efficiency as a purpose of the legislation.
- 2.7 The definitions of 'Minister' and 'Ministry' be amended to be the 'Minister of Transport' and 'Ministry of Transport' respectively.
- 2.8 Ministerial instructions be confined purely to matters of high-level policy and that any such instructions must be required to be made in writing and be publicly notified in the Gazette.
- 2.9 The existing provisions in the Transit New Zealand Act 1989 preserving the statutory independence of Transfund and Transit be restored.
- 2.10 The consultative provisions contained in the Bill be revisited, with a view to streamlining the existing requirements under the Resource Management Act.
- 2.11 The existing prohibition on regional councils from owning and operating passenger transport services be restored.
- 2.12 The provisions on tolling and concession agreements be amended to allow greater flexibility and a fairer apportionment of risk between private and public sector.