

RMBA Submission on the Ministry of Transport: New Zealand freight and supply chain issues paper

23 May 2022

Part 1

1. Do you agree with the outlined description of the freight and supply chain system?

Yes

As mentioned in the New Zealand freight and supply chain issues paper, the construction sector depends heavily on imported materials. We would like to see the supply chain system be resilient and prepared to tackle disruption such as what we have seen over the last two years. The freight supply chain needs to be able to support building activity in New Zealand and allow the industry to operate at its peak capacity. In the current market, this is not occurring, and the freight supply chain is often hindering development in the sector.

2. Do you have any views on the outlined role of government in the freight and supply chain system?

The government has a key role in regulating the freight supply chain and forming the way New Zealanders view and use our freight supply chain system. Currently in the construction sector, the freight and supply chain system are viewed as a barrier to completing projects, rather than a positive cog in the wheel. The government needs to oversee and review the freight supply chain system to ensure it is working well and is serving the needs of industries who rely heavily on a well-functioning system. An improved freight and supply chain system will assist the construction industry and potentially boost productivity in the sector.

Part 2

3. Do you agree with the outlined strategic context and key opportunities and challenges?

Yes

The freight supply chain needs to be able to fulfil the infrastructure needs of our increasing population in addition to recovering from the current housing crisis. Whilst the construction industry is facing many challenges in meeting this challenge at the current time, freight and supply chain issues have exacerbated and created many of these problems. The freight supply chain needs to resolve its current challenges, as well as be resilient and prepared for future disruption that climate change and other events could bring to the industry.

4. Are there any trends missing that we should consider?
No Comment

5. Which of the opportunities and challenges do you believe will be most important in shaping the future of the freight and supply chain system in New Zealand and why?

The biggest challenge for the freight and supply chain system is the system's ability to support and encourage economic growth and activity in New Zealand. The construction industry depends on the freight and supply chain system in order to keep the sector operating, and the completion of projects is essential for the country to be able to provide decent housing and infrastructure that the population desperately needs. All the opportunities and challenges presented in this paper are important to making the freight supply chain as efficient and resilient as possible to provide domestic sectors with the support they need to operate effectively.

Part 3

6. Do you agree with the outlined vulnerabilities of the current system?

Yes, disruption and the impacts of disruption on our construction industry is a vulnerability in the freight supply chain that needs to be addressed. The New Zealand freight and supply chain issues paper recognises current disruption affects SMEs to a higher degree, due to their lower bargaining power they have in the international market. We are seeing this in construction, where the majority of business operating in the sector are classified as SMEs, with many of these SMEs with five employees or less. As a result, the construction industry is increasingly vulnerable to the effects of disruption in the freight supply chain, an issue we believe can be rectified with a resilient, efficient and strong performing freight supply chain system.

7. Is there any key information missing in understanding the vulnerabilities of the current system?
No Comment

Part 4

8. Do you agree with the proposed outcomes? If not, please explain why

1. Low Emissions - New Zealand's freight and supply chain system is underpinned by a low emissions freight transport system
2. Resilience - New Zealand's freight and supply chain system is resilient, reliable, and prepared for potential disruptions
3. Productivity and Innovation - New Zealand's freight and supply chain system is highly productive and innovative, and performs well when measured against global standards

4. Equity and safety - We transition to a low emission, resilient, productive and innovative freight and supply chain system in a way that is equitable and safe for all

No Comment

9. Are there more outcomes the strategy should focus on? If so, please explain what they are.

No Comment

10. Do you agree with the potential areas of focus for the strategy?

Yes

The freight supply chain system needs to be resilient and efficient. We are not seeing this currently in the construction industry, where many projects are on hold or do not go ahead due to the difficulties in importing materials from overseas. The freight supply chain needs to be adaptable and able to minimise the effects of unforeseen disruption, as well as have a plan in place for the future impacts such as climate change, which are foreseeable. We agree the potential areas of focus do cover the issues which require the most improvement and will have the biggest immediate impact on the how we use our freight supply chain system.

11. Which of these areas of focus would be most important to prioritise?

12. What would successful stakeholder engagement on the development of the strategy look like from your perspective?

13. How could we best engage with Māori on the strategy?