### Response ID ANON-ZGT2-TYM7-R

Submitted to New Zealand freight and supply chain issues paper | Te rautaki ueā me te rautaki whakawhiwhinga o Aotearoa Submitted on 2022-04-26 12:17:27

What is your organisation?

Organisation: University

Omversity

#### Introduction

## Part 1: Understanding the freight and supply chain system in New Zealand

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

Please explain in the box below. :

Another way of framing the situation, consider the Supply Chain Anatomy, which states all supply chains have five layers:

- 1. Financial / Transaction Chain (Banking / SWIFT / Insurance / Credit Notes / etc...)
- 2. Physical / Biophysical Chain (Trucks / Ports / Warehouses / Roads / Factories / etc...)
- 3. Collaboration Chain (Contracts / Negotiation / Relationships / Trust / etc...)
- 4. Information Chain (IT Systems / Blockchain / Forecasts / Metrics / Benchmarks)
- 5. Joint Innovation Chain (Anything that makes things "better")

You cannot have (1) if (2) is not in place. You cannot have (2) if (3) is not in place.... etc... (except for Number 5 that may be absent in some supply chains).

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

Please leave your comment in the box below::

Yes, many different ministries deal with different components of the SC. This appears fragmented. Since a huge part of our GDP is generated by supply chain activities, it will be wise for government to elevate supply chains. (e.g. "Ministry of Domestic and International Supply Chains"). We have a Minister for Climate Change but not a Minister for Domestic and International Supply Chains!

Our Supply Chains have great leadership who can innovatively resolve many challenges. Where can Government play a more supportive role?

- 1. Providing Operating Environment Information (trading climate / state of logistics / risk outlooks / etc...)
- 2. Enabling international trade (negotiating trade agreements that consider our products and supply chain strengths and constraints). I'm not saying government is not already doing a great job at this.
- 3. Supply chains are also fragmented. Every enterprise focusses on their own environment and the competition commission precludes some forms of collaboration. Government can play an important role of facilitating the correct type of collaboration and information sharing without compromising competition integrity.
- 4. Government can help to review regulations and policies in an integrated fashion. E.g. Climate Change + Biosecurity + Food Regulations + Health & Safety + HazMat etc... right now each supply chain must glue these regulations together for their own system. Perhaps a more integrated approach will be helpful to make supply chains navigate this complex environment more easily.

# Part 2: The strategic context for change

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

Please explain in the box below. :

I agree

4 Are there any trends missing that we should consider?

If "yes", please write the trends we are missing in the box below. :

I do believe the words "Redundancy" + "Resilient" should feature VERY strongly in the digitization parts of the narrative. EVERYTHING can come to a grinding halt if our information systems are compromised. I am also concerned that the words "Forecast" and "Benchmark" are also not appearing somewhere in the narratives. Under a higher degree of uncertainty, forecasting becomes so much more important. There is a lot of forecast information already available in this space that we are not optimally utilizing.

We will also have to consider how our automated supply chains in the future will benefit local communities and resources. There is a risk that automated supply chains in the future could create a similar problems compared to many current large IT businesses.

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?

Please explain in the box below. :

Automation & Robotics.

Part 3: Current vulnerabilities of the freight and supply chain system

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

If not, please explain why:

Yes I agree

7 Is there any key information missing in understanding the vulnerabilities of the current system?

If 'Yes' please explain here:

Yes, regular metrics over time indicating the shift in vulnerabilities is needed. Which attributes are changing faster? What do things look like now (quantitatively) compared to 2010? And incorporating this with macro consolidated forecasting; i.e. amongst these vulnerability attributes, which ones are going to become a bigger issue over time?

For example, not only knowing what the Port Congestion Index looks like today, but having a robust metric over the past and also considering future (confidential) plans of Fonterra / Zespri / etc... to generate a forecast of the Port Congestion Index in time to come.

## Part 4: Our proposal for developing a freight and supply chain strategy

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

Do you agree with the proposed outcome 1. Low emissions? – 1. Low Emissions – New Zealand's freight and supply chain system is underpinned by a low emissions freight transport system:

Disagree

If you have answered "Disagree" or "Strongly disagree" please explain why:

Supply Chains stretch beyond countries. Seldom can we speak of "New Zealand's" supply chains but rather supply chains that NZ forms part of. We need "Chains of Common Practice" beyond NZ to avoid "off-shoring" our high emission activities into countries with softer regulations.

For a 10-15 year strategy, I also see "Climate Change" as only one of the issues. What about water, air pollution, food waste, etc... This part needs to expand.

Do you agree with the proposed outcome 2. Resilience? – 2. Resilience – New Zealand's freight and supply chain system is resilient, reliable, and prepared for potential disruptions:

Disagree

If you have answered "Disagree" or "Strongly disagree" please explain why:

Your framing of resilience should be expanded beyond the operational level. Part of Germany's non-resilience right now is an over-reliance on Russian gas. Where in your framework do we consider strategic resilience? I'm deeply concerned about our dependence on China while politically we are challenging our trading partner on several issues at the same time. We can expect more of this in the future, so our supply chain resilience should include this way of thinking. As a MoT, this may sound out of context, hence my earlier statement concerning a fragmented approach to our supply chain strategies.

Do you agree with the proposed outcome 3. Productivity and Innovation? – 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:

Strongly agree

If you have answered "Disagree" or "Strongly disagree" please explain why:

Do you agree with the proposed outcome 4. Equity and Safety? – 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:

Strongly agree

If you have selected "Disagree" or "Strongly disagree" please explain why here:
9 Are there more outcomes the strategy should focus on? If so, please explain what they are.
Please explain here:
10 Do you agree with the potential areas of focus for the strategy?
If not, please explain why:
11 Which of these areas of focus would be most important to prioritise?
Type your answer here:
It depends on the individual supply chain.
12 What would successful stakeholder engagement on the development of the strategy look like from your perspective?
Type your answer here :
13 How could we best engage with Māori on the strategy?
Type your answer here :
Provide further feedback
14 Any general feedback on the consultation
Add your comments, ideas, and feedback here:
15 Upload supporting documentation
Upload documentation: No file uploaded