

To: Minister Stuart Nash
Minister Kris Faafoi

Via E-mail

Wednesday 1st September,

Dear Ministers,

Re: Shortage of Labour and Supply Chain Issues

This letter is written on behalf of 45 Business Associations operating a Business Improvement District (BID) in Auckland, who between them represent thousands of business and property owners, who employ hundreds of thousands of people throughout Tāmaki Makaurau.

These Auckland BIDs have become increasingly concerned by some of the major ongoing challenges which our members are facing, as they try to make a sustainable financial recovery from the effects of the pandemic. Consequently, collectively we are contacting you to ask for your support in bringing these issues to the attention of the relevant decision makers in central Government.

The latest snap lockdown and current Alert Levels have exacerbated significant challenges relating to the shortage of labour and supply chain issues, being faced by an increasing number of businesses from a variety of sectors, across Auckland and indeed throughout New Zealand.

We understand that these issues aren't new and that the Government is already aware of them, as a number of other groups such as EMA, Hospitality NZ and Auckland Business Chamber, have already lobbied on the same topics. We join them in asking the Government to urgently take action to resolve these issues to mitigate the catastrophic effects on our members' businesses.

Whilst we acknowledge the financial support that has been offered to business, the reality is that in many cases, it simply isn't anywhere near enough to make up for ongoing losses in revenue. Many businesses are unable to operate at full capacity even in Alert Level 1, for example some retail outlets have reduced hours as people who would normally shop when they come into town for a coffee, aren't visiting, as the cafes are closed.

The main reason that businesses are unable to operate at full capacity at Alert Level 1 is because they don't have enough staff for a number of reasons, including but not limited to:

- A shortage of suitably qualified and / or experienced people in NZ to fill vacancies.
- Businesses can't afford wages that are being inflated by a range of issues.
- Staff are unable to keep working excessive hours to make up for any shortfall.
- Migrant staff choosing to return to their families who cannot come to NZ.
- Expiring work visas that cannot be renewed.
- Staff being recruited from outside NZ are unable to enter the country.
- People available to work simply aren't prepared to work for the minimum wage to fill vacancies normally filled, particularly in the hospitality sector, by migrant workers, foreign students or backpackers.
- Staff are being poached with offers of better salaries outside NZ.

An increasing number of businesses across a variety of sectors, are suffering as a result of a lack of materials for manufacture or a lack of goods / stock for sale, due to issues in the supply chain, including but not limited to:

- Ships anchored at sea waiting for a berth, delaying the off-loading of their cargo.
- Once berthed, delays in off-loading cargo due to a lack of trained crane operators and other port workers.
- Delays in moving off-loaded goods due to a shortage of trucks and drivers to clear any backlog.

In these COVID times, we understand that the health and wellbeing of our population remains of paramount importance and that every effort needs to be made to support returning Kiwis. However, the health and wellbeing of many business owners is being severely compromised as a result of the additional stress brought about by these issues.

This situation cannot be ignored any longer.

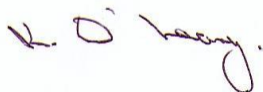
We would offer some possible solutions for consideration:

1. Once the current Covid outbreak is under control and it is deemed safe to do so:
 - a. increase the overall number of MIQ places available.
 - b. increase the number of places available in MIQ for migrant workers and / or their families.
 - c. supply additional staff in MIQ to facilitate these increases.
2. Simplify the extension / granting of work visas.
3. Provide incentives to encourage people to fill minimum wage roles, particularly in the hospitality sector.
4. Extend the financial support available to businesses to enable them to operate at reduced capacity for longer periods.
5. Increase the number of suitably trained staff at our ports to reduce the delay in off-loading ships.
6. Provide training to upskill truck drivers to improve capacity in the distribution of off-loaded goods.
7. Ensure the availability of sufficient rolling stock in the rail network to speed up the distribution of goods.

We ask you to act swiftly on solutions that Government can control and to work closely with the private providers who are responsible for our ports and rail network, so that solutions can be found and the necessary actions to implement them are taken, in the shortest possible time, before it becomes impossible for many more businesses to survive.

Thank you.

Kind regards,



Kevin O'Leary
 General Manager Business North Harbour
 (On behalf of 45 Auckland Business Improvement Districts)