



## Country Report

For year July 2021–June 2022

**For presentation to delegates of the 48<sup>th</sup> FAPAA ECM to be held on 15<sup>th</sup> July 2022**

In the year leading to June 2022 Global logistics challenges have been well documented. New Zealand, like most countries, has experienced a great increase in purchasing and volume of freight arriving to our shores, precipitating a shortage of containers and steep demand for container space.

Amongst other challenges, we are seeing cargo sitting in transshipment ports for weeks while shipping times double. Freight costs increases by up to 1000% and port congestion intensified to the point that international vessels now often skip some NZ ports they would usually call at, if not omitting the country altogether.

We also note the positive news which have been trickling down since the opening of New Zealand's borders, especially for airlines, although we understand freight capacity constraints might take years to overcome. The disruption caused to the supply chain are still dominating and guiding CBAFF efforts as we continue to advocate and assist our members, providing them with critical information, education, and training, as well as ever remaining a strong voice for the New Zealand International logistics industry.

Our endeavors throughout the year have included:

- Daily updates and communications to our members
- Webinars to address topical matters
- Participation and representation in stakeholders' meetings
- Liaison with the Australian Trade Commission
- Increased media presence
- Input to Government strategies
- Daily updates and information on compliance with COVID restrictions and rules
- Anticipating and communicating members' needs
- Unbundling issues – e.g. container availability
- Identifying gaps in governmental practices
- Reporting to government bodies on issues identified and submitting feedback

All members have been, and continue to be, affected in one way or another by supply chain disruption. CBAFF has worked with Government agencies, shipping lines, airlines, transport companies, the ports and many other groups to ensure that our members' voices are heard at the table. Daily, we are distributing information affecting members' role in the supply chain.

We advocate for members and consider that because of significant media interest in, at times, the most bizarre, the phrase 'supply chain' is now in most New Zealanders language, together with an



awareness of the flow-on issues – though we acknowledge that when it affects them personally, it appears all understanding evaporates. Discussions with various parties suggest that disruptions will continue well into 2023.

## **Government Departments**

NZ Customs and the Ministry for Primary Industries are our primary Government agency contacts. We engage at least monthly with both Departments during the CBAFF Border Clearance Working Group meeting. Members are welcome to join this monthly meeting.

CBAFF has been actively involved in the Biosecurity 2025 project as a member of the Steering Group. It has been pleasing to note that several the initiatives developed have been incorporated into the workstreams of Biosecurity NZ. Arising from this work, the Biosecurity Business Pledge has been established. CBAFF is a member of the Steering Group for this work. Members are encouraged to sign-up for the Pledge.

Resources to put biosecurity in front of senior management and throughout organisations are being developed.

We have met with the Chief Executive of Biosecurity New Zealand and the Chief Executive of NZ Customs Service. These meetings have been constructive, and we discussed plans for each Department and opportunities for improvement of service delivery and engagement by CBAFF members.

A whole of Government approach has been adopted to address supply issues; CBAFF is regularly consulted by the Ministry of Foreign Affairs and Trade, Ministry of Transport and the Commerce Commission.

The Ministry of Transport hosted, in early 2021, an invitation only workshop for representatives of the whole supply chain. CBAFF has been represented and engaged with the Ministry's consultation. The Ministry has now released an issues paper for consultation. CBAFF will consider the paper and make submissions.

In response to members' concerns about detention, demurrage, on-going freight rate increases and changes to forwarders' relationship with shipping companies., CBAFF has met regularly with the Commerce Commission. The Commission welcomes our discussions and is working through the issues we have raised.

Following many years of discussion, Inland Revenue included in their omnibus law change to be effective 1 April 2022, a change to the GST requirements for treatment of the domestic leg of international transport. This change, advocated for by CBAFF will ensure there is absolute clarity as to the requirements.

New Zealand was the host country for APEC during 2021. We were invited to present at an APEC workshop focussing on the COVID-19 lessons learned for Customs and Trade facilitation.

## **Carriers**

We meet regularly with shipping lines and Air NZ Cargo to raise issues that members are experiencing. These conversations are generally wide ranging and positive.



We sought legal advice for members in respect of several anti-competitive matters and in particular in respect of MSC's introduction of a USD1,000 de-hire fee.

## **Young Logistics Professional Award**

We were really pleased to be able to proceed with the Young Achiever Award in 2021. From a strong group of applicants, Jessica Dunye was announced as the 2021 Young Logistics Professional at the Federation's Annual Conference.

Earlier this year we hosted the 2022 Young Logistics Professional Awards Competition. The jury short-listed two strong candidates. The 2022 winner will be announced at the 2022 CBAFF Conference Dinner next September.

## **Membership**

Members often ask CBAFF for assistance in all manner of matters. We work to ensure that the issue is resolved directly or by another party, depending on the subject.

Complaints are also a feature. We will only become involved in complaints regarding a member and endeavour to assist the member in whatever way is appropriate given the circumstance.

## **Member Events**

After heavy restrictions in NZ due to Covid-19, this year annual conference will take place in Queenstown in September and the registration interest we are witnessing shows members look forward to the opportunity to network with colleagues and suppliers.

CBAFF organized our first yearly networking events in June 2022 proving to be a success with our members. The Federation has organized with our partners IVS training to unveil the new 5-screen simulator on-site specifically for CBAFF members to view. The simulator includes Forklift, Reach Stacker and Empty Container Handler training and assessment modules.

Webinars are now also an important tool to keep members informed and ensure that members have their say and inform CBAFF on matters of industry importance. The topics we have addressed include:

- Making exporting easier: Meet MPI's Exporter Regulatory Advice Service
- General guidance on container detention when depots are full
- Global, Trans-Tasman and Local Customs and Trade Issues Affecting Industry
- Worksafe: Safely working in and around vehicles
- Customs Secure Exports Scheme
- BMSB Season & Changes in VMP & Seaco

## **Public Relations and Communications**

2021 was again a very active year for CBAFF. The President has appeared several times on National Radio, NewsTalk ZB, TV1 and TV3 and addressed customers of a bank; print media has also featured in our communications including NZ Herald and Stuff.



The beginnings of 2022 saw our newly elected and first female CBAFF President, Rachel Madden, initiating her mandate with full force regarding our media appearance and CBAFF representation. Including Breakfast show TV3, Mike Hosking breakfast show and TV1 breakfast show. She was invited to discuss supply chain issues, industry labour shortages and logistics.

The media is indeed very interested about supply chain matters and the impact on the New Zealand consumer. This has been excellent industry profiling and assisted members while explaining the issues affecting them. We continue to be well supported by the Shipping Gazette and FTD magazine. Members are receiving daily messages providing updates on current industry specific matters. We achieve a higher than industry norm open-rate for our daily emails and we receive very positive comments from members about the useful and timeliness of the information.

### Engagement with members

Many meetings have been held during the year. The following is an indication of the extent of these interactions occurring where CBAFF members were represented:

Air New Zealand Cynthia O'Neill and Steve Townsend	Aoraki Capital Stephan Grabowski
Container Co Ken Harris	Metal Recyclers Association
Ministry of Transport Rory Sedgley	MPI Primary Sector Group Phil Houlding
NZ Customs Stephen Moorehead	TradeWindow Georgia Vosper
APEC 12th meeting of the APEC Alliance for Supply Chain Connectivity	APEC workshop on Customs Administration
B2Be Doug Cockroft	Biosecurity Business Pledge meetings
Brexit Group – MPI	Commerce Commission Alain Van der Westhuizen & Kate Stringer
ICLC Mark Scott & Gary Carter	IFCBAA Scott Carson
IRD Jared Otto	Lyttleton Port Company Simon Munt, Paul Williams, Sean Bradley
Michael Inglis Andrew Spelman – MPI	Ministry of Transport David Stimpson & Shuqi Thng
Ministry of Transport – National Freight and Supply Chain workshop	Ministry of Transport – new Health Order and testing requirements
Ministry of Transport Workshop	Mondelez NZ
MPI Lisa Wilson	MPI Primary Sector group
MSC Steve Wright	National Road Carriers
NZ Council of Cargo Owners	NZ Dangerous Goods Air Transport Council



Ports of Auckland / National Road Carriers / ICLC / Depots – weekly	Shipping Lines
Toitu Delphine David, Simon Anderson	WiseTech Brett Wilton

### **International Relations**

CBAFF continues to be a member of Asia-Pacific Aircargo Associations Limited (FAPAA). We are grateful for the continuous and valuable support you are bringing to the constituent membership.

Rosemarie Dawson  
Executive Director  
June 2022