

Submission by



to the

**Ministry of Transport**

on the

**Freight and Supply Chain Issues Paper**

3 June 2022

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## **NZTECH SUBMISSION ON THE FREIGHT AND SUPPLY CHAIN ISSUES PAPER**

### **SUMMARY**

1. NZTech wishes to thank the Ministry for the opportunity to submit our views on its Freight and Supply Chain Issues Paper. We welcome in particular the invitation to provide feedback on the role of technology, digitisation and the technology sector in addressing the challenges facing the freight and supply chain system.
2. NZTech is willing to provide any further assistance that Ministry may need, and answer any questions it may have on this submission.

### **BACKGROUND**

3. NZTech is a member funded, not-for-profit, non-governmental organisation that represents 20 tech associations with over 1600 members who collectively employ more than 100,000 New Zealanders: over 10 percent of the New Zealand workforce.
4. Our purpose is to help create a more sustainable, equitable and prosperous New Zealand underpinned by technology. We do this by helping our members work together to connect the tech ecosystem, promote the importance of technology for New Zealand and New Zealand technology for the world, and help advance the growth of the tech ecosystem and the New Zealand economy.
5. Our members include New Zealand tech exporters, local and multinational IT firms, startups, universities, government agencies, financial service providers and large corporate users of technology.

### **COMMENT**

6. NZTech agrees with the Ministry that a long-term strategic approach is needed to address the wide range of challenges facing the freight and supply chain system. We support the strategy's proposed outcomes, including the focus on productivity and innovation, and its decision to adopt a comprehensive, 30-year outlook.
7. The issues paper correctly identifies technology and digitalisation – alongside climate change, population pressure, and international developments – as one of the key areas of change affecting the system. Advances in technology have the potential to improve the way freight is moved while increased digitalisation of trade promises enhancements in global supply chains.
  - 7.1. In particular, the use of data and artificial intelligence can be used to optimize processes and routes, and will eventually enable full automation of many processes and machines.
  - 7.2. The increasing digitalisation of traditional processes such as e-invoicing, e-commerce, border processes and logistical processes is accelerating the speed of trade and driving efficiency and safety improvements.

- 7.3. New modes of transportation are emerging such as electric vehicles and unmanned aerial vehicles (UAVs) that will reduce emissions impacts and create new, more efficient delivery systems.
8. The issues paper cites limited data on the freight sector, and limited access to assessing that data, as current vulnerabilities of the system.
- 8.1. Data is the critical foundation necessary for transition to a more efficient digital environment. Data enables the application of technologies to optimize processes and the creation and delivery of new services. While artificial intelligence technologies can manage unstructured data, there are many benefits from having industry-wide data standards that enable improved information sharing and faster data analysis.
- 8.2. NZTech would welcome the opportunity to contribute to the Ministry's work in developing a systemic approach to improving data access, collection and evaluation to address these vulnerabilities.
9. The need to address barriers to innovation and uptake of new technologies is also identified.
- 9.1. Additionally, an often overlooked limitation in sectors undergoing digital transformation is skills development. Focus on skills development and attracting labour will need to include the increasing need to attract and develop digitally skilled professionals. Due to global shortages of digital skills, there may be a need to develop processes to upskill and reskill the current workforce.
10. We support the Ministry's desired outcomes, and its determination to achieve these outcomes by developing a comprehensive strategy in collaboration with stakeholders across the system.

## CONCLUSION

11. Thank you for the opportunity to provide feedback on the issues paper. We are happy to engage further to discuss our submission and provide any further assistance.
12. If you have any further queries do not hesitate to contact me.

Yours sincerely,



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