

2021

CONSTRUCTION  
**SUPPLY CHAIN**  
REPORT



Funded by  
Building Research Levy

# THE SURVEY

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# 240

**SUPPLIERS SURVEYED ACROSS  
STRUCTURE, ENCLOSURE, INTERIOR,  
FINISH, EXTERNAL, AND OTHER  
CATEGORIES**

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The construction industry is at a critical point of supply and demand, with supply constrained by the ongoing impacts of Covid, and a demand boom with residential and commercial consenting at record levels.

A perfect storm of factors has meant that the construction industry is battered weekly with price increases and delays in the supply of products.

This survey provides real data on the current and future state of the building product supply chain in a space dominated by media and word of mouth, data that can help specifiers and builders to better plan ahead.

We would like to acknowledge the support of BRANZ in making this report available.

Note: The ratings in some of the stacked bar charts may not add to 100%. This is due to rounding.

There has been so much talk in the media about the supply and pricing situation in the construction industry, yet to date there has been very little primary data to back up the reporting.

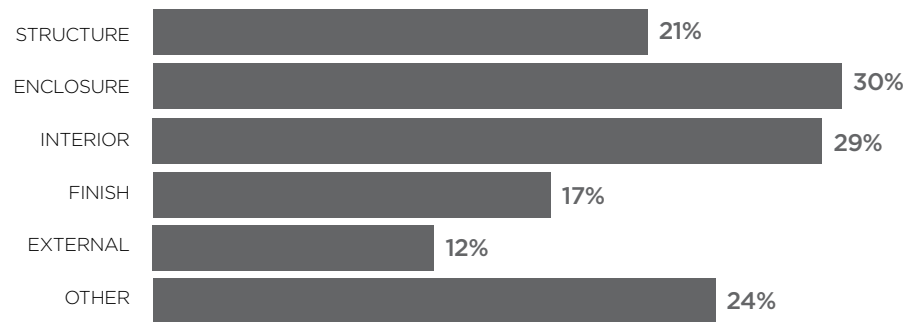
The focus of this work is to bring real data to the table so that we as an industry can start to talk about how we need to respond in a world still impacted by Covid-19.

## SETTING THE SCENE

We surveyed senior managers from 240 building product and material suppliers to the construction industry in July 2021. These suppliers range from small to large companies, and across construction components: structure, enclosure, interior, finish, external, and other categories. On the right is the profile of businesses who responded to the survey:

### SURVEY SAMPLE PROFILE

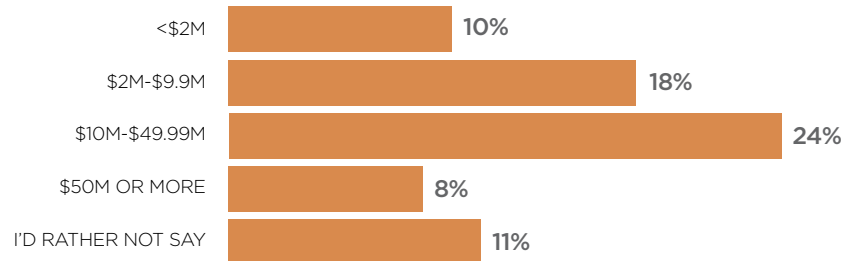
#### CATEGORY



#### NUMBER OF EMPLOYEES



#### REVENUE



BASE: Total Sample n=240

The categories are described as:

**Structure:** Aluminium, Composite Panels for Floors and Walls, Concrete, Fasteners and Connectors, Masonry, Plastics, Site Safety and Roof Access Equipment, Stainless Steel, Steel, Structural Systems, Structural Timber

**Enclosure:** Awnings and Canopies, Enclosure Adhesives, Sealants and Fasteners, Enclosure Balustrades and Stairs, Exterior Decorative Items, Flashings and Expansion Joints, Glazing, Insulation, Roofing and Decking, Tanking and Pre-Cladding, Wall Cladding, Windows, and Doors

**Interior:** Ceiling Systems, Floors, Furniture, Hardware, Joinery Fixtures and Appliances, Partitions and Interior Doors, Signs and Features, Wall, and Ceiling Linings

**Finish:** Applied Coatings, Carpeting, Flooring Ancillaries, Flooring Underlays, Overlay Flooring and Wall Panels, Painting, Decoration and Coating, Resilient Surfacing, Tiling

**External:** Engineering Works, External Heating, Landscaping, Roads and Paving, Stretched Fabric Systems

**Other:** Services, Central Vacuum Systems, Communications and Controls, Fire Safety, Heating and Cooling, Lighting and Electrical, Plumbing and Drainage, Sanitaryware, Tapware, Transport, Ventilation and Air Conditioning

## SUPPLY AND PRICING ISSUES ARE AS WIDESPREAD AS THE MEDIA SUGGESTS

We asked suppliers if they were currently experiencing any issues supplying the market, and eight in ten suppliers said they were.

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**"NZ CONSUMERS, BUILDERS, AND SPECIFIERS NEED TO UNDERSTAND THAT SUPPLIERS ARE DOING EVERYTHING POSSIBLE, BUT THE MARKET HAS SEISMICALLY SHIFTED, AND UNLESS DEMAND DECREASES, WHAT WE SEE IN CURRENT LEAD TIMES IS LIKELY TO BE THE "NEW NORMAL" FOR THE FORESEEABLE FUTURE."**

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**"TO DATE WE HAVE NOT BEEN ABLE TO BUILD ANY ADDITIONAL STOCK OR COVERAGE, DUE TO LOCAL DEMAND CONTINUOUSLY EXCEEDING OUR ABILITY TO SUPPLY. TO PUT ADDITIONAL PERSPECTIVE ON HOW BAD THE SITUATION IS, WE HAVE TAKEN ON NO NEW BUSINESS NOW FOR OVER A YEAR. THE GROWTH WE HAVE IS ALL WITHIN OUR EXISTING CUSTOMER BASE."**

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Larger businesses are more likely to be experiencing issues supplying the market. Among those with under \$2m in revenue 61% are having issues with supply, compared to 85% of those with revenue of \$50m or more.

These larger businesses are somewhat more reliant on imports (95% of those with revenue between \$10m and \$49m rely on imports or imported components, while 90% of \$50m+ revenue businesses do so). This compares to 83% of businesses with under \$2m revenue relying on imports or imported components.

The key point here is that supply issues are widespread; regardless of product category, business size or revenue level, the majority of suppliers are experiencing supply issues. Our aim here is not to add to the panic in the market but to take this data and understand what we as an industry can do to mitigate these issues, and work with suppliers to ensure we maintain productivity and supply over trying times.

Our survey has highlighted four key areas of concern that we need to address as an industry. These issues are:

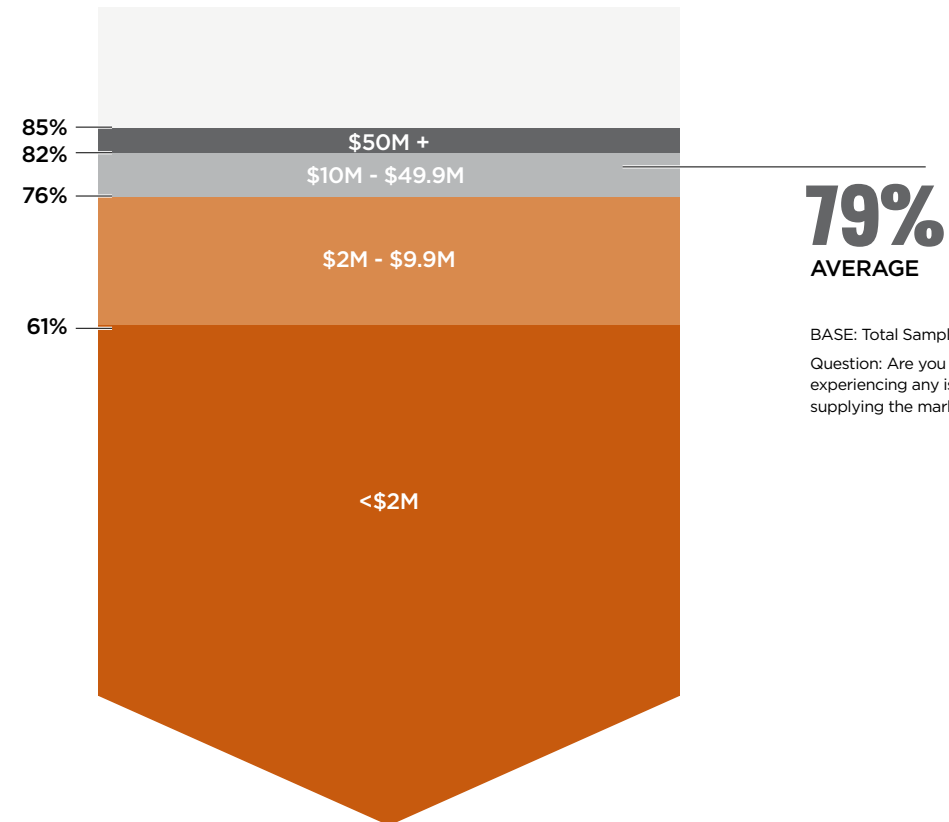
1. Dealing with the logistics situation
2. Considering the potentially hidden price impacts and sustainability of our supply chain
3. Operating in a context of a global market that is forecast to grow further
4. Appropriate staffing for the supply side of the construction industry

The solution for this is not stockpiling of product or fear mongering. It needs to be a concerted effort from stakeholders across the construction industry, including suppliers, architects, specifiers, builders, clients, industry stakeholders and government.

This report will take the reader through each of these four areas of concern, paint a picture of the forecasts for supply over the next six months, and finish with what is needed as a cross-industry response to these issues.

## % HAVING ISSUES SUPPLYING THE MARKET

### BY REVENUE



BASE: Total Sample n=240  
 Question: Are you currently experiencing any issues supplying the market?

# 1. SHIPPING & LOGISTICS ARE OUR BIGGEST HINDRANCE TO SUPPLY RIGHT NOW

The supply of construction materials to New Zealand is at the mercy of imported product. Even products manufactured in NZ have a high reliance on imported components that cannot feasibly be replaced by domestic product. **It is clear from our survey that we have a logistics issue that drives the supply issue, and this is not simply a supply issue on its own.**

# 90%

OF ALL PRODUCT SOLD IN NZ IS EITHER IMPORTED OR CONTAINS IMPORTED COMPONENTS NOT EASILY REPLACED BY DOMESTIC SUPPLY.



**“FREIGHT COSTS, PARTICULARLY SHIPPING, HAVE INCREASED ALMOST 100% IN THE LAST 6 MONTHS.”**

BASE: n=240

Question: Do you manufacture any final products in NZ or is the final product supplied complete from offshore?

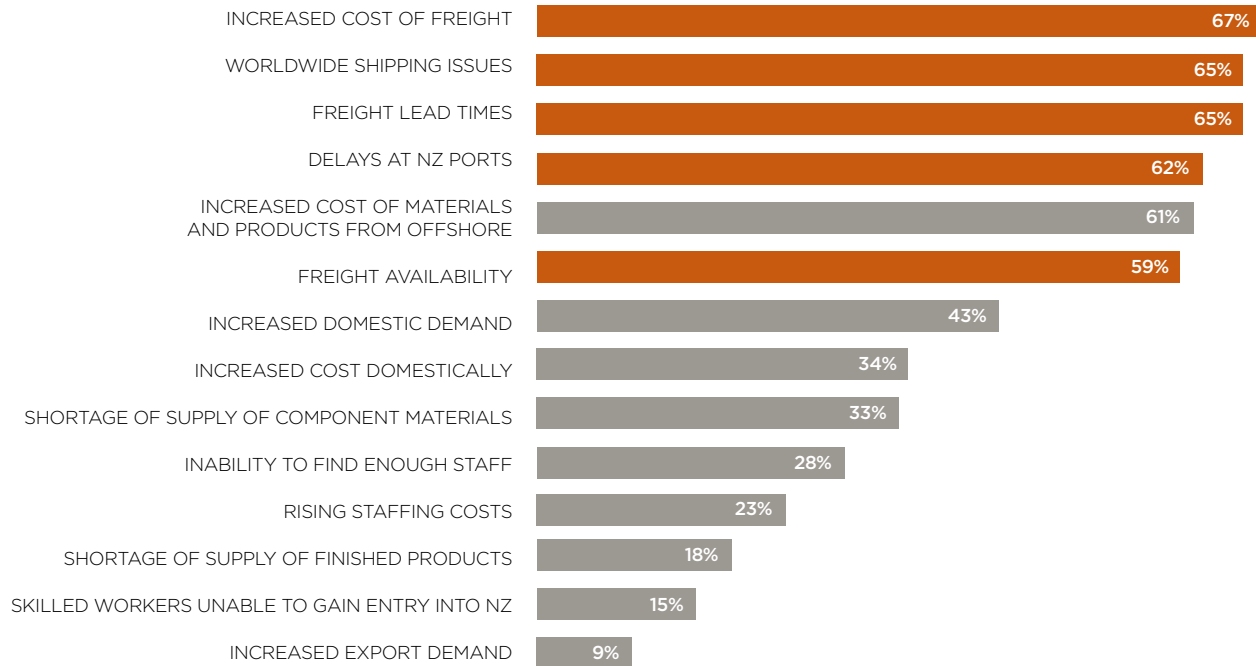
Question: Do you currently rely on imported components to manufacture your final products?

A full 90% of construction products sold in New Zealand are either imported finished product or manufactured locally from imported components. The position around supply is quite different for those who rely on imports vs. domestic product. 91% of those who rely on imports say they're experiencing issues supplying the market, compared to just 58% for those wholly reliant on domestic supply.

The challenges surrounding imports are multi-faceted. They include:

- The cost of freight and insurance
- The availability of freight
- The lead times of freight – getting out of ports
- The delays at NZ ports

### FREIGHT ISSUES ARE EXPERIENCED BY FOUR IN FIVE SUPPLIERS



**FREIGHT RELATED ISSUES**

**OTHERS**

BASE: n=240

Question: Which (if any) of the following factors are impacting your business and ability to supply right now?

**79%**  
ARE EXPERIENCING AT  
LEAST ONE OF THESE  
FIVE ISSUES RELATED  
TO FREIGHT

These issues are then exacerbated by increasing demand from the NZ market, effectively giving the construction industry a one-two punch to the stomach: constrained logistics cutting supply and increased demand spreading what supply we do have ever-thinner.

We asked businesses what issues they felt were impacting their ability to supply the market, their responses were dominated by freight and logistics issues.

The cost of materials from offshore is certainly an issue, but freight stands out as four in five of all companies are dealing with at least one issue concerning freight. Companies are doing their best to respond, some of the initiatives they are trying specifically related to freight include:

<b>Maintaining higher stock levels</b>	“We are currently buying larger quantities than before to bolster stock. Airfreighting where possible if demand is high and increasing our lead time expectations for custom orders.”
<b>Increasing freight volumes</b>	“We have committed to more regular shipments to maintain volumes of freight in transit.”
<b>Building power in scale</b>	“Coordinated purchases with other branches around the world, consolidating air freights and sea freights.”
<b>Shifting shipping strategy</b>	“We are looking at changing shipping lines we normally use and instead of FCL shipments doing more LCL shipments as it seems a little easier to book LCL. But LCL costs a lot more in freight!”

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<b>Airfreight where appropriate</b>	“Larger investment in inventory, larger expenditure for air freight, longer planning lead times. Working closely with suppliers and freight providers to mitigate cost increases and delays.”
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<b>Increasing ordering lead times</b>	“The issues with global logistics as a whole, have forced us to place orders 2-3 months earlier. The risk in doing so is increased pressure on cash flow and the possibility that freight arrives earlier than expected and we sit on excess stock.”
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**The concern that becomes apparent in the supplier response to freight issues is that businesses are putting themselves in a riskier position. Higher stock holdings, more product on the water at any given time, and increased freight cost all impact cash flow. Alongside issues around staffing (where attracting good staff requires higher salaries) and other costs, this creates a risky situation. Business failures are a risk any time we see a boom in demand – both on the supply and demand side of the construction industry. We need to consider how suppliers can be supported not only with logistics but with cash flow through these global freight issues.**



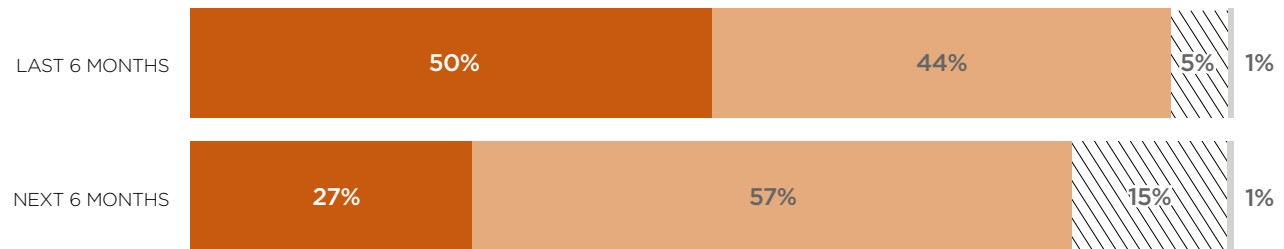
## 2. HIDDEN PRICE IMPACTS AND SUSTAINABILITY OF OUR SUPPLY CHAIN

As noted, cost pressures due to increased freight cost and management of freight are having a big impact on supplier cash flow. However, further data within the survey suggests that while the demand aspect of the industry has been hit with substantial price increases in the last six months, the full impact of supplier cost increases have not been realised by the market.

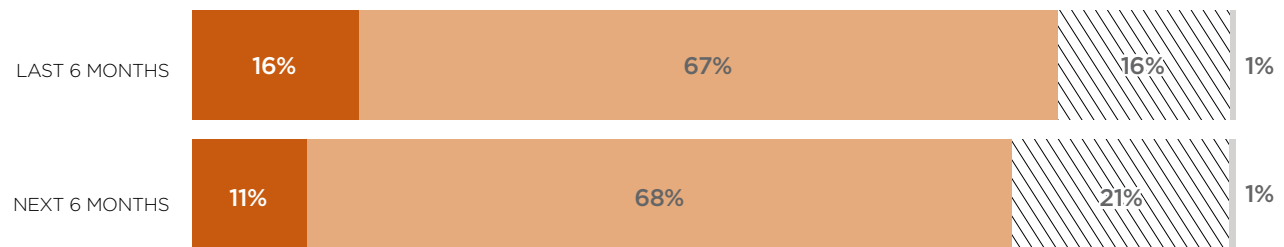
We asked suppliers to rate how much their cost to buy in and their cost to sell at had changed over the last six months. While over half say that their buy-in costs have increased significantly, only 16% say that the cost they sell at has increased significantly. What's more, only 11% predict that they'll increase their cost to the market significantly in the next six months.

### THERE IS A DISCREPANCY IN THE INCREASES FOR COST TO BUY IN VS. COST TO THE MARKET

#### COST YOU BUY IN AT



#### COST YOU SELL TO MARKET AT



■ INCREASED SIGNIFICANTLY   
 ■ INCREASED SLIGHTLY   
  STAYED THE SAME  
■ DECREASED SLIGHTLY   
 ■ DECREASED SIGNIFICANTLY

BASE: n=240

Question: Thinking about the market and your supply over the last six months, please rate your experience with...?

Question: Based on your experience of how the market is performing, what do you expect in terms of...?

What this suggests is that margins are being squeezed for suppliers. Many do not seem able to pass on the full cost of increases to the market, so they're taking a hit themselves. This might be a short term trend based on commitments to historical fixed price contracts, however, this needs to be monitored. If this trend continues this might start to mean the viability and sustainability of businesses to supply will be impacted, and again could contribute to the closure of these businesses if not managed well. Another potential scenario the market could be faced with is price increases over a longer term as companies try to recoup some of the lost margin (or in fact, losses) faced over the immediate lockdown and recovery period.

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**"UNFORTUNATELY, WE ARE HAVING TO PASS ON PRICE INCREASES DUE TO SIGNIFICANT RISE IN RAW MATERIAL COSTS AND SHIPPING INCREASES. CURRENTLY, WE HAVE NOT PASSED ON THE FULL IMPACT AND WILL HAVE FURTHER INCREASES IN 2022."**

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We asked suppliers whether they anticipated the prices they buy and sell at to remain stable, reduce, or increase – and if increase, by what margin. Accounting for those who thought prices would remain stable or decrease, the anticipated average price to market increase in the next six months is still below the anticipated buy-in cost increase (see chart on next page).

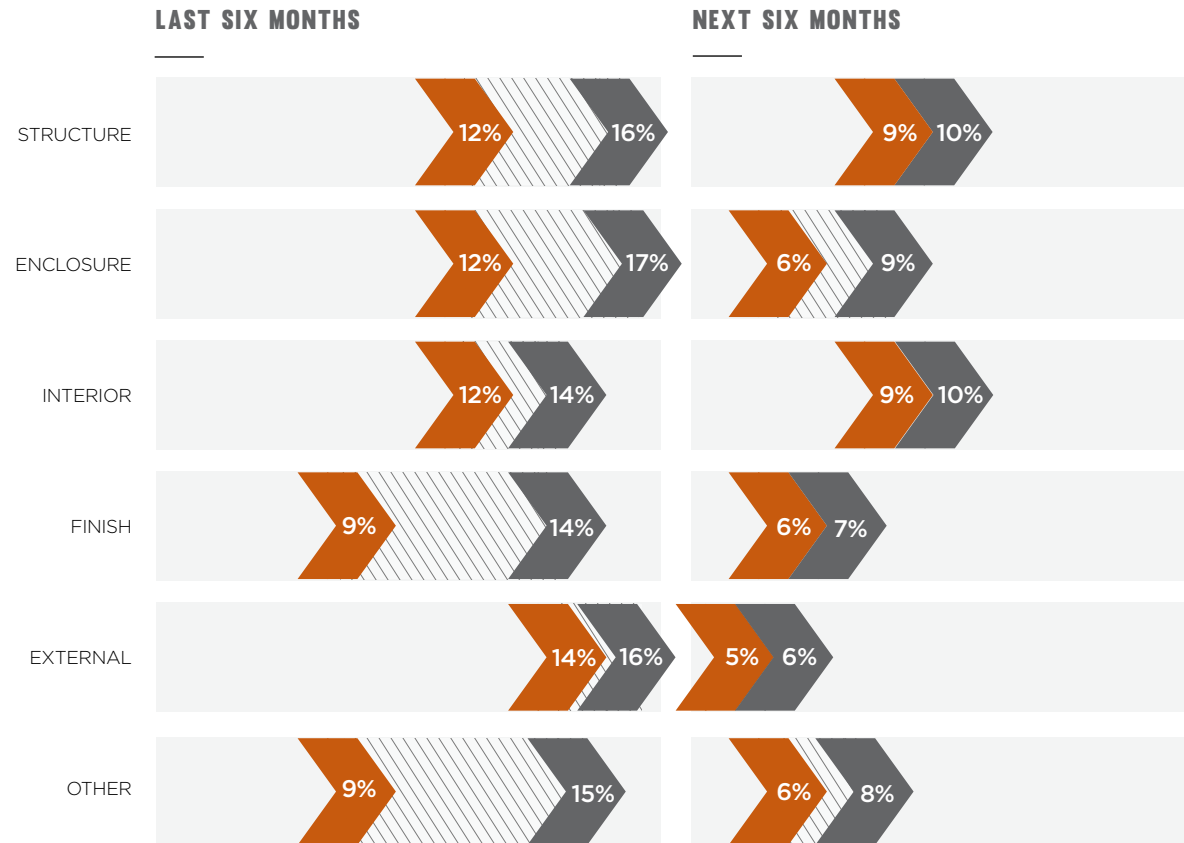
What this means is that suppliers have taken a hit already, and don't expect to pass on the full hit over the next six months, and may in fact take even more of a hit in the future. It's also worth noting that the chart shows only the average increase; the range varies greatly within each category. We are unable to show that data due to commercial sensitivity for our survey participants. However, it is further evidence of just how much pressure suppliers are under now.

**Ultimately, we believe that the true impact of price increases has not been felt by clients and property owners. Suppliers are squeezing margins and looking for cost efficiencies elsewhere to try and keep price increases to a reasonable level. At some point, these efforts will start to impact supply. We need to work together with suppliers to ensure we have a sustainable and competitive supply chain beyond the next 6 to 12 months.**

"WE HAVE QUADRUPLED OUR NORMAL STOCK ORDERING/ HOLDINGS IN AN ATTEMPT TO COMBAT INCREASED SHIPPING TIMES. THIS, ALONG WITH INCREASED SHIPPING COSTS (MORE THAN DOUBLE) HAS MEANT WE HAVE HAD TO PASS ON A PRICE RISE. CIRCA 5% AT THIS STAGE BUT SEE US HAVING TO DO THIS AGAIN SHORTLY."

"INCREASED COSTS ARE BEING PASSED ON BUT WE HAVE ABSORBED SOME TO MINIMIZE THE IMPACT OF PROJECTS THAT ARE CLOSE TO STARTING BUT PRICED AT OLD RATES."

### AVERAGE PRICE INCREASES BY CATEGORY



■ COST YOU SELL AT ■ COST YOU BUY IN AT

BASE: n=240

Question: For each material where the cost you buy at has increased, what has the proportion of cost increase been compared to six months ago?

### 3. WE'RE OPERATING IN A HOT GLOBAL CONTEXT

We cannot look at the New Zealand construction industry and supply in isolation from the global context. Freight has been our biggest issue to date, but we have been in a somewhat sheltered position in that demand internationally has been subdued due to the Covid crisis playing out in the major markets of USA, UK, Europe, China and India.

With vaccination uptake levels reaching critical milestones and nations opening back up from lockdowns, we are seeing a surge in construction demand globally. The US is working on the basis of a 15-year housing boom, and both China and India expect construction demand to grow by around 12-13%.

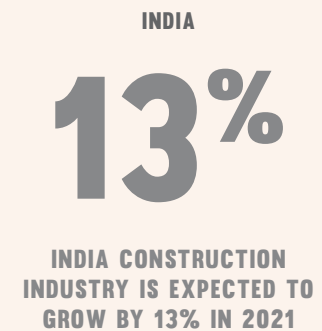
**RESOLVING FREIGHT IS PART OF THE STORY, THOUGH WE ALSO NEED TO CONSIDER SUPPLY IN A WORLD WHERE OTHER SIGNIFICANT NATIONS ARE BOOMING**



Source: Reuters



Source: Q4 2020 Global Construction Survey, Research & Markets



Source: Businesswire



**WHAT DOES THIS MEAN FOR THE ABILITY TO GET THE SUPPLY WE NEED?**

The issue this creates is that New Zealand is a small market in the global context, in fact just 0.1% of the global construction industry in 2020.

The global construction industry has been forecast to grow at a CAGR (cumulative average growth rate) of 3.5% during 2021-2026 to \$14.4 trillion (USD) by 2026\*. This annual growth is 28 times the size of the total NZ construction industry, every year, for the next 4 years.

As these nations come back online, we'll be competing for product and shipping availability.

## NEW ZEALAND IS A RELATIVELY SMALL MARKET IN THE GLOBAL PICTURE (2020)



**GLOBAL CONSTRUCTION INDUSTRY**



**GLOBAL GROWTH (3.5% ANTICIPATED)**



**NEW ZEALAND CONSTRUCTION INDUSTRY**

\* Source: <https://www.expertmarketresearch.com/pressrelease/construction-market>  
\*\* Source: Stats NZ, converted to USD

## EXPERIENCED SIGNIFICANT INCREASE IN CONSTRUCTION WORKLOAD TO THE END OF Q1 2021\*

NEW ZEALAND

AUSTRALIA

EGYPT

## EXPECT A SIGNIFICANT INCREASE IN CONSTRUCTION WORKLOAD NEXT 12 MONTHS (TO Q1 2022\*)

NEW ZEALAND

AUSTRALIA

EGYPT

CHINA

INDIA

USA

CANADA

UK

IRELAND

NETHERLANDS

SWITZERLAND

POLAND

GREECE

SAUDI ARABIA

SRI LANKA

NIGERIA

PHILIPPINES

BRAZIL

Freight will likely continue to be tight for the next 12 to 18 months as shipping companies shift their focus elsewhere, making it harder to achieve increased imports to meet demand.

The recent 2021 Q1 report from Rider Levett Bucknall states:

“We do not expect that supply issues and shipping costs will revert to some sort of normality for the next 12 to 18 months once the effects of the pandemic reduce. As governments stimulate other economies and as borders open, we expect that commodity prices, however, will remain high.”

**What this all points to is that New Zealand is a small part of a larger global market that is struggling to cope with forecast growth. In June Reuters reported that the US has the highest number of housing consents issued that are still yet to be built since 1999. There is a huge amount of pressure in the US market alone. New Zealand will struggle to get supply in the face of this, let alone shipping – unless we can start to protect some supply and shipping capacity.**

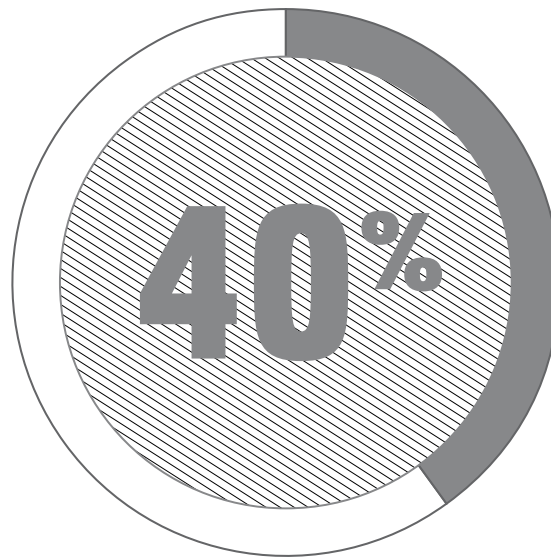
\*Source: RICS Q2 2021 Global Construction Monitor – Expected workloads next 12 months

## 4. STAFFING ISSUES ARE IMPACTING COMPANY SERVICING ABILITY

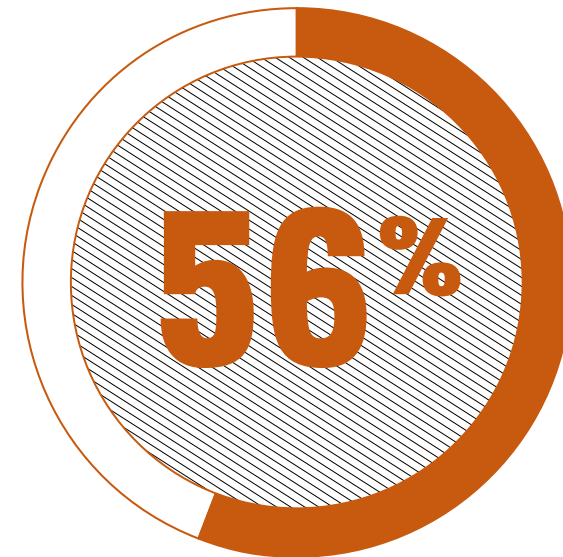
When asked what issues are impacting servicing ability, around a quarter talked about the inability to find enough staff (28%), rising staffing costs (23%), and skilled workers unable to gain entry to NZ (15%).

As it stands, 40% say they don't have enough staff to meet current demand. The situation worsens when we look at future demand, with over half (56%) saying they don't have enough staff to meet future demand.

### OVER HALF ANTICIPATE THEY WON'T HAVE ENOUGH STAFF TO MEET FUTURE DEMAND



**NOT ENOUGH STAFF TO MEET CURRENT DEMAND**



**NOT ENOUGH STAFF TO MEET ANTICIPATED FUTURE DEMAND**

BASE: n=240

Question: Which of the following best describes your staffing situation with regards to both current and forward market demands?

50% of all suppliers surveyed say they're looking for staff now, and a third (34%) said they'd be looking in the next six months. Worryingly, of those looking for staff or planning to do so, 53% said they weren't confident they could find enough skilled staff to meet demand.

We frequently hear conversation about the lack of skilled staff available for trades, less so for the lack of staff supplying these trades. Given the increased demand, many are asking more of their staff – working longer hours, more productivity and cost efficiencies. Employees are feeling overwhelmed as a result, resulting in increased turnover, or leading to increased wages to keep staff happy.

In addition, the lack of qualified staff available means suppliers are having to take on staff who aren't optimal, further placing strain on production and costs.

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**"WE INITIALLY INCREASED HOURS OF PRODUCTION TO TRY AND KEEP UP WITH DEMAND, BUT OUR STAFF ONLY ALLOWED THIS FOR A SHORT PERIOD. WE HAVE NOW SEEN INCREASED STAFF TURNOVER AND HAVE REDUCED HOURS, OFFERED BONUS STRUCTURES AND INCREASED WAGES – ALL THIS RESULTS IN INCREASED SELLING PRICES AS WE PASS ON THE COST INCREASES."**

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**"[WE ARE] NEGOTIATING SALARY INCREASES TO RETAIN STAFF, [AND] WORKING WITH IMMIGRATION NZ TO RETAIN EXISTING STAFF WHO ARE ON WORK VISAS."**

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**"WE ARE EMPLOYING STAFF THAT WE WOULD RATHER NOT BUT HAVE LITTLE CHOICE (THIS IS LOWERING OUR PRODUCTIVITY), PAYING CURRENT STAFF MORE TO ENSURE WE KEEP THEM."**

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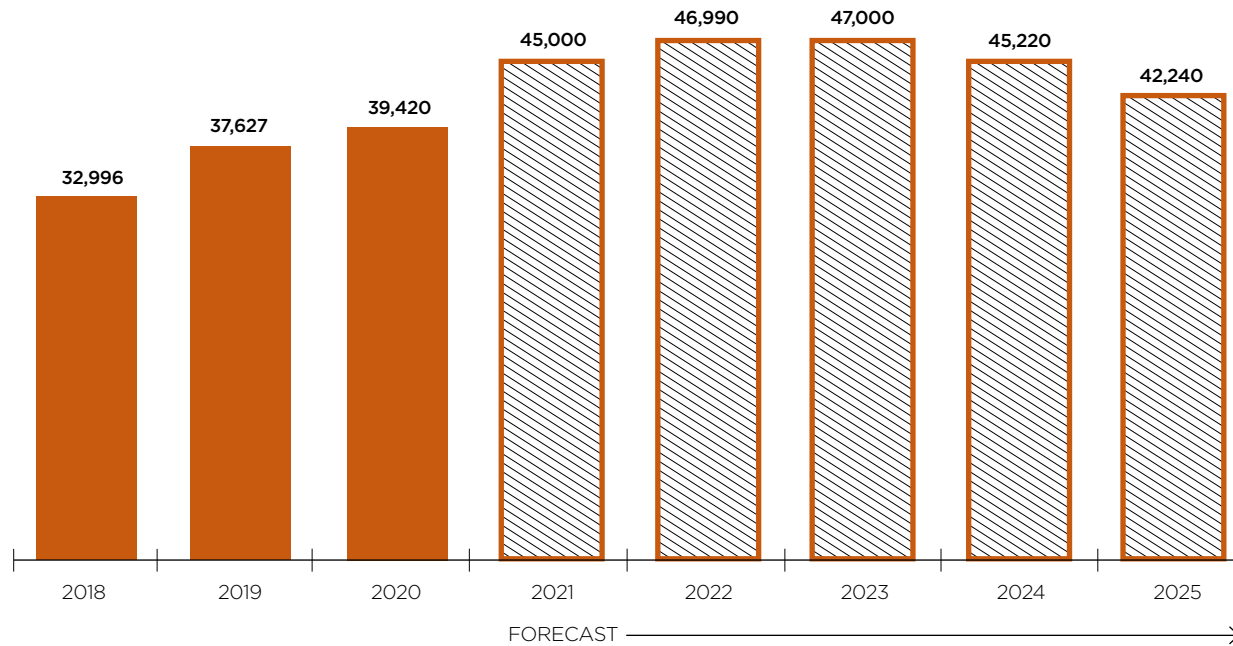
What this means is that businesses that supply products are further constrained by the ability to hire good staff. Even if we can achieve a smoother flow of imports, we still need capacity in NZ to be able to manufacture and dispatch domestically. Suppliers have expressed a desire for assistance from the government in freeing up immigration barriers and easing the cost burden. Recent increases in the minimum wage and sick pay have impacted costs, further adding to increases in the cost to supply to the market.



## THE NEXT SIX MONTHS

The issues with supply and pricing don't look like they'll ease soon. Given the global context and the strong New Zealand forecasts for new dwelling consents, this is a situation that could continue for years. When we look at the BRANZ residential building consent forecast, we see elevated consents levels for at least the next four years, which suggests demand won't ease any time soon.

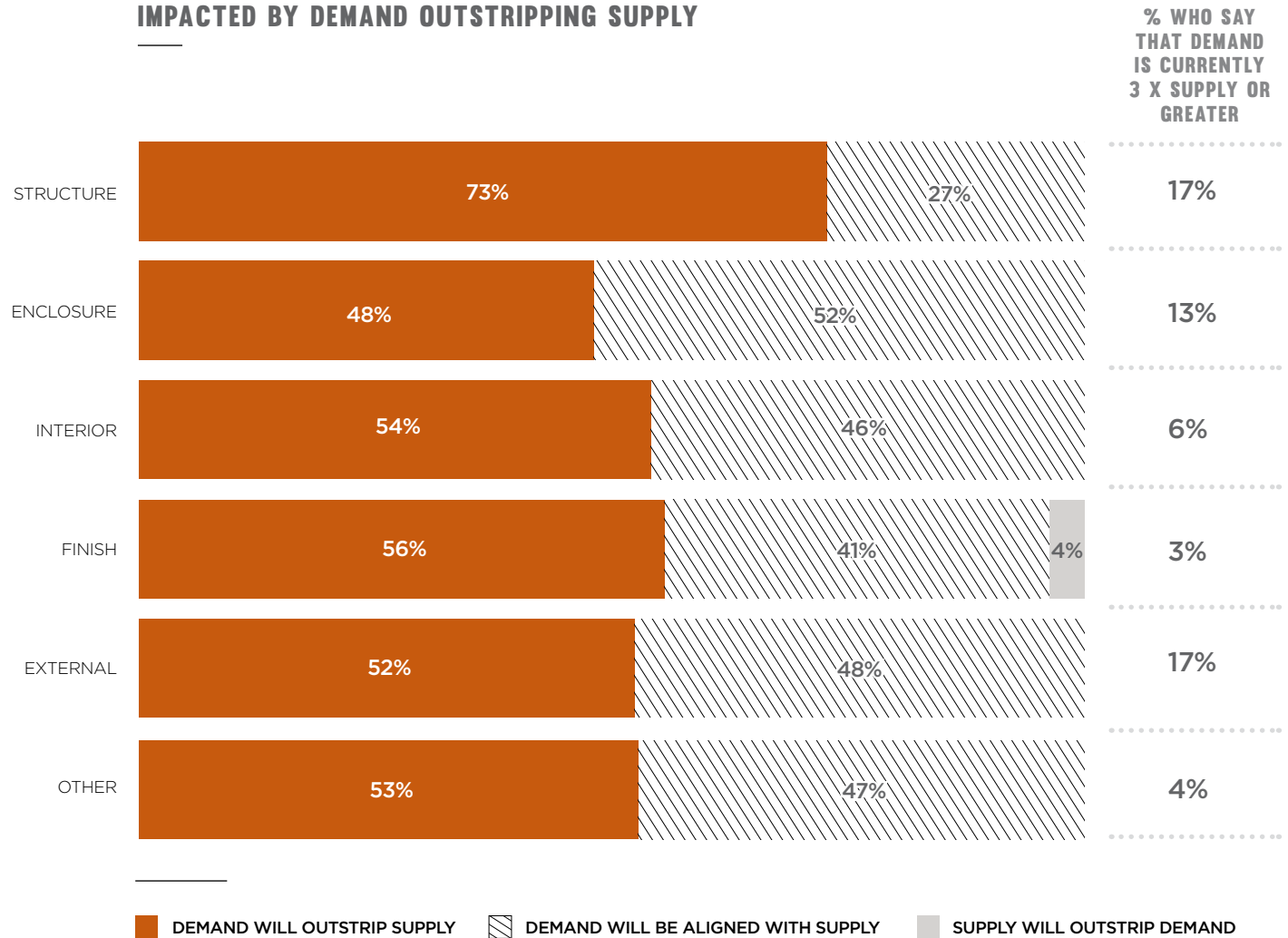
### BRANZ RESIDENTIAL BUILDING CONSENT FORECAST (JULY 2021)



At the very least, when we look to the next six months, 83% anticipate that suppliers will continue to be negatively impacted. Looking at the anticipated supply and demand balance by category, structure is the category most at risk of a continued supply deficit in the coming months.

Suppliers were asked by what factor they believed demand will outstrip supply. For both structure and external categories 17% of suppliers believed that demand would outstrip supply by a factor of three or greater (three times the demand against the supply available).

### STRUCTURAL PRODUCTS ARE THE MOST IMPACTED BY DEMAND OUTSTRIPPING SUPPLY



BASE: n=240

Question: For each of the material types you supply, which of the following do you expect around supply and demand levels in six months' time?

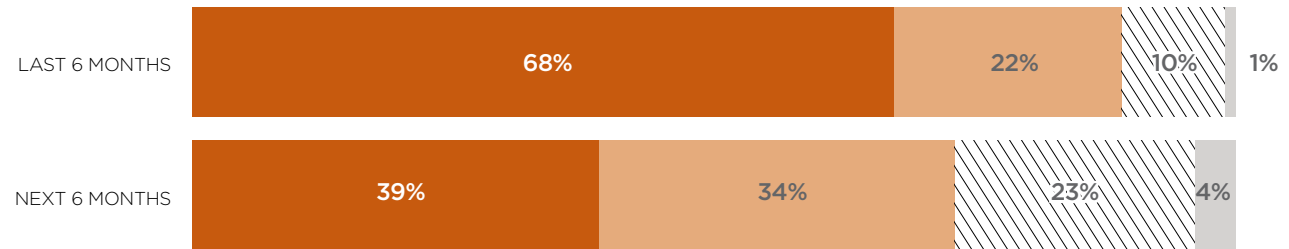
Given the situation with freight and staffing, lead times are likely to continue to increase. This will have flow-on effects to the market unless we start to plan and work differently.

Constrained supply means programmes on site will be extended, and this has cost implications even without any client penalties for delayed delivery. Some suppliers mention the potential impacts if supply can't be achieved – smaller builders and trades with less power among suppliers will be left with no supply, impacting their ability to work, operate, and pay their staff. As a result, we might start to see failed construction businesses at a time when the industry should be strong.

**"WHAT IMPACT DO WE SEE OF THE SUPPLY CONSTRAINTS HAVING ON OUR CUSTOMERS? SOME SMALLER CUSTOMERS WILL NOT BE ABLE TO GET SUPPLY WHICH COULD PUSH THE BUSINESSES INTO HIGH RISK OF FAILURE."**

## LEAD TIMES LIKELY TO CONTINUE INCREASING

### LEAD TIMES



■ INCREASED SIGNIFICANTLY   
 ■ INCREASED SLIGHTLY   
  STAYED THE SAME  
■ DECREASED SLIGHTLY   
 ■ DECREASED SIGNIFICANTLY

BASE: n=240

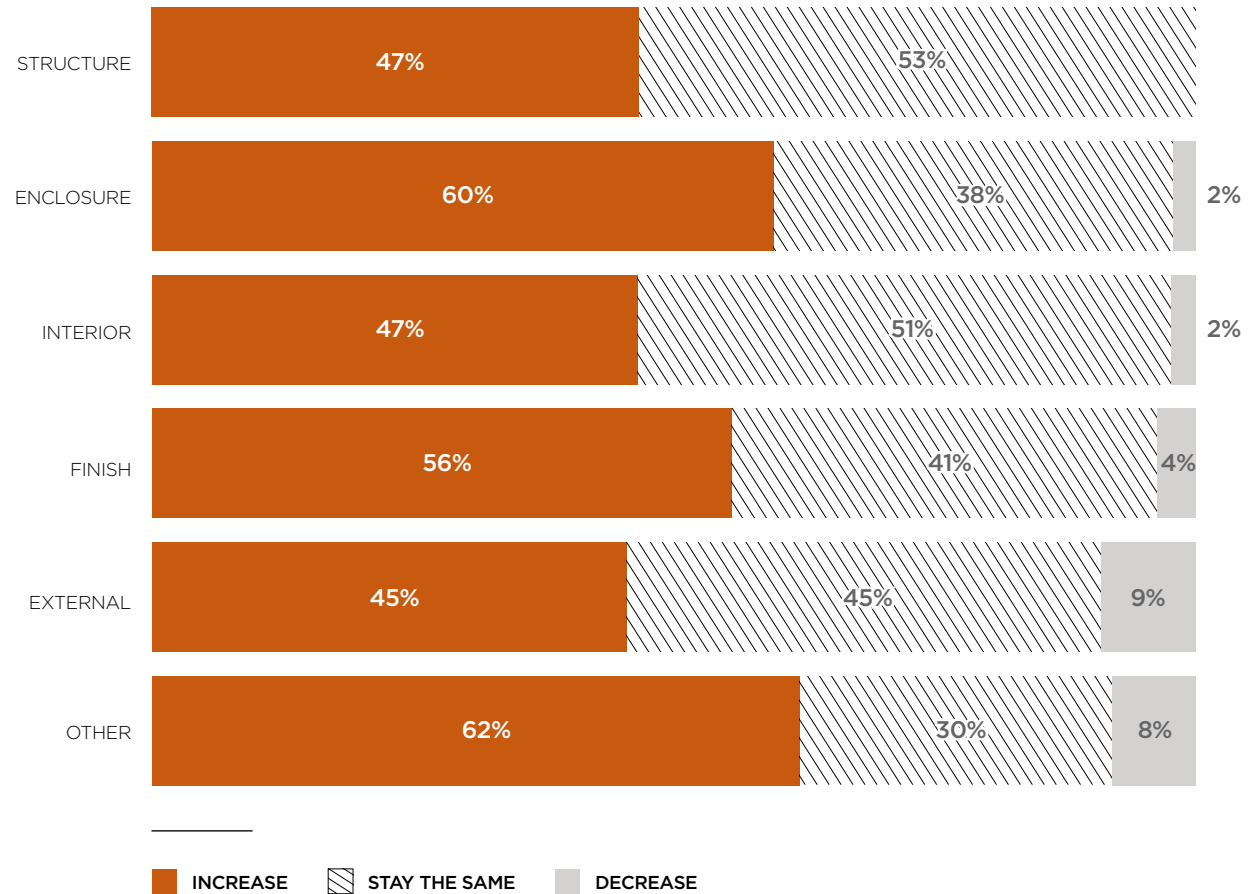
Question: Thinking about the market and your supply over the last six months, please rate your experience with...?

Question: Based on your experience of how the market is performing, what do you expect in terms of...?

Ultimately, the issues around supply look to continue for the next six months at the least. We've kept the forecast deliberately short (to six months), as it is hard to make any dependable predictions beyond this in a context of so much uncertainty around Covid. As discussed, four key issues must be addressed if we have any hope of triumphing through this as a productive and affordable industry. Let's turn then to what needs to happen in the face of these issues.

1. Dealing with the logistics situation
2. Considering the potentially hidden price impacts and sustainability of our supply chain
3. Operating in a context of a global market that is forecast to grow further
4. Appropriate staffing for the supply side of the construction industry

### LEAD TIME CHANGE BY CATEGORY NEXT 6 MONTHS



BASE: n=240

Question: Looking ahead to January 2022, for each of the materials you supply do you expect the lead times for supply to increase, decrease, or stay the same as they are now?

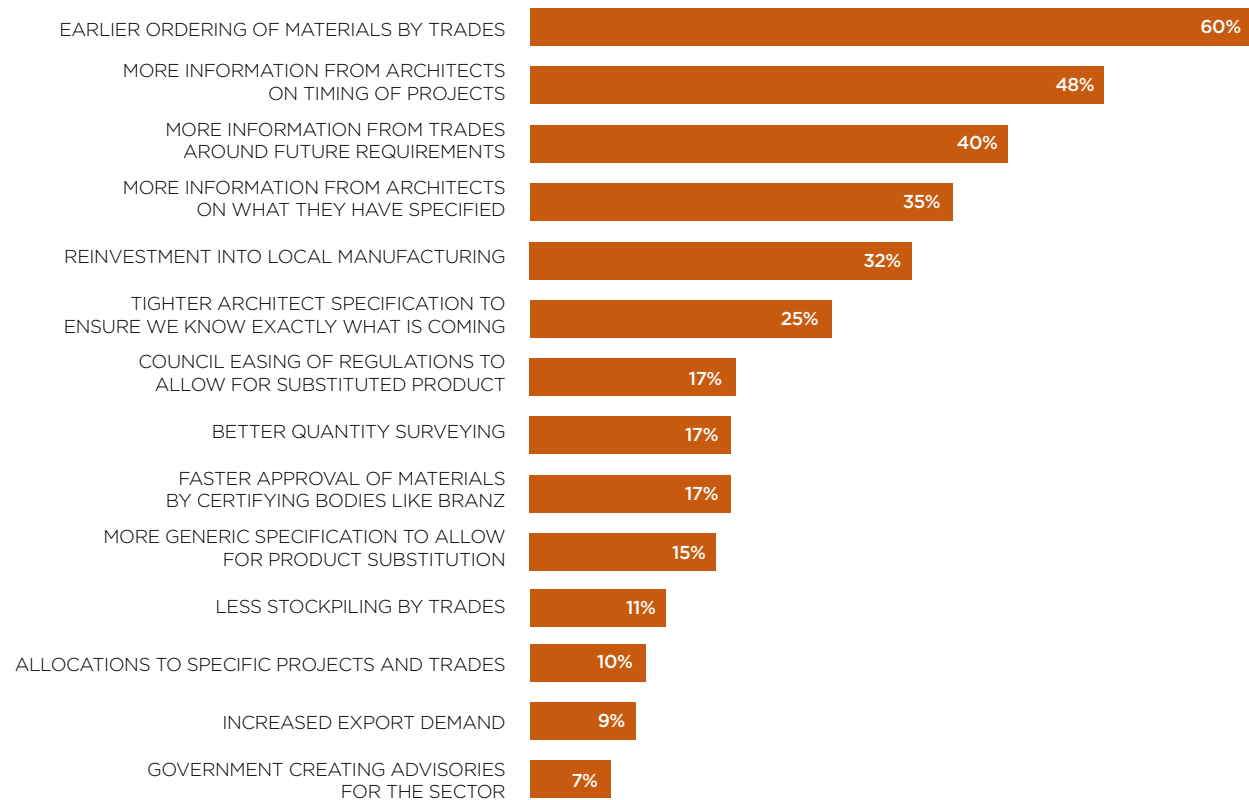
# WHAT SHOULD OUR RESPONSE BE?

There are many elements to this situation, this isn't a simple fix. We need to consider the issues that are impacting both the supply and demand aspect. We need to be thinking about the wider construction industry and the part that each stakeholder can play in helping to maintain productivity and affordability in these constrained times.

The response is critical. This cannot be a report simply to add to the fearmongering, we need to build positive steps that stakeholders can take to start to have an impact on the situation.

We asked suppliers what they thought would be useful to respond to supply chain issues. The clear message was around better planning and communication from all parties – architects, specifiers builders, trades and clients.

## THERE ARE THINGS WE CAN DO RIGHT NOW AS AN INDUSTRY TO START TO EASE THE SQUEEZE – IT WILL REQUIRE DIFFERENT WAYS OF WORKING AND PLANNING



**MORE PLANNING AHEAD AND SHARING PROGRAMMES AND SPECIFICATIONS**

BASE: n=240

Question: Which of the following do you believe would be useful to respond to supply chain issues and supply and demand challenges currently present in the NZ market?

As an industry, we are often poor at planning ahead, or at least poor in communicating that planning to each stakeholder across the construction process. Large commercial construction firms often do a good job of bringing suppliers into the fold early to ensure timely delivery, but at the smaller end of the market we lack the systems and processes to help suppliers anticipate what might be coming.

However, even where we are doing a reasonably good job now, there's still room for a lot more communication and planning.

**It might seem overly simplistic to say we need to plan ahead, communicate early, and share more detail. However, given how the industry has traditionally operated, to do this well requires a real shift in the way we think about the build process and how we engage trades, suppliers, and clients.**

We need to start changing the expectations of **end clients** around accessibility of product, ease of substitution, and speed of build – this will require some tough conversations, but also needs to be backed by industry bodies and the media. It's difficult as a standalone builder to tell a client that what used to be standard is now unrealistic in terms of timeframes, price, and accessibility. It requires support from industry bodies and a national conversation to change client expectations.

We need **merchants** to be working as the conduit between builders and suppliers with better forecasting of what's coming up. Merchants need to be trusted to sit in this role, and they need to be supported to collect this information and channel it in the right way.

We need architects and specifiers to take lead times into account in specification, and to communicate around what has been specified and when it's likely to be required on site. Yes, specifications change between the design and construct teams, but communication around intended specification will still help.

We need **builders and trades** to reconsider what's realistic for a build programme, and to communicate early with merchants, architects, specifiers, clients and suppliers to ensure the programme runs relatively smoothly. Conversations with builders over the last few months suggest that while they have started to make allowances for product availability and delays, there are still more allowances that need to be made.

Beyond this there is a role for government in helping to ease some of the supply issues and their impacts. We asked suppliers what they believe the New Zealand Government could be doing to alleviate some of the pressure on businesses that supply to the construction industry. Several key themes emerged:

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**Ease the pressure at ports**

“Assist local companies to improve the service at all NZ ports. Hire ships for our export/import businesses. Improve infrastructure. We are heading towards a third world country.”

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**A new strategy for ports**

“Restructure council managed ports so they are performance driven public companies, we have Ports of Tauranga as benchmark. The current mixed approach to port management clearly is not working.”

“Developing NZ only shipping supply lines, where we are not reliant on shipping which is diverted or waypointed via other ports before finishing in NZ.”

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**Improve immigration for skilled workers**

“Open immigration to skilled and required workers.”

“We have been loaded with extra costs by government such as increases to minimum wage and extra sick days. The biggest problem is getting staff. The single best thing the government could do is let migrants in.”

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**Invest in NZ manufacturing and tech**

“Support NZ made initiatives. Drive policy for up-skilling companies and protection from inherent risks as a SME.”

“They could make loans more readily available to businesses that want to expand but need to invest significant amounts e.g. several million dollars to get additional equipment.”

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**Invest in construction tech**

“Invest in the construction tech sector more as AI for project management and design gives better tools for forecasting and provides greater lead time preparation for materials.”

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**Change the expectations around construction timelines**

“Better manage the expectations of the public with regards to the amount of time projects will take to complete.”

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**More efficient local council stakeholders**

“Push harder on councils to increase their efficiencies around consents and inspections, plus train their staff on more products and systems - too much time wasting from councils is slowing projects significantly.”

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## ABOUT EBOSS

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Established in 2006, EBOSS works with leading building product suppliers to assist in material selection by specifiers. Trusted by 30,000 architects, designers, builders, sub-trades, council planners and engineers, who subscribe to the EBOSS digital product library and publications, EBOSS regularly engage with members of New Zealand's architectural, design and construction community.

[www.eboss.co.nz](http://www.eboss.co.nz)

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