



# MEMBER SURVEY

## Productivity Commission Inquiry into Economic Resilience

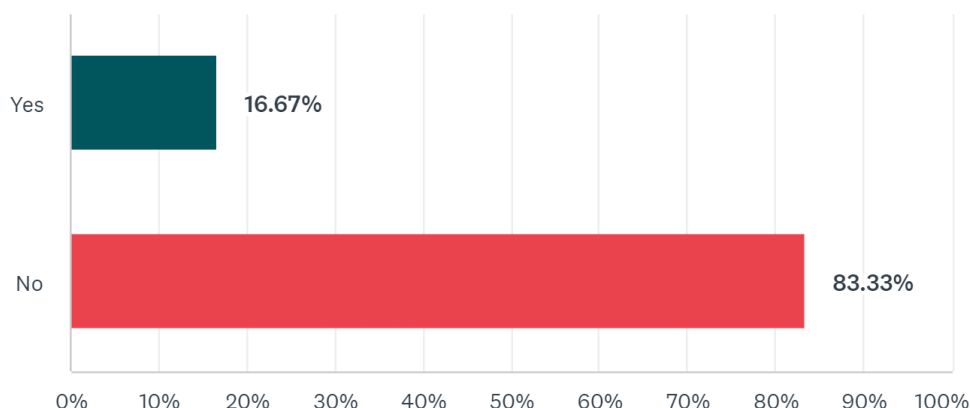
April 2023

restaurant  
association  
of new zealand

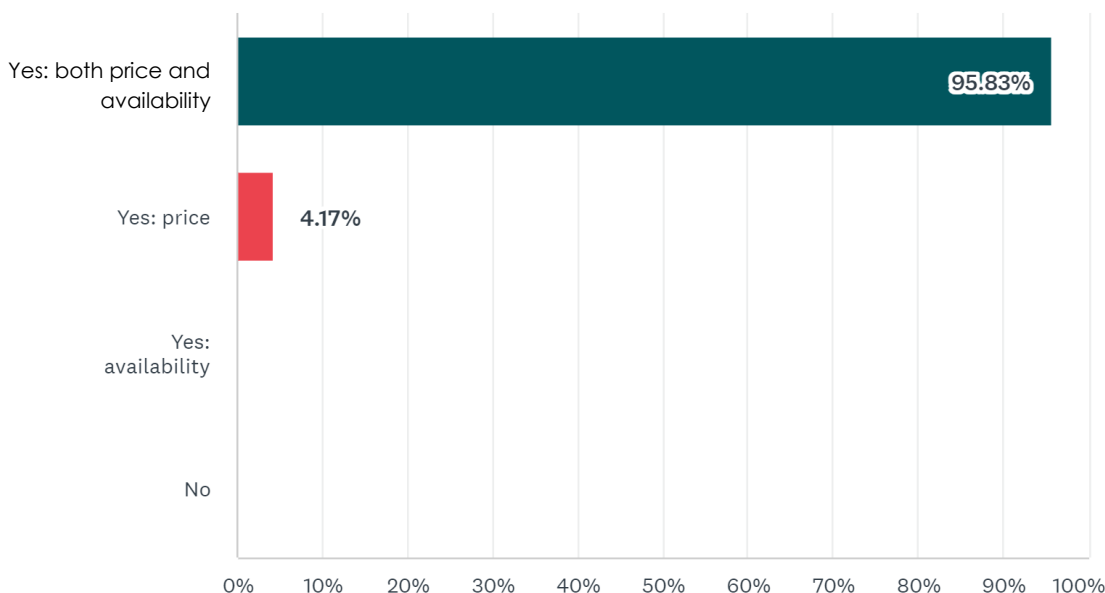
The Government is exploring policy options for enhancing economic resilience – the capacity of industries and communities to anticipate, prepare, absorb, recover and learn from supply chain disruptions. We know that these disruptions are likely to be more frequent. The environment that global supply chains have relied on for decades is being increasingly challenged by emerging geopolitical, environmental, societal, economic, infrastructural and health risks. While Hospitality is somewhat removed from the global supply chain, it is inevitable that our industry is hit by the flow-on effects of supply chain disruption. For example, the war in Ukraine impacted global oil supply, increasing the cost of cooking oil, creating an unforeseen cost which was borne by our members.

This survey sought information from hospitality operators on how global supply chain disruptions have impacted business - as well as ways the Government can prepare responses to these disruptions that support our industry.

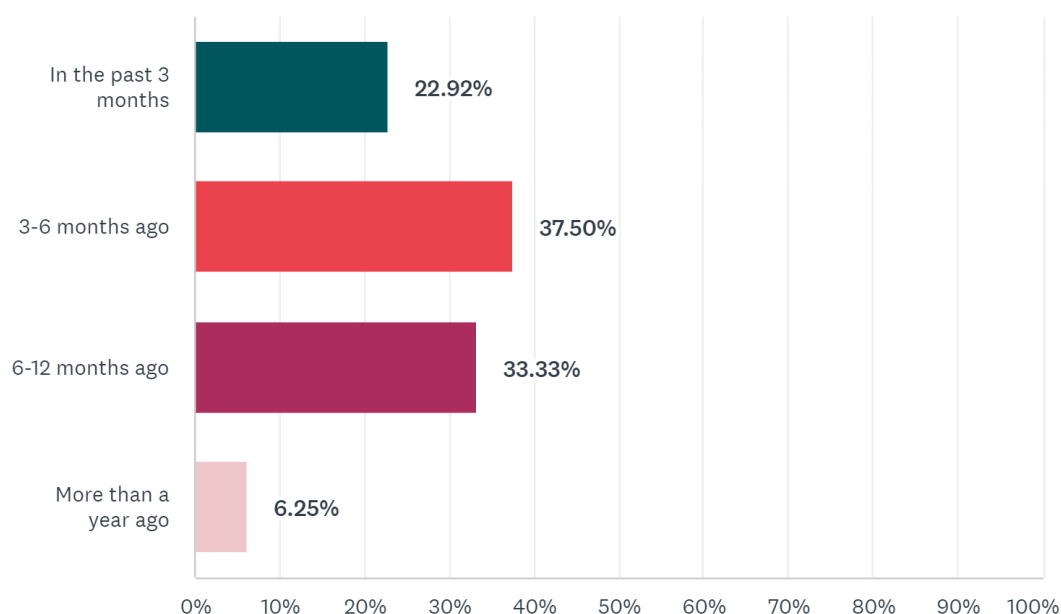
### Q1. Were you aware that this inquiry is underway?



### Q2. Have you seen changes in your supply chain impacting price and availability of supplies? Consider the price and availability of both food/ingredients, as well as equipment.



**Q3. If you have noticed impacted prices and availability of supplies, when have these been felt most acutely?**



**Q4. In your opinion, what has been the main cause of impacted prices and/or availability of supplies?**

Selected comments

- Covid
- Supplier staff shortages
- Global prices
- Shipping / freight prices
- Increases in input costs (eg wage increases) putting prices up
- War
- Government policy / regulations (eg egg shortage)
- Cyclone effect
- Inflation
- Climate
- Fuel costs
- Reliance on free trade agreements
- Lack of diversification by local primary sector

**Q5. What is the biggest supply chain issue that you're currently experiencing, or have experienced, over the past few years?**

Selected comments

- Egg supply
- Imported goods – pricing and availability
- Availability of goods
- Consistency in supply meaning need to use alternative stock items
- Delivery issues
- Suppliers unable to fill order due to staffing shortages
- CO2

"Eggs since about October last year has been an absolute nightmare that has only got worse this year. Having weekends where none of your suppliers have any egg products available at all and you're a cafe means you're running around supermarkets only allowed to buy 1 or 2 packs at a time when you need probably more than 20 dozen eggs to last the weeknd is super stressful. I saw a kfc had no chicken and that's what I thought was going to happen to us. Sorry we can't do eggs bene we have no eggs this weekend."

## Selected final comments

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I cannot push my prices higher, but the inconsistency on prices and supplier are a huge headache for us.

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Currently staffing an issue. Min wage increases are making running a small business unaffordable. Couple that with the cost of goods now and things are not looking promising for the near future.

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Some of our large suppliers, have implemented across the board large price increases. I find it difficult to imagine such price increases are fully justified.

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On top of the egg crisis that our own government cooked up. Such a great example of well intentioned but extremely badly executed policy.

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All nations which have grown strongly have focused on manufacturing and export. NZ is in the perfect position to sort out a financial system like Switzerland, an IT situation like Scandanvia, a bio-mimicry R&D like no one else and then focus on Primary and Secondary Sector development to support all of this.

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I would be great if government could understand small business better and realise we don't run on the same margins as big business. most are generally good people wanting to make a living. the more red tape that get introduced just means our costs increase.

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Increased prices are over the top.

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We have come to expect supply of any item may be erratic.

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Until companies can employ capable staff easier and at a fair rate these issues are only due to get worse.

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Fix the supply chain monopolies and associated price gouging.

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"It is astounding and somewhat befuddling that as a net producer of food, that so much of New Zealand's food (and often highest quality) is exported. What more the same food is often more expensive for New Zealanders. We dump kiwifruit and avocado that doesn't meet grade and yet have families that go without.

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It is surprising that New Zealand is importing products like pork (no doubt industrially farmed) when we could be encouraging local industry and building resilience in our own local food supply and supply chains. Personally we think that the Government could be doing more to promote and support local industry & production and 'buy / support local'. "

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Margins are non existent, staffing is horrendous and a bad time to try and sell a once thriving business. Burn out and nothing left in the tank, affecting health and well being

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