

Stantec submission: Improving Economic Resilience – Issues Paper

Opening comments

1. Stantec is a large professional services firm with global and national expertise across the transportation, energy, infrastructure, climate resiliency and environmental sectors.
2. We operate 14 local offices around Aotearoa New Zealand and have significant recent experience in the response and recovery of a range of supply chain disruptions in the form of significant weather events and natural disasters.
3. Our recent experience nationwide includes:
 - 2010: Christchurch Earthquake Vero Insurance Program - Recovery
 - 2011: Tasman Floods – Response and Recovery
 - 2018: Central Hawke’s Bay Flood – Response and Recovery
 - 2019: Pigeon Valley Fires – Response
 - 2021: Marlborough Floods – Recovery
 - 2022: Marlborough Floods - Recovery
 - 2022: Nelson-Tasman Floods – Response and Recovery
 - 2023: Cyclone Gabrielle – Response and Recovery
4. In terms of the eight focus sectors, our largest overlap would be with the construction sector. We provide the detailed design and planning work required for a range of infrastructure projects.

Key Questions

- *What supply chain disruptions and trends are you worried about?*
5. Stantec’s experience in Aotearoa New Zealand has led us to the view that many of the learnings from previous natural disasters or weather events that cause supply chain disruptions have not been captured in a national recovery or resilience framework.
 6. For this reason, while we are well equipped in the immediate response to significant events, there is often a lag time between that phase and the longer-term recovery, where recovery planning takes place within the business-as-usual political ecosystem.
 7. This lag time, while understandable, often fails to provide the recovery visibility that communities require in the aftermath of significant events and their consequential supply chain disruptions, and can also negatively affect business sector confidence in reinvestment.

8. This is among the trends that worry us – that we seem to bounce from one disaster to another and it can often appear like we’re starting from scratch each time.
9. In other disruptions, we also pick up recovery models that may have been implemented during the recovery of previous events but aren’t best equipped to handle the present-day event.
10. Our other main concern is the labour pipeline, and lack of access to overseas skills so desperately required in Aotearoa New Zealand.
11. The wider construction sector operates at near capacity across the country, meaning there is little to no redundancy in the system to deploy additional resources to different parts of the country as and when needed.
12. Stantec is currently trying to recruit from across the globe, specifically in the geotechnical and structural engineering space, as there is a severe shortage of available workers across the engineering and science sector.
13. We note the Government’s recent announcement of a fast-track cyclone recovery visa process. While we commend the intent behind the announcement, the six-month duration of the visas is impractical.
14. By the time a company has recruited a person, onboarded them and brought them up to speed, the majority of the visa time period would be over.
15. Stantec submits in support of such visas as a mechanism that we can enable in the aftermath of significant weather events or natural disasters, but believes the duration must be significantly longer – a minimum of two years – to make it worth the time of both the employer and prospective employee.
16. We are committed to the development of the local workforce, and we have programmes in place to recruit new talent throughout Aotearoa. However, the industry is stretched, and recruitment within the country amounts to cannibalism.
17. Despite these efforts, the lack of skilled labour continues to be a significant issue and one we believe needs to be addressed as a matter of urgency.
18. Aotearoa New Zealand risks being left behind and unable to deliver complex infrastructure projects in a timely manner – and to the benefit of all New Zealanders – if the economic constraints currently being experienced are not eased.
19. Our economic resiliency is jeopardised in times of crisis by the lack of access to skilled global labour – and this is playing out in multiple sectors in our economy presently in the wake of COVID-19.
20. Lastly, we have seen first-hand how bureaucratic systems can often get in the way of recovery.

21. For example; the thirteen months it took for CERA to create the Christchurch Earthquake Recovery 'Blueprint' removing private sector reinvestment delays, and the ongoing months of business case writing for Waka Kotahi to confirm the Cyclone Gabrielle recovery programme on the east coast of the North Island.
 - *What is your industry/community currently doing or planning to do to address supply chain concerns?*
22. Stantec is engaged with the various workstreams as part of the National Adaptation Plan, and we are advocating for a broader recovery framework to be devised and implemented at a national level.
23. Outside our expertise, we feel this is the best use of our resources, and we have a wealth of global, and domestic, experience that we could leverage to support the development and rollout of any such framework.
24. In the immediate aftermath of Cyclone Gabrielle, Stantec was able to commence short-term response works straight away thanks to the arrangements we have in place with local and regional authorities in many of the affected districts.
 - *How can the government help to enhance the resilience of your industry/community to supply chain disruptions?*
25. The most frequent domestic supply chain disruptions stem from significant weather events and natural disasters.
26. Given the role of climate change, the frequency of these events will likely increase, and we must be better prepared to roll-out recovery systems under a pre-determined recovery framework.
27. We strongly believe central government must lead the development and implementation of a national recovery framework.
 - *What should the Commission study to learn more about the economic resilience of industries and communities?*
28. Stantec believes that, in addition to the target sectors the Commission is looking at, it would be useful to include analysis of how a national recovery framework could ease the disruptions experienced in a variety of events.
29. Equally, a scan of what offshore recovery models we may be able to import would be welcomed.

30. Fundamentally, the Commission's Issues Paper is looking at resiliency, and Stantec submits that a crucial aspect of this is a national standard or framework of what resiliency looks like, and similarly, what good recovery models look like.
31. Currently there are no fewer than eight government agencies and entities that have resiliency-related work programmes and roles.
32. Not only does Stantec view the status quo as substandard, we are concerned about how ill-prepared Aotearoa New Zealand is in the face of disruptions that cause economic and societal shock.
33. We commend the Issues Paper and encourage the Commission to broaden its scope to ensure that we are not thinking about resiliency, response, and recovery on a sector-by-sector basis.
34. A cohesive approach at a government level would prove invaluable.