

## **Kāpiti Air Urban submission on the New Zealand freight & supply chain issues paper**

Thank you for the opportunity to make a submission on the New Zealand freight & supply chain issues paper.

Kāpiti Air Urban is a community group working with local government, hapu, and central government to retain Kāpiti Coast Airport as an asset for the region.

Our engagement with this paper is from the perspective of air freight at regional airports, a topic that, unfortunately, is completely overlooked in the paper.

We argue that domestic air transport is a small but important freight mode that should be included in the Government's Strategy, that it is likely to increase in magnitude as drones become more ubiquitous, and, therefore, it is important that New Zealand retains and maintains its regional airports and their infrastructure.

### **Current domestic air freight**

It may have been assumed that regional air freight is minor or unimportant in the New Zealand supply chain, but this is not correct. Air freight, often carried on passenger flights, supplies high value, specialist, and time-critical freight to regional parts of the country, some which are otherwise quite isolated. In some instances, air freight supplies areas that cannot be accessed reliably or at all via road, rail, or sea – for example, islands and facilities on Department of Conservation land. This includes medical supplies, fresh seafood, newspapers and mail, and construction materials.

While volumes of domestic air freight are undoubtedly small the relative value tends to be high (no statistics are available but the 3% by volume of New Zealand's international freight that is carried by air is 21% of the value of New Zealand's international freight – ie nine times more valuable by weight than freight carried by other modes). In some cases, the choice is between air freight and no freight.

The transport of freight via passenger flights also helps to improve the economics of those services, ensuring that communities have access to air passenger transport.

## **Future opportunities**

The future is likely to see greater use of domestic air freight as costs decline and with the rising use of drones and electric aircraft. Low-cost, electric, unmanned air transport will open up markets for air freight that do not exist today and enable point to point transport that will be able to make use of regional airports. There is potential for unmanned air freight to become an important part of the freight supply chain to smaller regional centres.

On the other hand, the future of regional airports is in doubt if their potential is not recognised. Years of underinvestment has created a maintenance backlog at many airports, while developers are seeking to close Kāpiti Coast Airport altogether. The potential to lose key transport nodes in regional airports should not be overlooked in the Ministry's work on the freight supply chain.

We urge the Ministry to examine the issue of domestic air freight in greater detail and engage with relevant stakeholders as it develops the draft Strategy.

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