

NZ Freight and Supply Chain Issues
Ministry of Transport
WELLINGTON

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New Zealand Freight and Supply Chain Strategy

We appreciate the opportunity to comment on this issues document.

Aviation NZ is the pre-eminent commercial General Aviation Association in New Zealand. We have over 300 members across six divisions - NZ Agricultural Aviation Assn, NZ Helicopter Assn, UAVNZ, Training & Development, Engineering & Supply and Operational.

We are providing a few high level comments and not getting into detail about the various questions.

Aviation is only referred to a handful of times in the paper but airfreight gets good coverage. The paper correctly identifies the importance of high value products being carried by air, and we agree that a common justification for using airfreight is to support 'just in time inventory management'. At a broader level, aviation has become more important in delivering online consumer orders from around the World.

At the New Zealand level, we should focus on what 'we' can control and influence. This requires a more holistic view of the domestic distribution system. The discussion paper refers to the various elements in the supply chain (road transport, rail, maritime and aviation), with a heavy emphasis on the recent announcements around beefing up coastal shipping capability.

The various freight modes all could have a role to play. However, a more aggregated, integrated and joined up approach to determine what is most suitable for 'us' is needed. This will require flexibility, and 'need/urgency' should be taken into account to determine the appropriate mode(s) to be used.

From our perspective, many of the manufacturing supply chains have been disrupted and may not return to what they were. We notice 'Just in case' has now become a factor in companies ordering for the aviation sector, and, we presume, the broader economy. This means that if a product or service is available, businesses will buy it when the opportunity presents itself, otherwise they might not find it available when they need it. There is an extra business cost associated with this.

As an example, Original Equipment Manufacturers to the General Aviation industry (engineering and maintenance companies in particular) are quoting up to 18 months for replacement parts. A consequence, depending on the availability of parts, is that

aircraft could be grounded for up to 18 months. These parts will primarily come to New Zealand by air but how they are transported to the engineering/maintenance company will be a function of location and urgency of need. This simply reinforces the need for a flexible approach.

The paper does not appear to sufficiently cover the importance of aviation infrastructure. Keeping at a high level, we need aviation infrastructure to be 'fit for purpose' and located appropriately to enable commercial aviation activities. The facilities and systems that support the aviation industry (and therefore, airfreight and passenger flows) need to be considered more, taken into account more, and we need to look at different funding options.

The current method of funding some aviation infrastructure through user pays is no longer a sustainable option. Similarly, we need to be looking at other infrastructure solutions and funding options if New Zealand is to take advantage of the emerging electric, hybrid, hydrogen and SAF propulsion options being developed. These also have implications at the local airport/airfield.

Consequently, supply chain options cannot be considered in isolation. They need to take into account other discussion documents being produced including emissions, new technologies and airspace.

Airfreight is a by-product of international aviation. Adopting systems and processes to encourage the return of scheduled air services will automatically have positive effects on airfreight capability to New Zealand.

Yours sincerely

A handwritten signature in blue ink, appearing to read "John Nicholson". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

John Nicholson
Chief Executive