

3 November 2016

Keston Ruxton
Manager Input Methodologies Review
Commerce Commission
PO Box 2351
WELLINGTON 6140

Dear Keston

Amendment to the Commerce Act (Specified Airport Services Input Methodologies) Determination 2010

Thank you for the documents on the Review of the Input Methodologies which you provided on 13 October to enable parties to review the technical drafting.

We are pleased to see that significant progress has been made in ensuring that the Input Methodologies and Information Disclosure determinations are clear for the parties participating in consultation over airport charges for the period 2017–22. We are also pleased to see that some of BARNZ's requests have been adopted.

There remain, however, three matters which we believe warrant further attention before you finalise the determinations.

IM – Revenue Relating To Assets Held For Future Use

Under 3.11 (6) (c) BARNZ believes that it is not made clear that net income from assets held for future use should be recorded in Schedule 4, not Schedule 2. BARNZ believes that all income in relation to assets held for future use should be recorded in Schedule 4 and thereby reduce the net costs of holding the asset for future use.

ID – Definition of the Pricing Incentive

The ID definition of pricing incentive refers to incentives that have the effect of lowering the price paid for specified airport services, but without stating the datum from which they have been lowered. In BARNZ's view, reference could be made to charges set under the Airport Authorities Act or to standard charges.

ID – Transitional Provisions

In its Airport Topic Paper 5 (para 228) the Commission stated that its intention was that Auckland Airport would be required to restate its historic disclosure asset values in a manner consistent with the approaches it adopts in pricing. We can see the summaries of information in Schedule 24 relating to FY07 to FY11, but we cannot see where the restatement of information relating to FY12 to FY17 is to be set out.

We would be grateful if the Commission could consider these three remaining points.

Yours sincerely



John Beckett
Executive Director