

20 July 2012

Karen Murray Manager, Regulation Branch Commerce Commission Po Box 2351 **WELLINGTON 6140**

Dear Karen

AUCKLAND AIRPORT - SECTION 56G CROSS SUBMISSION

The NZ Airports Association has made a cross submission on the Section 56G Reports – Process and Issues. Auckland Airport is a party to and has contributed to the NZ Airports Association submission and it should be treated as if Auckland Airport also had made the submission.

Auckland Airport strongly agrees that ultimately it is the outcomes produced in a complex operating environment that determine whether the purpose of Part 4 is being promoted, and this is what an effective information disclosure regime should allow interested parties to fully assess. The focus must be on the information disclosed.

Auckland Airport is concerned that the airlines appear to want to "throw the baby out with the bathwater", as it were, regardless of whether the disclosed information has in fact identified a problem. Auckland Airport believes that a proper consideration of the disclosed information will provide evidence that the purpose of Part 4 is being met.

Auckland Airport has identified one area of concern with the existing regime, which it will submit on later in the process, in respect of Future Use assets (excluded assets held for future use). Other issues may also be identified where the Information Disclosure might be incrementally improved. This does not imply that the Information Disclosure regime is fundamentally flawed. Rather, that minor improvements are possible. The industry has invested a significant effort in the new regime and it is good regulatory practice for new regimes, such as the Airport Information Disclosure Regime, to be given an opportunity to succeed.

Auckland Airport agrees with NZ Airports' submission that the airlines are improperly encouraging the Commission to take an approach to the Review that goes far beyond the proper legal scope of the Review as required by the Commerce Act 1986 ("Act").

If the NZ Airport Association submission raises any issues specific to Auckland Airport that the Commission would like to discuss further, please do not hesitate to contact me.

Yours sincerely

Adrienne Darling

Auckland International Airport Ltd

Manager, Aeronautical Pricing



