

18 August 2016

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

Dear Keston,

Technical drafting comments on [DRAFT] Amendment to the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010

Attached are BARNZ's comments on the [DRAFT] Amendment to the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 document released by the Commission. We thank the Commission for the opportunity to comment on the proposed changes. For ease of reference we have not tracked any changes, instead using the comment tool contained in word to record any suggestions or views.

The key matters identified by BARNZ are:

- Whether the definition for default cash-flow timing needs to better reflect the fact that airports receive revenue on standard commercial terms on the 20th day of the following month?
- Clarification of the definition of pricing asset base.
- Clarification of the definition of pricing incentives.
- Suggested additional disclosure regarding any carry-forward balance for airports to have to disclose whether any of its substantial customers requested any other matter to be carried forward.
- Suggested additional disclosure regarding charges levied on assets held for future use for airports to have to explain how the charge promotes the long-term benefit of consumers of regulated airport services.
- Suggested additional disclosures regarding non-standard depreciation for airports to have to explain how the non-standard depreciation promotes the long-term benefit of consumers of regulated airport services better than standard depreciation, and also for the disclosure of the amount of the non-standard depreciation to be forecast for ten years into the future.
- Clarification of the transitional provisions, particularly how the Commission's intention outlined in para 228 of its Airport Topic paper for restatement of historical asset values has been reflected in the proposed transitional provisions.

We trust that the comments by BARNZ in the Commission's draft document clearly set out BARNZ's positions on these matters and we look forward to working with the Commission in any technical drafting workshop or other form of exchange which it undertakes. As always, if the Commission has any queries, please do not hesitate to contact BARNZ.

Yours sincerely,



John Beckett
Executive Director