

Auckland Airport conference – some questions/information for cross-submissions

Although questions were directed at particular parties during the conference, all interested parties are welcome to submit on them. The relevant transcript page reference is also given so that you will be able to review the context in which the matter was raised.

Party	Question/matter to be addressed in cross-submissions	Relevant page(s) in transcript
Qantas	What did Qantas seek from a service level agreement with Auckland Airport; why did Qantas want one; what process did Qantas go through to try and agree a service level agreement; and, in Qantas' opinion why was that not successful.	9-10
New Zealand Air Cargo Council	Does the New Zealand Air Cargo Council consider that the proposed review by Auckland Airport will address their current concerns and why? Does the Council have an idea of how much it would cost to secure access if access was to be secured at the current time and would air cargo operators be willing to pay the cost of doing so?	12-13
Auckland Airport	What is Auckland Airport's assessment of its rate of return calculated consistent with the input methodologies? What is Auckland Airport's estimate of the asset base calculated in accordance with the input methodologies?	18 - 22
Auckland Airport	Was the approach that was tabled in the price-setting consultation an approach that Auckland Airport would consider principled and therefore a possible approach that it would take in the PSE3 negotiations?	37
Auckland Airport	What forecast CPI rate would Auckland Airport consider should be used in applying the IMs where you are rolling forward an asset base?	39-40

Auckland Airport	What should the Commission take as the opening base valuation? What role should the fixed constant moratorium valuation that Auckland Airport is using have in our analysis?	39-40
BARNZ and Auckland Airport	Some indication of what you think the difference would be between the two assumptions regard the alternative land use plan used by Auckland Airport to determine its market value alternative use. Auckland Airport also offered to provide thoughts on this matter in its cross submission.	42 - 43
Auckland Airport, Air New Zealand and BARNZ	Given that Auckland Airport has not indexed its asset base for pricing purposes since the introduction of the moratorium in 2007, should the opening asset valuation used in the IRR analysis (as at 30 June 2012) be based on an unindexed roll-forward of the 2009 RAB?	44
New Zealand Air Cargo Council	Please provide us with some specific examples of where the Council considers that Auckland Airport has not innovated appropriately or has not been receptive to innovations by the cargo terminal operators.	46
New Zealand Air Cargo Council	Are there particular innovation concerns around the whole location area as well?	47
Qantas	Qantas has expressed concern about the five year depreciation profile. Auckland Airport states that it is going to have a discrete wash-up on the investment charge. To what extent would that satisfy your concerns?	55 - 56
Auckland Airport	What was the position regarding PSE1 in relation to the noise mitigation costs? Could Auckland clarify for the Commission the extent to which noise mitigation costs are occurring and the treatment of them so we understand how they have ended up being treated.	56 - 58
BARNZ	How much of the total route development costs is the amount that you don't think you should be paying for?	65 - 66
Auckland Airport	To what extent are you not insured? What's insured and what's not? Where are you self-insuring that might, say, justify these arguments we've heard about asymmetric risk? So, how much risk is the airport itself taking in terms of these	68 - 69

	sort of catastrophic events or major events?	
Auckland Airport	How much were the Rugby World Cup costs in 2012?	74
Auckland Airport	What is your approach to the issue of the valuation that will be used for PSE3? Auckland Airport to explain its views on the moratorium and the future path for asset valuations.	93, 108