

17 January 2012

Karen Murray  
Manager, Regulation Branch  
Commerce Commission

By email: [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz)

Dear Ms Murray

This letter is Air New Zealand's submission on the Commission's Draft Commerce Act (Specified Airport Services Information Disclosure) Amendment 2010 – Consultation Paper, dated 19 December 2011. None of the material contained in this letter is confidential.

Air New Zealand's principal concern is with the proposed change in timing for price-setting event disclosures from 20 to 40 working days. The 20 working day period was determined following full consultation on the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010. Given this previous opportunity to present views, and that timely disclosure is essential for ensuring that sufficient information is readily available to interested persons to assess whether the purpose of Part 4 is being met, Air New Zealand would have anticipated that the threshold for reopening this issue was reasonably high.

Wellington International Airport Ltd (WIAL)'s assertion that the 20 working day timeframe is "insufficient" cannot, of itself, justify a potential amendment. As the Commission notes, preparatory work should largely be completed prior to final prices being set, and timely disclosure to interested persons is essential for a robust information disclosure regime. These factors count against an extension unless specific concerns warrant a re-examination. If WIAL does have specific concerns with particular processes that may not be able to be completed within the 20 working days, those specific concerns should be identified and tested as part of consultation with interested parties before any amendment is considered.

Air New Zealand notes that pricing consultation with the specified airports is conducted over several months, is iterative, and supported by comprehensive documentation including the final determination of pricing decisions.

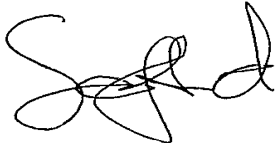
WIAL's claim that the 20 working day timeframe may result in airports delaying pricing decisions also does not suggest an extension is warranted. If timely disclosure happens to promote more careful and considered reasoning by airports ahead of final pricing decisions being taken, then that can only support the Part 4 purpose and an effective information disclosure regime.

A more general concern is that the Commission's consultation paper proposes a number of relatively small changes without the opportunity for in-depth consideration by interested parties. While this may be appropriate in the present case, the risk with this approach is that if it occurs often a number of small but cumulative changes may inadvertently impact on the ongoing effectiveness of the information disclosure regime. To the extent possible, a better approach is for

minor amendments to be delayed and a package of amendments undertaken, so that there is sufficient time for meaningful consultation to take place and any impact on the overall effectiveness of the regime can be meaningfully assessed.

Please let me know if you would like to further discuss any matters raised in this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Ford', with a stylized, cursive script.

Sean Ford  
Manager SVM - Aeronautical