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Dear Ruth

**Benchmarking of Airport Charges**

Please find attached the work BARNZ indicated it was preparing in response to the Commission's request for benchmarking of airport charges.

The methodology BARNZ uses in this work is to include all charges which are received by an Airport associated with the landing of an aircraft and the movement of its passengers through the terminal, such as landing charges, terminal charges, noise charges, parking charges, etc. Charges payable to third parties such as Government Agencies or Air Navigation Service Providers for matters such as aviation security, Government taxes, air navigation, meteorological services etc have not been included.

Thus the BARNZ work may be described as benchmarking airport charges, rather than turn-around costs which are often benchmarked by airports but include a much wider set of charges, extending beyond revenues received by airports, and beyond the scope of the matters being considered by the Commission under section 56G.

This work has been undertaken for both international airport charges around the world at today's charges, and for domestic charges at New Zealand Airports at today's charges and as well as for charges with effect from 2016 where an Airport has set these. The methodology used is the same as has been previously adopted by BARNZ when benchmarking, which was worked through in some detail with Auckland Airport in the past.

In addition, in order to put the charges in context, BARNZ has included a comparison of the asset base of a number of these airports, as this is directly relevant to the reasonableness of each Airport's charges.

As indicated, BARNZ is forwarding this work directly to the three Airports and NZAA for their information.

Yours sincerely



John Beckett  
Executive Director