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Submissions
Airways NZ

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Consultation Paper – Review of Pricing Framework and Standard Terms and Conditions

Air New Zealand welcomes this opportunity to comment on Airways' proposed changes to the Pricing Framework and Standard Terms and Conditions. It is timely as the aviation sector seeks to recover from the significant downturn resulting from the COVID-19 pandemic that constituent parts of the industry undertake these sort of reviews to ensure that service and pricing frameworks are structured in a way which supports recovery, rather than undermining it.

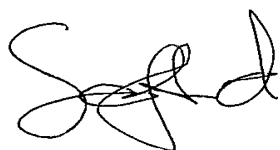
Air New Zealand is generally supportive, in principle, of the changes proposed by Airways. Including works-in-progress in the asset base for charging only when those assets are available for use is a sound approach consistent with the approach taken by the Commerce Commission in respect of airport information disclosure.

We do note Airways' proposed changes to calculating the annual capital charge may have an impact on cash flows and annual revenue requirements. This should be considered in more detail as part of the price-setting consultation process, and effort taken to ensure the outcome is rational and sensible.

Air New Zealand also welcomes Airways' commitment to incentivise cost reductions and service enhancements and considers the proposed mechanisms will go some way to achieving that.

As always, it will be important to work together as the pricing consultation progresses to ensure the pricing framework does not throw up intended adverse consequences. We look forward to collaborating through this process to ensure the best outcome for New Zealand aviation.

Yours sincerely



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