

2 April 2025

Airways Corporation of New Zealand Limited

By email: [submissions@airways.co.nz](mailto:submissions@airways.co.nz)

**CHRISTCHURCH AIRPORT SUBMISSION ON AIRWAYS PROPOSED PRICING FOR THE 2026-2028 PERIOD**

1. Christchurch Airport appreciates the opportunity to submit on Airways' Proposed Pricing for the 2026-2028 Period.
2. Christchurch Airport is New Zealand's second largest airport and the international gateway for people and freight to the South Island. Over \$4b of freight and up to 7 million passengers use Christchurch Airport every year. We host 11 commercial airlines flying to eight international and 14 domestic ports. We are the gateway to Antarctica for the International Antarctic Programme for Joint Logistics. Over 7,000 people work on our campus.
3. The aviation sector in New Zealand is operating in a challenging environment. Costs, including regulatory costs such as levies and charges, are rising. Aviation growth is constrained by tight global supply. Domestic travel demand is weak across some key segments. Our collective challenge in this context is to find efficiencies while at all times maintaining safety.
4. Airways proposes above-inflation cost increases for the 2026-28 period, including rising operating costs as well as inflation adjustments for both the current and prior period. The consolidated impact of price rises is significant for our sector. We encourage Airways to find, and show, efficiencies from its strategic initiatives and investments, including the benefits of greater use of technology.
5. Airways' view of likely future passenger growth in the pricing period is optimistic. It will take a concerted effort from the whole sector, including government and industry, to achieve 4% YoY growth in a period where aircraft seat capacity will be tight. Airways should consider this carefully; if it has overestimated the likely growth rate it will under-recover during the pricing period.
6. Christchurch Airport is concerned to ensure that the future transfer of Aerodrome Visual Aides (Power and lighting) is appropriately factored into the airways pricing consultation. Our expectation is that assets that are transferred to a new owner are transferred with their regulated revenue stream and an appropriate adjustment to Airways' balance sheet. We would like to see this expectation explicitly stated, and transparently demonstrated, in Airways' pricing.

7. At a policy level, the provision of services by Airways that amount to public goods should not be recovered from users. Strategic initiatives such as the Airspace Architecture Review are public-good regulatory functions that should be funded by the CAA / Ministry of Transport.
8. Christchurch Airport has read and supports the New Zealand Airports Association submission that the ownership model of Airways as a State-owned Enterprise rather than a Crown Entity results in steeper price rises for the aviation industry than are strictly necessary. Airways would be able to perform all of its functions but also have greater ability to smooth and flatten prices if it were a Crown Entity.
9. We would welcome ongoing discussion about price setting with Airways and will continue to engage with this process.

Michael Singleton  
Chief Strategy and Stakeholder Officer  
Email: [Michael.singleton@cial.co.nz](mailto:Michael.singleton@cial.co.nz)