



16 June 2021

Hon Dr David Clark  
Minister for State-Owned Enterprises  
D.Clark@ministers.govt.nz

Hon Michael Wood  
Minister of Transport  
M.Wood@ministers.govt.nz

Dear Ministers

## WELLINGTON AIRPORT SUBMISSION ON AIRWAYS SERVICE FRAMEWORK

Wellington Airport would like to provide you with a short comment on the document released by Airways, "A New Commercial Framework for Airways: Service Framework Review Process and Consultation Paper". The New Zealand Airports Association (NZ Airports) has made a comprehensive submission on this paper and we encourage you to consider it in detail. We will not reiterate every point here but would like to emphasise the points below.

Like many other airports in New Zealand, we are concerned by Airways' recent strategies and objectives, and particularly its proposals to withdraw essential services from regional airports, and now proposals which may end up adding costs to the aviation system. In our view, many of these decisions have been driven commercially by Airways' status as a State-Owned Enterprise. We agree with the Ministry of Transport that a wider review is needed to determine whether this is the best model for Airways to support the aviation system as a whole. We are concerned by Airways' continued moves to reduce services while potentially increasing cost and complexity to the system, and by the deterioration in Airways' relationships with airports in general.

Like NZ Airports, we are sceptical whether there is a true distinction between contestable and non-contestable services in the way Airways has outlined in its document. We do not agree with using this distinction as a pretext for changes to Airways' charging model, and do not see any necessity or cause to proceed with changes at a time when the aviation industry is struggling with the significant loss of revenue due to Covid-19.. We may be willing to discuss these matters in more detail in future, but not before more fundamental issues relating to Airways' business model and stakeholder relationships are resolved.

We also note that the Civil Aviation Bill will shortly be introduced to Parliament. The Parliament may or may not wish to address questions on the contestability of air traffic control services when the Bill is debated, and submissions heard. It would not be appropriate for Airways to proceed with fundamental changes to its Service Framework before the Bill is passed and a wider review also completed.

As Ministers responsible for Airways and for the civil aviation system as a whole, we ask you to commence a first principles review of air navigation services, as urged by the Ministry of Transport in its previous briefings to you. We are supportive of the NZ Airports submission to Airways that its own review should be paused until more fundamental issues are resolved.

If you would like to discuss this, please contact me and we will be able to provide more information or meet with you at any time.

Kind regards

Steve Sanderson  
CE