



**Standard Terms & Conditions Explanatory Document
(to be read in conjunction with Airways New Zealand Standard Terms & Conditions
for the provision of Airways Services)**

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This Explanatory Document is intended as a guide to assist in the understanding of the Standard Terms and Conditions for the Provision of Airways Services and Pricing Information (Airways' Standard Terms and Conditions). It is to be read in conjunction with and subject to Airways' Standard Terms and Conditions. In cases of inconsistency, Airways' Standard Terms and Conditions prevail.



About Airways

Airways Corporation of New Zealand Ltd (Airways) is a State Owned Enterprise (SOE) wholly owned by the government. The company is run on a fully commercial basis and is managed by an independent Board of Directors.

History

Prior to 1987 Air Traffic control services in New Zealand were provided directly by the government via the Ministry of Transport.

In 1987 the New Zealand Government embarked on a programme of commercialisation and privatisation of New Zealand's key governmental assets and infrastructure services. Services previously provided directly by the Government were either fully privatised (sold) or set up as SOEs (as was the case for Airways).

With the establishment of Airways as an SOE came a split of the Ministry of Transport's operational and regulatory functions. The regulatory function continues to be provided by a government agency – the Civil Aviation Authority (CAA).

Airways is certificated by the CAA to provide a range of Air Navigation Services throughout New Zealand under the various CAA 'Rules', and it is the CAA who audits Airways against the requirements of these rules.

What We Do

Airways is one of the world's leading providers of commercial Air Navigation Services, responsible for managing all domestic and international air traffic operating within New Zealand's 37 million square kilometres of airspace. In simple terms, it is the job of Airways to keep aircraft separated from each other.

Airways' Locations in New Zealand

Awards and Recognition

IATA Eagle Award
2008 for quality of service and value for money

Computerworld Excellence Awards
2007 Winner
Overall Excellence in the Use of IT – Flight-Yield™

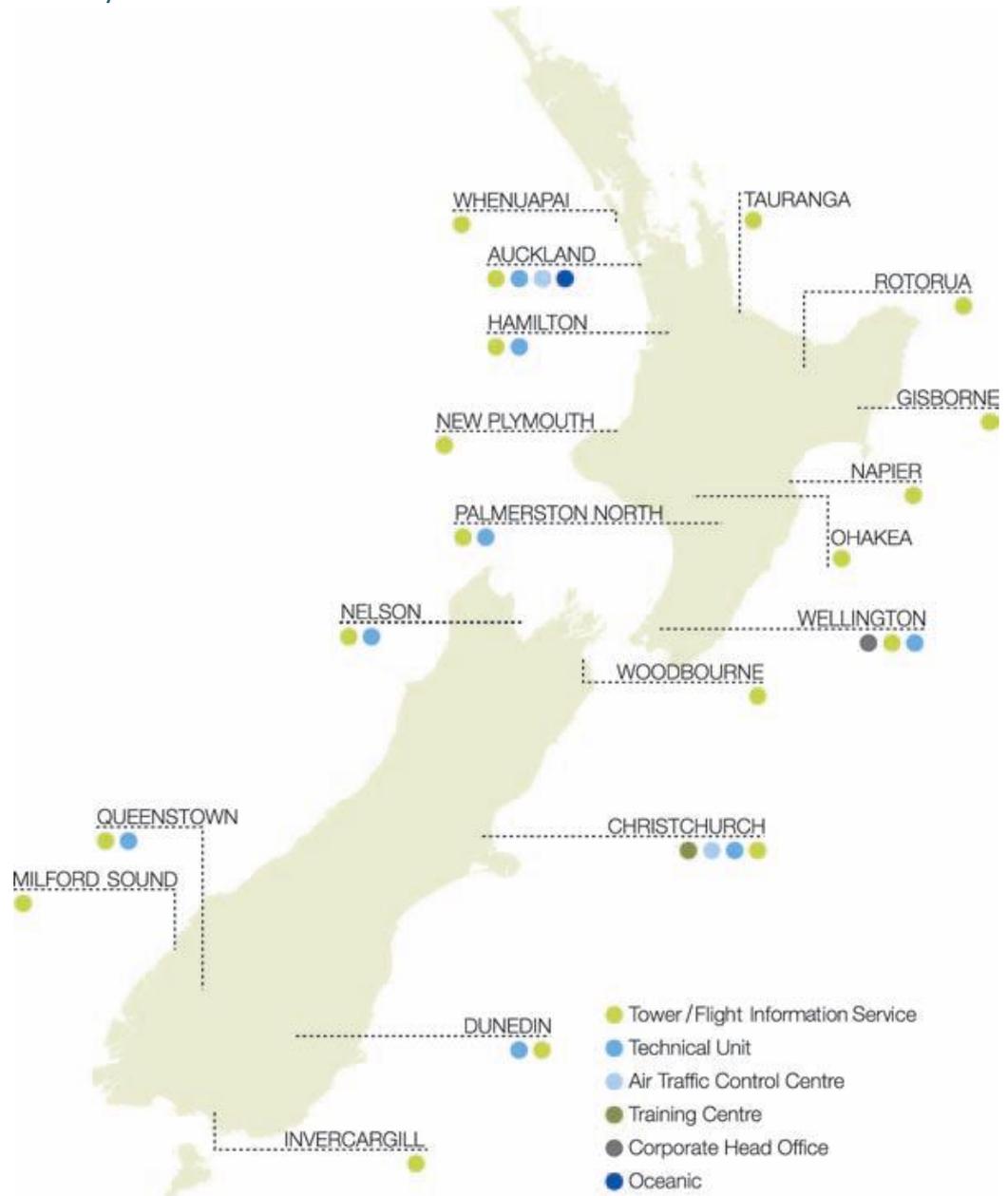
Computerworld Excellence Awards
2006 Winner
Excellence in the Use of IT for Education: Tertiary and Commercial

Computerworld Excellence Awards
2006 Winner
Overall Excellence in the Use of IT

Computerworld Excellence Awards
2006 Winner
Innovative Use of Technology

Aviation Industry Association Award
2004 of New Zealand for excellence in the provision of air traffic control services

IATA Eagle Award
2003 for quality of service and value for money



Airways operates an aerodrome control service or flight information service at 19 locations throughout New Zealand. All locations have set operational hours which determine when the tower will be attended. Full information about all aerodromes can be found in the New Zealand Aeronautical Information Publication (NZAIP).

Airways also owns or operates assets such as navigational aids and lighting at approximately 36 other locations in New Zealand.

In addition Airways operates two air traffic control centres, the largest being in Christchurch where Domestic En-route and Approach services are provided for all of New Zealand's domestic airspace. The other centre is in Auckland, where Airways uses its oceanic control systems to provide Oceanic En-route services to aircraft over the South Pacific Ocean and Tasman Sea.

Airways' corporate head office is located in Wellington.

Airways' Charging

General

Airways' charges are for the air navigation services provided – this is completely separate to any airport charges that may be imposed by aerodrome operators, such as landing or parking charges.

The amount that Airways charges, and the types of charges that are applied, vary depending on a number of key factors. Depending upon the particular service involved, these factors might include:

- Aircraft weight/type;
- Distance flown;
- Type of flight (IFR or VFR);
- Aerodrome of arrival (and whether or not it is attended);
- Airspace involved (i.e. New Zealand Flight Information Region (NZZC) or Auckland Oceanic Flight Information Region (NZZO) and, in the case of parachute operations, airspace complexity in area of operation).

There are alternative charges and exemptions available in some specific situations (including in relation to certain emergency situations). These are explained in the Standard Terms & Conditions document.

Airways' standard charges are generally made up of:

- a minimum price
- base charge for the under 5 tonnes
- base charge and per tonne charge for aircraft above 5 tonnes
- a weight charge based on the square root of weight for aircraft above 30 tonnes.

MCTOW

Airways operates a predominantly weight based charging system, so the aircraft MCTOW is a determining factor in many charge calculations. To ensure our charges are accurate and fair you are obliged to advise us of your aircraft MCTOW (and any changes to it).

Our charging system is divided into three major weight bands, each with individual characteristics for calculating charges;

0 – 5 Tonnes	base charge apply
5 – 30 Tonnes	base charges and weight charges apply
Over 30 Tonnes	base charges and weight charges apply, with weight charge calculations incorporating a square root function

Location

Charges are applied in controlled airspace for transit and landings; there are no separate charges for takeoff activity. Aerodrome and Approach charges are based on the aerodrome of arrival. En-route charges are dependent on the distance in nautical miles between origin and destination.

Where an origin and/or destination are not known by Airways it will be represented as 'ZZZZ' on your invoice.

Different types of Airways service for a typical flight



Aerodrome Service charge: this is applied to any aircraft arriving into an attended aerodrome, whether flying VFR or IFR. Aerodrome service charges will not apply at an unattended location or out of hours at an attended location, i.e. if no one is in the tower an aerodrome service charge will not be payable.

Approach Service charge: this is applied for IFR flights only. There is an international towers charge which only applies at Auckland (NZAA), Christchurch (NZCH) and Wellington (NZWN). Regional attended aerodromes also have one charge. However, due to the varying level of services at unattended locations, there is a different charge for each unattended aerodrome.

If an aircraft changes its flight rule from IFR to VFR during a flight, it will receive an IFR approach service charge at 65% of the standard rate.

En-route domestic charge: this is applied for IFR flights only. It is based on the distance in nautical miles between origin and destination.

En-route oceanic charge: this is applied to any flight entering the oceanic control area.

VFR flight plan charge: this is a flat rate charge for filing a flight plan. There are a number of different ways to file a flight plan, the cheapest being via the internet (www.ifis.airways.co.nz). The charge for an IFR flight plan is incorporated into its en-route charge.

Parachute service charge: this is applied for any aircraft running parachute operations in controlled airspace. Parachute charges are in addition to any other applicable Airways charges.

The level of charging is based on the complexity of the airspace in which the parachute drop is being made. A combination of the airspace classification and the frequency of flights in that area are used, and each area is given an 'airspace complexity classification'. Examples of airspace complexity designations used in calculation of parachute service charges:

Airspace Complexity	Controlled airspace locations
High	Queenstown, Wanaka, Wigram and Taupo
Medium	Rotorua, Tauranga, Parakai, Glenorchy, Mercer and Hastings
Low	Dannevirke, Matamata, Motueka and Waipukurau

NB: The amount charged is also dependent on the MCTOW of the aircraft being flown.



Administration

Account Enquiries

The Airways Customer Accounts Office administers the charging arrangements. It is responsible for the collection, input, edit and correction of flight data, production of invoices and handling of account enquiries, the distribution of invoices and statements, receipt of payments, account reconciliation and debt recovery action.

For account enquiries and any other correspondence, you can contact us by any of the following methods:

Online query	www.airways.co.nz/airways_Services/billing_form.asp
Email	custacct@airways.co.nz
Telephone	0800 500 045 or +64 4 471 1888
Fax	+ 64 4 471 4739
Post	Customer Accounts Office Airways Corporation of New Zealand Limited PO Box 294 Wellington NEW ZEALAND

Invoices

Invoices are generally issued on a monthly basis where charges have been incurred. However, where charges (inclusive of GST) for a given monthly billing cycle total less than \$50 they will be invoiced upon the earlier of:

- the next monthly billing cycle when outstanding charges total \$50 or more; or
- the fourth monthly billing cycle after the charges are incurred - regardless of the value of charges then outstanding.

Aircraft registration will be identified against each record on the invoice when it is practicable for Airways staff to obtain the information.

Making Payments

Payments must be made by the due date.

To ensure that payments are applied correctly, please include the following:

- customer name;
- customer number; and
- invoice number.

If paying less than the full amount, please also include:

- invoice number and amount to allocate;
- specific charge/movement (quoting Flight Leg ID) being paid or not being paid for; and
- if not already provided, details of the nature of the disputed movements.

All of this information can be found on your invoice. If sufficient details are not provided, payments may be allocated in order of the oldest invoices first.

How to Pay

Direct Credit

Please make direct credit payments to:

Airways Corporation of New Zealand
National Bank of New Zealand
Manners Street Branch, Wellington
Swift Code: ANZBNZ22
Account No: as listed on your invoice

When depositing your payment, please include the relevant account numbers and/or invoice numbers in the reference field.

Credit Card

Please make credit card payments to: <https://secureorders.airways.co.nz/invoicepay.asp>

Cheque

Please make cheques payable to: Airways Corporation of New Zealand Ltd

Invoices - Explanatory Notes

- (i) Invoice Date - the last day of the month to which this invoice applies. This may include some flights from previous months if not previously invoiced.
- (ii) Due Date - the date on which payment is due. This is the date from which penalty interest may be applied if the invoice is still outstanding.
- (iii) Account Number - the customer account number.
- (iv) Aircraft Type - an ICAO designator for the type of aircraft.
- (v) Invoice Number - the number of this invoice.
- (vi) Date - the date the aircraft landed in New Zealand in day/month/year order (UTC applied).
- (vii) Time - the time the aircraft landed in New Zealand (UTC time).
- (viii) Flight Leg ID - A unique reference number for tracking purposes, and required for investigation of queried flights.
- (ix) From - To - the departure and arrival aerodromes for the flight in ICAO format. "ZZZZ" indicates an unknown aerodrome or point. "AFIL" stands for air filed flight plan.
- (x) Flight Identifier - the flight number (where applicable).
- (xi) Aircraft Reg - the registration mark of the aircraft that performed the flight.
- (xii) En-route Oceanic - the dollar amount applicable for the en-route oceanic component of the flight.
- (xiii) En-route Domestic - the dollar amount applicable for the en-route domestic component of the flight.
- (xiv) Approach Service - the dollar amount applicable for the approach service charge for IFR flights.
- (xv) Aerodrome Service - the dollar amount applicable for the aerodrome service charge.
- (xvi) Flight Leg Total - the total of all charges for a given flight (exclusive of GST).
- (xvii) GST - Goods and Services Tax applied to all services. The applicable rate is 15%.
- (xviii) Amount to Pay - total of all charges for the invoice.

Examples of Calculated Charges*

Example 1

Domestic IFR Flight : 0 - 5 Tonnes Aircraft		
Route: Wellington (NZWN) to Auckland (NZAA)		
Aircraft Type: C208 (Cessna 208)		Weight (kgs): 3,628
Chargeable Distance (CD) : 208		
Total Charge: ANS Charge + GST		
Charge Type	Formula	Calculation
(a) Aerodrome Service Charge	base rate x MCTOW / 5	MAX(10.35,13.50*(3.628/5)) = \$10.35
(b) Approach Service Charge	base rate x MCTOW/ 5	MAX(5.15,20.65*(3.628/5)) = \$14.98
(c) En-route Domestic Charge	base rate x chargeable distance/100	MAX(6.00,6.00*208/100) = \$12.48
Where CD = (Nautical Miles - TNR at both aerodromes) = 258 - 25 - 25 = 208		
Total Charge = (a) + (b) + (c) + GST = \$10.35 + \$14.98 + \$12.48 + \$5.67 = \$43.49		

Example 2

Domestic IFR Flight : 5 - 30 Tonnes Aircraft		
Route: Auckland (NZAA) to Christchurch (NZCH)		
Aircraft Type: AT72 (Aerospatiale ATR72)		Weight (kgs): 22,800
Chargeable Distance (CD) : 350		
Total Charge: ANS Charge + GST		
Charge Type	Formula	Calculation
(a) Aerodrome Service Charge	base rate + weight rate x (MCTOW - 5)	13.50+6.00*(22.8-5) = \$120.30
(b) Approach Service Charge	base rate + weight rate x (MCTOW - 5)	20.65+7.99*(22.8-5) = \$162.87
(c) En-route Domestic Charge	[base rate + weight rate x (MCTOW - 5)] x chargeable distance/100	(6.00+2.64*(22.8-5))*350/100 = \$185.47
Where CD = (Nautical Miles - TNR at both aerodromes) = 400 - 25 - 25 = 350		
Total Charge = (a) + (b) + (c) + GST = \$120.30 + \$162.87 + \$185.47 + \$70.30 = \$538.94		

* Based on Standard Charging

Examples are estimates based on typical distances and weights as shown. Calculated charges may vary slightly due to rounding.

Example 3

Domestic IFR Flight : Over 30 Tonnes Aircraft

Route: Christchurch (NZCH) to Wellington (NZWN)

Aircraft Type: B733 (Boeing 737-300) Weight (kgs): 68,038

Chargeable Distance (CD) : 113

Total Charge: ANS Charge + GST

Charge Type	Formula	Calculation
(a) Aerodrome Service Charge	base rate + weight rate x 5 x $\sqrt{(\text{MCTOW} - 5)}$	$13.50 + 4.99 * 5 * \text{SQRT}(68.038 - 5) = \211.59
(b) Approach Service Charge	base rate + weight rate x 5 x $\sqrt{(\text{MCTOW} - 5)}$	$20.65 + 7.99 * 5 * \text{SQRT}(68.038 - 5) = \337.84
(c) En-route Domestic Charge	$[\text{base rate} + \text{weight rate} \times 5 \times \sqrt{(\text{MCTOW} - 5)}] \times \text{chargeable distance} / 100$	$(6.00 + 2.64 * 5 * \text{SQRT}(68.038 - 5)) * 113 / 100 = \125.21

Where CD = (Nautical Miles - TNR at both aerodromes) = 163 - 25 - 25 = 113

Total Charge = (a) + (b) + (c) + GST = \$211.59 + \$337.84 + \$125.21 + \$101.20 = \$775.84

Example 4

International Flight Landing at a New Zealand Airport : Over 30 Tonnes Aircraft

Route: Singapore (WSSS) to Auckland (NZAA)

Aircraft Type: B744 (Boeing 747-400) Weight (kgs): 396,893

Oceanic Chargeable Distance (OCD) : 423

Total Charge: ANS Charge + GST

Charge Type	Formula	Calculation
(a) Aerodrome Service Charge	base rate + weight rate x 5 x $\sqrt{(\text{MCTOW} - 5)}$	$13.50 + 3.68 * 5 * \text{SQRT}(396.893 - 5) = \377.75
(b) Approach Service Charge	base rate + weight rate x 5 x $\sqrt{(\text{MCTOW} - 5)}$	$20.65 + (7.99 + 0.40) * 5 * \text{SQRT}(396.893 - 5) = \851.10
(c) En-route Domestic Charge*	$[\text{base rate} + \text{weight rate} \times 5 \times \sqrt{(\text{MCTOW} - 5)}] \times \text{chargeable distance} / 100$	$(6.00 + 2.64 * 5 * \text{SQRT}(396.893 - 5)) * 150 / 100 = \400.97
(d) En-route Oceanic Charge	$[\text{base rate} + \text{weight rate} \times 5 \times \sqrt{(\text{MCTOW} - 5)}] \times \text{oceanic chargeable distance} / 100$	$(6.00 + 0.80 * 5 * \text{SQRT}(396.893 - 5)) * 423 / 100 = \360.33

Where OCD = (Nautical Miles - Domestic en-route- TNR at the aerodrome) = 698 - 150 - 25 = 423

Total Charge = (a) + (b) + (c) + (d) + GST = \$377.75 + \$851.10 + \$400.97 + \$360.33 + \$298.52 = \$2,288.68

*Note: Domestic en-route chargeable distance (CD) for international flights is fixed at 150 nm

Example 5

International Flight Taking off from New Zealand Airport : Over 30 Tonnes Aircraft		
Route: Christchurch (NZCH) to Tokyo (RJAA)		
Aircraft Type: B772 (Boeing 777-200)		Weight (kgs): 297,000
Oceanic Chargeable Distance (OCD) : 919		
Total Charge: ANS Charge + GST		
Charge Type	Formula	Calculation
(a) Aerodrome Service Charge	No aerodrome service charge	
(b) Approach Service Charge	No approach service charge	
(c) En-route Domestic Charge*	$[\text{base rate} + \text{weight rate} \times 5 \times \sqrt{(\text{MCTOW} - 5)}] \times \text{chargeable distance}/100$	$(6.00 + 2.64 * 5 * \text{SQRT}(297-5)) * 150 / 100 = \347.34
(d) En-route Oceanic Charge	$[\text{base rate} + \text{weight rate} \times 5 \times \sqrt{(\text{MCTOW} - 5)}] \times \text{oceanic chargeable distance}/100$	$(6.00 + 0.80 * 5 * \text{SQRT}(297-5)) * 919 / 100 = \683.30
Where $\text{OCD} = (\text{Nautical Miles} - \text{Domestic en-route-TNR at the aerodrome}) = 1,094 - 150 - 25 = 919$		
Total Charge = (c) + (d) + GST = \$347.34 + \$683.30 + \$154.60 = \$1,185.23		

*Note: Domestic en-route chargeable distance (CD) for international flights is fixed at 150 nm

Example 6

International Flight Overflying New Zealand Controlled Airspace : Over 30 Tonnes Aircraft		
Route: Los Angeles (KLAX) to Sydney (YSSY)		
Aircraft Type: B744 (Boeing 747-400)		Weight (kgs): 396,893
Oceanic Chargeable Distance (OCD) : 1,037		
Total Charge: ANS Charge only		
Charge Type	Formula	Calculation
(a) Aerodrome Service Charge	No aerodrome service charge	
(b) Approach Service Charge	No approach service charge	
(c) En-route Domestic Charge*	No en-route domestic service charge	
(d) En-route Oceanic Charge	$[\text{base rate} + \text{weight rate} \times 5 \times \sqrt{(\text{MCTOW} - 5)}] \times \text{oceanic chargeable distance}/100$	$(6.00 + 0.80 * 5 * \text{SQRT}(396.893-5)) * 1037 / 100 = \883.37
Where $\text{OCD} = (\text{Oceanic Chargeable Distance}) = 1,037$		
Total Charge = (d) = \$883.37		