



24 May 2011

Kevin Ward
Chief Executive
NZ Airports
PO Box 11-369
Manners St
WELLINGTON 6142

National Office
55 Featherston Street
Post Box 2165
Wellington 6140
New Zealand
Telephone: (04) 495 2430
Facsimile: (04) 495 2432

Dear Kevin

Review of the Domestic and International Security Charges 2011

As indicated by email, we have received your recent submission on the current review of the Domestic and International Security Charges 2011. Your submission is being considered, with others, by the Minister of Transport as he makes his decision, in conjunction with his Cabinet colleagues, on the future charges.

Thank you for your ongoing support for Avsec – this is greatly appreciated - and also for your concurrence that the charges might be lowered. I have responded to some of your more specific comments below:

Financial risk: Avsec acknowledged in its consultation presentation that it bears a financial risk due to the impact of the Christchurch earthquake and the ongoing impact of the withdrawal of Pacific Blue from the domestic market (this passenger shortfall appears at this stage to not be fully covered by the remaining two domestic carriers, Air New Zealand and Jet Star).

Re-setting of the charges: We agree with you that the charges may need to be reset at an earlier time than 1 July 2013 should passenger numbers be lower than those set out in the passenger security charge consultation document or should costs increase unexpectedly.

Disclosure to Airports Association: We would very much like to have more regular meetings with NZ Airports as you and your organisation are an important partner for us. We would need to discuss further full financial disclosure prior to our normal; disclosure in our Annual Reports. We will get back to you on this.

Thank you again for your submission. Should the charges change we would expect this to be effective on or about 01 July 2011.

Yours sincerely


ms.
Mark T. Everitt
General Manager

