

P/005/PR004/001



7 March 2008

Mr. Geoff Cooper  
Acting Manager Corporate & Competition Policy  
Competition, Trade & Investment  
Ministry of Economic Development  
PO Box 1473  
WELLINGTON

Dear Mr. Cooper

Thank you for your letter of 26 February. My board considered this at its meeting yesterday and unanimously resolved to respond in favour of **OPTION 3**.

Our reasons for doing so are:

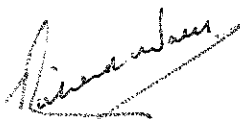
- It makes practical sense for the effectiveness of the new regulatory environment proposed for AIAL, WIAL and CIAL to become established and monitored.
- There is nothing that would be achieved by immediately extending the regulatory regime to "the regional airports"; there is simply no comparison to be made in size and scope of operation between those like ourselves and Auckland, Wellington and Christchurch.
- Reflecting this, the definition of "specified airports" as set out in the Explanatory Notes to the Airport Authorities Regulations 1999 (signed 26/7/1999) should be increased to \$15 million in place of the existing \$10m to reflect inflationary and other factors that have occurred in the intervening years.

In summary, we are of the view that it is inevitable that the practices evolving from the new regulatory environment in regard to AIAL, WIAL and CIAL will, in practice, be followed by "the regional airports" as a matter of course when negotiating with airline and other customers.

Essentially then, we agree with the advantages stated for Option Three as set out in your paper which, we believe, far outweigh the stated disadvantages.

Thank you for the opportunity to comment.

Yours sincerely



Richard Walls  
Chairman

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