AIRPORTS COUNCIL INTERNATIONAL

ASIA-PACIFIC & MIDDLE EAST

SUBMISSION BY AIRPORTS COUNCIL INTERNATIONAL (ACI) ASIA-PACIFIC AND MIDDLE EAST

IN SUPPORT OF NEW ZEALAND'S REGULATED AIRPORTS — AUCKLAND, WELLINGTON AND CHRISTCHURCH

Re: Airport Information Disclosure Amendment 2026 — Draft Decisions Reasons Paper and Draft Determination (25 June 2026)

To: Commerce Commission of New Zealand — Infrastructure Regulation Branch (*infrastructure.regulation@comcom.govt.nz*)

Subject line: Airports ID Amendment 2026 – Draft decisions reasons paper

Date: 17 July 2026

This is a public submission and may be published in full.

Executive summary

Airports Council International (ACI) Asia-Pacific & Middle East ("ACI APAC & MID") welcomes the opportunity to comment on the Commission's draft decisions on changes to the information disclosure (ID) requirements for airports, focused on proposed major capital expenditure (capex).[1] ACI represents over 600 airports across the world's fastest-growing aviation regions and supports New Zealand's three regulated airports — Auckland, Wellington and Christchurch — in this consultation. This submission builds directly on our cross-submission of 6 March 2026 on the Process and Issues (P&I) paper,[2] and should be read alongside it.

ACI APAC & MID welcomes the central architectural choice the Commission has made. The draft decisions remain within the disclosure-based regime established under Part 4 of the Commerce Act 1986. The Commission has declined the measures that several airline submitters pressed for — mandatory independent verification operating as a pre-commitment approval gate, binding dispute resolution, pre-decision certification, mandatory disclosure of full asset management plans, and in-period reviews. Each of these would have migrated the regime away from ex-post transparency and towards ex-ante control. The Commission's decision to keep them out of scope[3] vindicates the central submission ACI made on 6 March, and we respectfully urge the Commission to hold that line through to its final decision.

Our remaining concerns are matters of calibration, not principle. ACI supports proportionate, well-targeted transparency. We ask the Commission to refine five aspects of the draft so that the new requirements deliver

[1] Commerce Commission, *Airport Information Disclosure Amendment 2026 – Draft decisions reasons paper* (25 June 2026) ("Draft Reasons Paper"), and the accompanying [Draft] Airport Services Information Disclosure Amendment Determination 2026 ("Draft Determination").

[2] ACI APAC & MID, *Cross-submission on Changes to Airport Information Disclosure 2026 – Process and Issues Paper* (6 March 2026) ("ACI P&I Cross-submission").

[3] Draft Reasons Paper, paras X13 and 2.99 (matters excluded), and paras 2.83–2.90 (assurance/peer review rather than mandatory independent verification).

genuine transparency without hardening immature project estimates into de facto commitments, without drifting into ex-ante control by accretion, and without imposing burden disproportionate to benefit — a burden the Commission rightly recognises is ultimately borne by consumers.

In summary, ACI APAC & MID submits that the Commission should:

(i) confirm that the new major capex disclosures are, and will remain, an *ex-post* transparency tool — not a pre-commitment or approval mechanism — and that disclosed estimates are point-in-time and not binding on the airport at a later price-setting event (PSE);

(ii) frame the cost-benefit analysis (CBA) requirement proportionately and flexibly, as a *summary* of analysis and reasons rather than a rigid, prescriptive template, and avoid mandating a single benefit-cost ratio as the organising metric;

(iii) narrow the third-party reports requirement in draft clause 2.5A(1)(d), which as drafted is materially broader than the policy described in the reasons paper, and protect legally privileged, draft/interim, and commercially sensitive material;

(iv) confirm that forecast cost and asset allocation for major capex is indicative and forward-looking, grounded in Part 2 of the airport input methodologies (IMs), and does not duplicate PSE or annual disclosures;

(v) adopt the sensible drafting mechanism in draft decision 4 (referencing the IM leverage clause rather than hard-coding a value), while noting that the underlying 29% leverage figure is contested in the parallel Cost of Capital IM process and, per ACI's submission of 16 June 2026,[4] should be re-tested against longer-run data before adoption; the ID determination should track whatever the *final* Cost of Capital IM decision sets and lend the interim figure no independent weight.

ACI offers these comments constructively, and in the same spirit of assisting the Commission to reach a robust, internally consistent decision that we brought to the Cost of Capital consultation.

1. Introduction and ACI's interest

1.1 ACI is the global trade representative of the world's airports. ACI APAC & MID represents one of the fastest-growing aviation regions globally and advocates for proportionate, investment-supportive regulatory frameworks that preserve consultation, transparency and consumer welfare, while avoiding regulatory constructs that deter or delay necessary infrastructure development.

1.2 ACI's interest in this consultation is closely aligned with the statutory purpose. The purpose of ID regulation is to ensure that interested persons have sufficient information readily available to assess whether the Part 4 purpose is being met,[5] and the Part 4 purpose is to promote the long-term benefit of consumers — including by ensuring that suppliers have the incentive to invest in replacement, upgraded

[4] ACI APAC & MID, *Submission on Targeted Amendments to the Cost of Capital Input Methodologies for Airports – Equity Beta and Related Parameters* (16 June 2026) ("ACI Cost of Capital Submission").
[5] Commerce Act 1986, s 53A; Draft Reasons Paper, paras 1.2, 1.4.

and new assets.[6] A disclosure regime that is transparent, proportionate and predictable serves that purpose. One that inadvertently chills or delays efficient investment works against it.

1.3 We bring an international vantage point. The capital-intensive, long-lived nature of airport assets and the need for regulatory stability to preserve investment incentives are recognised in ICAO's Policies on Charges (Doc 9082) and the ICAO Airport Economics Manual (Doc 9562), and the link between regulatory predictability and the cost of capital is well established in the infrastructure-economics literature of the OECD and the World Bank. We offer that perspective in support of the Commission's task, not in substitution for it.

1.4 This submission responds to the draft decisions reasons paper and the draft determination of 25 June 2026. It first sets out the framework against which we assess the draft (section 2); welcomes the architectural choices the Commission has made (section 3); comments on each of the four draft decisions (sections 4–7); addresses cross-cutting matters of proportionality, asymmetry, investment and international practice (sections 8–10); and concludes with consolidated recommendations (section 11).

2. The framework against which these draft decisions should be assessed

2.1 As ACI submitted on 6 March, infrastructure regulation must balance four foundational and mutually reinforcing objectives: **transparency, consumer interest, investment certainty, and institutional coherence.** These objectives are reinforcing when regulatory design is internally consistent; they become misaligned when procedural mechanisms characteristic of a different regulatory model are introduced into a disclosure-based framework. We invite the Commission to weigh each draft decision against all four objectives, and in particular not to let incremental gains in one (transparency) erode another (investment certainty).

2.2 The decisive distinction, which ACI developed at length on 6 March, is between **disclosure** regimes — in which the airport retains decision-making authority subject to transparency and ex-post assessment — and **approval, price-control or negotiated-settlement** regimes, in which investment progression is conditioned on third-party verification, regulatory sign-off, or user consent. New Zealand's airport framework under Part 4 is expressly designed as a disclosure regime. The Commission affirmed that design when it declined to initiate a section 56G inquiry in its Targeted Assessment of October 2025,[7] preferring targeted ID improvements over more prescriptive regulation. The draft decisions should be read, and finalised, consistently with that choice.

2.3 A further anchor is now available to the Commission. From 1 July 2026 the Regulatory Standards Act requires the explanatory note to amending secondary legislation to include a Consistency Accountability Statement confirming consistency with the principles of responsible regulation — including the rule of law, the protection of liberties and property, and good law-making.[8] The Commission acknowledges this

[6] Commerce Act 1986, s 52A, including s 52A(1)(a) (incentives to invest in replacement, upgraded and new assets); Draft Reasons Paper, para 1.2.

[7] Commerce Commission, *Targeted assessment of airport regulation* (6 October 2025); Draft Reasons Paper, paras 1.16–1.17.

[8] Regulatory Standards Act, s 9 (principles of responsible regulation); Draft Reasons Paper, paras X6–X7.

obligation in the draft.[9] ACI respectfully submits that these principles reinforce the case for proportionality, clarity of drafting, and a demonstrable benefit commensurate with cost in each of the requirements below. We refer to them not as an obstacle but as a discipline that points in the same direction as good regulatory practice.

2.4 Finally, the Commission itself recognises that increasing disclosure requirements "may come at a cost and is ultimately borne by consumers."[10] That recognition should be carried through each draft decision: the relevant test is not whether a disclosure *could* be useful in the abstract, but whether its incremental benefit to interested persons justifies the incremental cost and risk it introduces.

3. What the Commission has rightly kept out: preserving the disclosure architecture

3.1 ACI begins with what the Commission has, in our respectful submission, got right — because it is fundamental, and because we ask the Commission to hold to it. On 6 March, ACI cautioned that the airline proposals, taken collectively, would move the framework toward a different regulatory model: mandatory independent verification (IV) operating as a quasi-approval gate; binding dispute resolution; pre-decision certification; and expanded ex-ante procedural gates. We submitted that these were not incremental refinements but architectural redesign, with material consequences for regulatory risk, investment timing, and ultimately the cost of capital.

3.2 The Commission has substantially accepted that analysis. In particular, the draft decisions:

- **do not** impose mandatory independent verification as a precondition to investment. The Commission instead proposes disclosure of assurance or peer-review reports the airport already holds, expressly because this "would provide much of the assurance of an independent verifier with a lower compliance burden"[11] — and it records the airports' concern, which ACI shares, that mandatory IV would convert ID "from a transparency-based accountability mechanism into an ex-ante control regime";[12]
- confirm that **formal dispute resolution is out of scope**, agreeing with airlines and airports alike that the ID regime is not the appropriate vehicle for it;[13]
- decline to require disclosure of full **asset management plans**, recognising their technical nature may not be comprehensible to most interested persons and that existing and proposed disclosures are sufficient;[14]
- decline to convert annual disclosure into a vehicle for **in-period reviews** of capex delivery beyond the Commission's existing summary-and-analysis function.[15]

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[9] Draft Reasons Paper, paras X6–X7 (Consistency Accountability Statement).
[10] Draft Reasons Paper, para 1.5.
[11] Draft Reasons Paper, para 2.87.
[12] Draft Reasons Paper, paras 2.83–2.84, quoting Auckland Airport; see also ACI P&I Cross-submission, section 5.
[13] Draft Reasons Paper, paras X13.2 and 2.99.2.
[14] Draft Reasons Paper, paras X13.1 and 2.99.1.
[15] Draft Reasons Paper, para 2.99.3; Commerce Act 1986, s 53B(2)(b).

3.3 ACI welcomes each of these choices. They keep the regime coherent. We note for completeness the Commission's statement that it has not "conclusively determined more prescriptive forms of airport regulation would never be considered in the future."[16] ACI simply observes that the case for such forms has not been made, that the Commission has twice (in 2025 and again now) concluded they are not warranted, and that the stability of that position is itself valuable to the long-term investment the regime exists to encourage. We encourage the Commission to reaffirm, in its final decision, that the major capex disclosures are an ex-post transparency tool and nothing more.

4. Draft decision 1 — major capex threshold and timing

Threshold

4.1 The Commission's draft is to define a major capex project as one involving total expenditure (excluding asset replacement and renewal) exceeding 20% of the airport's closing RAB from the preceding year's annual disclosure.[17] On 2025 figures this equates to approximately $477m for Auckland, $146m for Wellington and $122m for Christchurch.

Table 1 — Indicative major capex threshold at 20% of RAB (2025 annual disclosures)

Airport (PSE)	20% of RAB ($m)	Projects likely affected
Auckland (PSE4)	$477m	2
Wellington (PSE5)	$146m	1
Christchurch (PSE4)	$122m	0

Source: Draft Reasons Paper, Table 2.1.

4.2 ACI is content that a threshold expressed as a percentage of RAB is proportionate to the size of each airport and accommodates growth, and we do not oppose the 20% figure. We make three observations. **First,** the airports submitted for 20% of *opening* RAB;[18] the difference between opening and preceding-year closing RAB is modest, but we ask the Commission to confirm the basis is unambiguous and stable year-to-year so that airports can identify with certainty when the obligation is triggered. **Second,** ACI supports the exclusion of asset replacement and renewal from the definition, which appropriately targets genuinely new or expansionary investment. **Third,** we support the programme-aggregation rule mirroring the existing "key capital expenditure project" definition,[19] which guards against artificial splitting while remaining a familiar, settled concept.

4.3 ACI cautions against any later drift towards a lower or dual fixed-dollar threshold of the kind some airlines proposed (for example $25m, or $1 billion "whichever is lower/first").[20] As we submitted on 6 March, setting thresholds too low diverts both airport and regulatory resources towards projects with limited consumer impact, and risks formalistic compliance over substantive analysis. The Commission has rightly

[16] Draft Reasons Paper, para 2.85, footnote 51.
[17] Draft Reasons Paper, paras X8 and 2.3–2.5; Draft Determination, cl 4.1 (definitions of "major capex" and "major capex project").
[18] Draft Reasons Paper, para 2.8.2 (AIAL: 20% of opening RAB).
[19] Draft Reasons Paper, para 2.14; Draft Determination, cl 4.1 ("major capex project" – programme aggregation).
[20] Draft Reasons Paper, paras 2.8.1 (Qantas) and 2.8.3 (BARNZ).

noted that, below the threshold, airports may in any event be required to consult substantial customers under the Civil Aviation Act 2023 (CAA) where a project exceeds $30m.[21] That existing obligation already provides a transparency backstop for smaller projects, and weighs against a lower ID threshold.

Timing

4.4 The Commission's draft requires disclosure within 10 working days of an airport's decision to consult substantial customers on a proposed major capex project under the CAA, including a decision to re-consult following a substantial change.[22] ACI welcomes two features of this design. The Commission has expressly **rejected** disclosure at the immature master-plan or concept stage, and has declined to impose staged "gateway" disclosure throughout the project lifecycle, concluding that the benefit of staged disclosure would not justify the increase in regulatory burden.[23] Both conclusions align precisely with ACI's 6 March analysis of the risks of premature formal disclosure and the value of preserving flexibility in staged infrastructure delivery. Anchoring the trigger to the CAA consultation decision also sensibly avoids creating a parallel consultation obligation under ID.

4.5 ACI does, however, ask the Commission to build in three safeguards so that early disclosure informs interested persons without distorting the investment process:

1. **Point-in-time, non-binding estimates.** Major capex proposals are iterative; scope, phasing, cost envelopes and demand assumptions continue to evolve after the consultation decision. The determination, or its explanatory note, should make explicit that the information disclosed under clause 2.5A reflects the airport's estimates at a point in time, is necessarily subject to refinement, and is not a commitment. Without this, normal project development risks being mischaracterised as cost escalation or inconsistency — the very dynamic ACI described on 6 March — and the disclosed figures should not be capable of being used to bind the airport at a later PSE.
2. **A genuinely material re-consultation trigger.** Re-disclosure should be required only where an airport decides to re-consult on a *substantial* change, consistent with the draft definition of "decision to consult."[24] We support that threshold and ask the Commission to retain it, so that ordinary iterative refinement does not generate repeated disclosure cycles and their attendant cost.
3. **Confidentiality for genuinely sensitive material.** Some information arising at the consultation stage — commercially sensitive cost build-ups, contractor pricing, or competitively sensitive non-aeronautical plans — may warrant confidential treatment under the Commission's established submission framework. The regime should accommodate this without diluting the overall transparency objective.

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[21] Draft Reasons Paper, para 2.13 (CAA 2023 substantial-customer consultation where project value exceeds $30m).
[22] Draft Reasons Paper, paras X9, 2.16 and 2.28; Draft Determination, cl 4.2 (new cl 2.5A(1)).
[23] Draft Reasons Paper, paras 2.30–2.33 (options considered, including staged "gate-in" disclosure, not adopted).
[24] Draft Determination, cl 4.1 ("decision to consult" includes a subsequent decision to consult on a substantial change to the same major capex project); Draft Reasons Paper, para 2.16.

5. Draft decision 2 — major capex disclosure requirements

5.1 ACI supports transparency of the analysis underpinning major investment, and much of what the Commission proposes reflects analysis that prudent airports already undertake. Our comments aim to ensure each requirement is calibrated so that it discloses substance proportionately, rather than generating a compliance artefact.

Cost-benefit analysis (CBA)

5.2 As ACI stated in the P&I process, airports routinely undertake detailed financial modelling, demand analysis, sensitivity testing and option evaluation as part of capital governance.[25] We therefore do not oppose disclosure of a CBA for genuinely major projects. But the draft determination's articulation — a multi-limb CBA report covering need, consumer engagement and demand assessment, constraints, alternatives including 'do nothing' and 'least cost', a cost breakdown, a benefit breakdown, a benefit-cost ratio with methodology, and a sensitivity analysis[26] — risks tipping from disciplined decision-support into a prescriptive template applied mechanically.

5.3 ACI asks the Commission to frame the requirement as a **proportionate summary** of the cost-benefit analysis and the reasons for the preferred option, expressly flexible as to form. This is the approach Wellington Airport urged when it submitted that the "multifaceted decisions made by airports" cannot be "reduced to a simple BCR" and that any requirement should be framed "as broadly as possible rather than requiring a cost benefit analysis within an inflexible framework."[27] In particular:

- the Commission should **not mandate a single benefit-cost ratio** as the organising metric; for many airport projects (resilience, safety, regulatory compliance, sustainability) a single BCR is not meaningful and a narrative cost-benefit assessment is more informative;
- the requirement should call for a *summary* of reasons and the analysis the airport actually relied on, not the generation of new analysis to a fixed specification; and
- the scope of mandatory quantification (draft clause 2.5A(1)(b)(xi), "where appropriate … must be quantitative") should remain genuinely qualified by "where appropriate," recognising that some benefits are inherently non-monetary.

5.4 Calibrated in this way, CBA disclosure can enhance discipline and credibility — an outcome ACI expressly recognised as constructive on 6 March — without the formalism and delay risk that a low-threshold, rigid CBA mandate would create. Because the requirement applies only above the major capex threshold, this proportionate framing keeps the burden commensurate with the benefit.

Levels of Service (LoS)

5.5 ACI supports disclosure of the LoS rationale informing major capital programmes, with reference to recognised frameworks such as the IATA/ACI Airport Development Reference Manual (ADRM) where

[25] Draft Reasons Paper, para 2.41 (recording ACI's P&I submission); ACI P&I Cross-submission, section 4.
[26] Draft Determination, cl 4.2 (new cl 2.5A(1)(b)(i)–(xi)); Draft Reasons Paper, para 2.46.
[27] Draft Reasons Paper, para 2.39, quoting Wellington International Airport Limited.

relevant. This is consistent with the constructive position we took on 6 March. We welcome that the draft is appropriately bounded: it applies "where an airport has used a level of service,"[28] and asks for the assumptions and parameters used together with a summary of reasons and method of measurement.[29]

5.6 We ask the Commission to preserve three points of context in its final decision. **First,** as Auckland Airport noted, there is a material difference between LoS standards used to plan capital projects and operational day-to-day service levels;[30] the requirement should remain directed at design assumptions for the project, not at creating a new operational service-quality standard. **Second,** LoS principles apply only to some terminal components and not to others (circulation, structure, retail, restrooms),[31] so the disclosure should be expected only where LoS was genuinely used. **Third,** as the ADRM itself makes clear and as the Commission recognises through its "range within the optimum" framing,[32] appropriate service levels depend on airport context, traffic mix and operating model; disclosure should describe and explain the airport's chosen targets, not convert indicative international guidance into a prescriptive regulatory benchmark.

Cost and asset allocation

5.7 ACI does not oppose forward-looking disclosure of indicative cost and asset allocation for major capex, including the basis for allocation between aeronautical and non-aeronautical, and priced and non-priced, activities. We ask the Commission to confirm three matters that keep this requirement coherent with the wider regime.

- **Indicative and forward-looking.** By the Commission's own framing this allocation is provided "on a forward-looking basis" for *proposed* capex;[33] it is necessarily indicative and will be refined as the project matures and as final allocation is struck at the PSE. The determination should say so.
- **Grounded in the existing IM basis.** Allocation should follow the established basis in Part 2 of the airport IMs, as the Commission contemplates,[34] rather than a new or bespoke methodology, so that forward-looking allocation is consistent with the ex-post allocation airports already disclose.
- **No duplication.** The existing annual schedules already address asset and cost allocation for existing shared assets (Schedules 9 and 10), and the PSE disclosures address pricing allocation. The new requirement should be confined to *proposed* major capex and not duplicate those disclosures or the detailed cost-allocation information airports already provide to substantial customers and the Commission during PSE consultation.[35]

Third-party assurance / peer-review reports — the drafting must match the policy

5.8 This is the requirement on which ACI asks the Commission to focus most carefully, because the draft **determination is materially broader than the policy the reasons paper describes.** The reasons paper

[28] Draft Determination, cl 4.2 (new cl 2.5A(1)(c)).
[29] Draft Reasons Paper, paras 2.49–2.62.
[30] Draft Reasons Paper, para 2.56 (AIAL: difference between LoS standards for capital projects and operational service levels).
[31] Draft Reasons Paper, para 2.59.
[32] Draft Reasons Paper, para 2.60 (ranges within the optimum LoS category).
[33] Draft Reasons Paper, paras 2.63 and 2.73; Draft Determination, cl 4.2 (new cl 2.5A(1)(e)).
[34] Draft Reasons Paper, para 2.74 (Part 2 of the airport IMs as a basis for cost and asset allocation).
[35] Draft Reasons Paper, paras 2.69 and 2.70–2.75; annual Schedules 9 (Asset Allocation) and 10 (Cost Allocation).

proposes disclosure of "any independent project assurance or peer review report" held by the airport, justified on the basis that airports *already* commission such reports so the compliance burden is minimal.[36] The draft determination, however, requires disclosure of "*any third party reports held by an airport verifying, supporting or commenting on*" the information supplied under clauses (a)–(c).[37]

5.9 "Any third party report … commenting on" is a much wider net than "independent project assurance or peer review report." As drafted it could capture informal advisory notes, draft or interim opinions, partial commentary, and material prepared for internal or governance purposes — including documents that are legally privileged or commercially sensitive. ACI respectfully submits that this gap between the stated policy and the operative drafting should be closed, for four reasons:

- **Architectural integrity.** ACI welcomed the Commission's decision not to mandate independent verification. A requirement to disclose "any" third-party commentary risks reintroducing, by accretion and through the back door, the very ex-ante scrutiny dynamic the Commission deliberately declined — turning a transparency measure into a quasi-verification expectation.
- **A perverse chilling effect.** If every third-party note that "comments on" a project must be published, airports face an incentive to commission *fewer* candid internal reviews, or to narrow their scope — the opposite of the assurance culture the Commission is trying to encourage, and a direct cost to investment quality.
- **Privilege and confidentiality.** The requirement should expressly exclude legally privileged material and accommodate genuinely commercially sensitive third-party material under the Commission's confidentiality framework. Compelled disclosure of privileged advice would raise rule-of-law concerns of the kind the Regulatory Standards Act principles are directed at.
- **Proportionality and certainty.** Airports need to know, with certainty, which documents must be disclosed. "Final independent assurance or peer-review reports the airport relied upon in relation to the major capex" is administrable; "any report commenting on" is not.

5.10 ACI therefore recommends that clause 2.5A(1)(d) be amended to align with the reasons paper: limited to **final** independent project assurance or peer-review reports held by the airport in relation to the major capex and relied upon by it, expressly excluding draft or interim work product and legally privileged material, and subject to the confidentiality framework. So confined, ACI supports the requirement — it reflects the Commission's own observation in the PSE4 review that independent costing and peer review provided assurance of rigour,[38] and it delivers that assurance with the "lower compliance burden" the Commission intends.

6. Draft decision 3 — additional tax information disclosures

6.1 The draft introduces forecast tax-value disclosures in the pricing templates (a new line item in Schedule 19, with the associated replacement of Schedule 3 in the draft determination) to support the Commission's

[36] Draft Reasons Paper, paras 2.87–2.89.
[37] Draft Determination, cl 4.2 (new cl 2.5A(1)(d)) (emphasis added).
[38] Draft Reasons Paper, para 2.88, citing the Commission's review of Auckland Airport's 2022–2027 PSE.

profitability analysis.[39] ACI does not oppose this. We note the Commission's own observation that it has historically requested this information and that airports "have been willing and able to provide" it,[40] which confirms the burden is modest and the change largely formalises existing practice.

6.2 ACI asks only that the Commission: (i) retain the aggregated basis it proposes, rather than reverting to the more granular disaggregated-by-asset-group basis previously requested,[41] consistent with proportionality; (ii) confirm the definitions of the forecast tax-value adjustments are clear and align with the IMs to avoid compliance ambiguity; and (iii) apply the requirement prospectively from the next PSE, as the draft contemplates. On that basis, ACI supports draft decision 3 as a proportionate, analysis-enabling change.

7. Draft decision 4 — debt leverage assumption (Schedule 3b(iv))

7.1 The draft replaces the hard-coded debt leverage assumption (currently 19% in Schedule 3b(iv)) with a direct reference to the value specified in the IM determination (clause 5.2(1)), so that the ID requirements need not be re-amended each time the IM leverage assumption changes.[42] As a **drafting mechanism, ACI supports this.** Referencing the operative IM clause rather than duplicating a numerical value is sound regulatory practice: it reduces the risk of inconsistency between the IMs and the ID determination, lowers future amendment cost, and is consistent with the good-law-making principle of the Regulatory Standards Act.

7.2 ACI must, however, record an important cross-reference. The reasons paper notes that the leverage value is itself proposed to move — from 23% to 29% — through the parallel Targeted Amendments to the Cost of Capital IMs.[43] That 29% figure is **contested.** In ACI's submission of 16 June 2026 on the Cost of Capital draft decision, we set out in detail why the proposed 29% leverage appears to be driven by a small number of comparator firms whose gearing rose sharply during the pandemic recovery — most notably Hainan Meilan (0.02 to 0.34) and Fraport (0.38 to 0.66) — while several comparators, including the one New Zealand airport in the sample (Auckland Airport, 0.23 to 0.14), *deleveraged* over the same period.[44] We submitted that the figure should be tested against a longer run of data to confirm it reflects a durable, optimal capital structure rather than a transient response, before adoption.

7.3 ACI's point here is narrow and procedural and does not undercut our support for the drafting mechanism. We ask the Commission to confirm two things: **first,** that the ID determination will track whatever value is set in the *final* Cost of Capital IM decision (expected September 2026), and will not give the interim 29% draft figure any independent or pre-emptive weight while that process remains live; and **second,** that adopting the cross-referencing mechanism in this ID process is not, and will not be treated as,

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[39] Draft Reasons Paper, paras 2.91–2.94 (new Schedule 19(viii)); Draft Determination, cl 4.3–4.4 (replacement of Schedules 3 and 19).
[40] Draft Reasons Paper, para 2.92.
[41] Draft Reasons Paper, para 2.91, footnote 57 (previously requested on a disaggregated basis by major asset group; the amendment would require aggregated values).
[42] Draft Reasons Paper, paras 2.95–2.98; Draft Determination, cl 4.1 (definition of "debt leverage assumption" by reference to cl 5.2(1) of the IM determination).
[43] Draft Reasons Paper, para 2.96; Commerce Commission, *Targeted amendments to the Cost of Capital Input Methodologies for Airports – equity beta and related parameters* (19 May 2026).
[44] ACI Cost of Capital Submission (16 June 2026), section 7 and Table 2.

any endorsement of the 29% figure, on which ACI's 16 June submission stands. Adopting the mechanism now while the underlying value is finalised separately is entirely coherent — indeed it is the advantage of referencing the IM clause rather than hard-coding a number.

8. Cross-cutting matters: proportionality, burden and regulatory symmetry

8.1 Proportionality and burden. ACI welcomes that the Commission has not prescribed the format of disclosure, "to allow airports flexibility in how to comply."[45] We ask that this flexibility be preserved in the final determination and not eroded through detailed template prescription, and that the Commission keep the cumulative burden of the new requirements in view — burden it rightly acknowledges is ultimately borne by consumers.

8.2 Regulatory symmetry. As ACI observed on 6 March, the ID regime imposes detailed disclosure obligations on airports but not equivalent obligations on airlines regarding capacity strategy, yield management, or network plans. The Commission therefore assesses major capex debates with full visibility of airport information but only partial visibility of airline strategic incentives. This is a structural feature, not a criticism; but it means the Commission should exercise caution before equating airline cost-containment preferences with the long-term benefit of consumers — particularly in a domestic market where a single carrier holds in excess of 80% share. We ask the Commission to keep this asymmetry in mind when weighing airline calls, in this round, for the disclosure requirements to be expanded beyond the draft.

8.3 Coherence with the CAA regime. The draft sensibly ties ID disclosure to the CAA consultation decision. ACI asks the Commission to continue to align the two regimes — avoiding duplicative or conflicting obligations — so that airports face one coherent consultation pathway rather than two overlapping ones.

9. Investment, capacity and the long-term interest of consumers

9.1 The ultimate test of these reforms is whether they promote the long-term benefit of consumers. ACI's consistent submission is that the long-term consumer interest is served by transparency that supports timely, efficient investment — and harmed by mechanisms that delay it or chill it. Airport infrastructure is capital-intensive and long-lived; major projects embed real-option value, the value of managerial flexibility to stage, defer or reconfigure investment as information evolves. Disclosure that hardens immature estimates into commitments, or that drifts towards ex-ante scrutiny, reduces that option value and can defer the very capacity that keeps service quality up and fares down.

9.2 The evidence that under-investment harms consumers is well established. ACI Europe's commissioned research (SEO Amsterdam Economics, 2017) found that capacity-constrained airports are associated with materially higher air fares, because excess demand allows airlines to raise prices — a fare premium estimated at around €2.1 billion a year across congested European airports, rising on projection towards €6.3 billion by 2035. The conclusion was that it is the consumer who ultimately pays for insufficient airport

[45] Draft Reasons Paper, para X5.

capacity. A regulatory change that, however well-intentioned, slowed or deterred efficient capacity investment would make exactly that outcome more likely.

9.3 This is why ACI's recommendations above are framed not to resist transparency, but to keep transparency proportionate and ex-post. Calibrated as we suggest, the draft decisions can improve interested persons' understanding of major capex while preserving the investment incentives on which passengers and the wider New Zealand economy depend.

10. International and comparative perspective

10.1 ACI's global vantage point may assist the Commission in two respects. **First,** leading frameworks treat structured transparency of major capital programmes — master plans, consultation, disclosure of investment rationale — as compatible with, and indeed central to, a model in which the airport retains investment responsibility. ICAO Doc 9082 establishes that consultation must be meaningful and structured but does not transfer decision-making authority to users; ICAO Annex 14 and the ICAO Airport Planning Manual establish master planning as a governance tool for staged capacity development. The draft decisions sit comfortably within that international mainstream precisely because they remain disclosure-based.

10.2 **Second,** jurisdictions that subject airport capital to detailed independent verification and ex-ante scrutiny — such as the UK CAA's price-control regulation of Heathrow — do so within a formal price-cap regime, where verification is structurally linked to ex-ante revenue determination. That coupling is the point: verification belongs to price control, not to disclosure. New Zealand's deliberate choice of a disclosure regime is the reason mandatory verification does not fit, and the Commission's draft rightly reflects that. ACI would be pleased to provide the Commission with further detail on how comparable regulators have balanced capex transparency against the preservation of investment flexibility.

11. Conclusion and recommendations

11.1 ACI Asia-Pacific & Middle East supports New Zealand's three regulated airports — Auckland, Wellington and Christchurch — in this consultation. We welcome the Commission's central choice to keep its draft decisions within the disclosure architecture and to decline the architectural-redesign measures pressed by some airline submitters. Our remaining concerns are matters of calibration, directed at ensuring the new requirements deliver proportionate, ex-post transparency without hardening immature estimates into commitments, drifting into ex-ante control, or imposing burden disproportionate to benefit.

11.2 ACI respectfully recommends that the Commission, in its final decision:

1. **Affirm the disclosure architecture.** Confirm that the major capex disclosures are, and will remain, an ex-post transparency tool, and reaffirm that mandatory independent verification, dispute resolution and pre-decision certification remain out of scope.
2. **Make disclosed estimates point-in-time and non-binding.** Provide, in the determination or explanatory note, that information disclosed under clause 2.5A reflects estimates at a point in time,

is subject to refinement, is not a commitment, and is not to be used to bind the airport at a later PSE; and retain the "substantial change" threshold for re-consultation.

3. **Frame CBA proportionately.** Require a flexible summary of the cost-benefit analysis and reasons for the preferred option, rather than a prescriptive template, and do not mandate a single benefit-cost ratio; preserve the genuine "where appropriate" qualification on quantification.
4. **Keep LoS bounded and contextual.** Retain the "where used" limitation, preserve the distinction between capital-planning LoS and operational service levels, and treat recognised LoS frameworks as guidance to be explained, not a prescriptive benchmark.
5. **Confine cost and asset allocation.** Confirm the forecast allocation is indicative and forward-looking, grounded in Part 2 of the airport IMs, and confined to proposed major capex without duplicating annual (Schedules 9–10) or PSE disclosures.
6. **Narrow the third-party reports requirement.** Amend draft clause 2.5A(1)(d) to align with the reasons paper — limited to final independent assurance or peer-review reports held and relied upon — expressly excluding draft/interim work product and legally privileged material, and subject to the confidentiality framework.
7. **Keep tax disclosures proportionate.** Adopt draft decision 3 on an aggregated basis with clear, IM-aligned definitions, applied prospectively from the next PSE.
8. **Adopt the leverage cross-reference, reserve the value.** Adopt the referencing mechanism in draft decision 4, while confirming the ID determination will track the final Cost of Capital IM decision and give the interim 29% figure no independent weight — on which ACI's submission of 16 June 2026 stands.

11.3 ACI and its members would welcome the opportunity to discuss this submission with the Commission and to assist further as the process moves to cross-submissions in August. We thank the Commission for the opportunity to contribute.

Contacts

For any clarifications, supporting information, or further engagement regarding this submission, the Commission is invited to contact:

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