AIRPORTS COUNCIL INTERNATIONAL

ACI ASIA-PACIFIC & MIDDLE EAST SUBMISSION INFORMATION DISCLOSURE REVIEW 2026 RESPONSETO AIRLINE SUBMISSIONS

Executive Summary

This submission addresses reform proposals advanced in airline submissions to the Information Disclosure Review 2026. While presented as measures to enhance transparency and consumer protection, several proposals would materially alter the regulatory architecture established under Part 4 of the Commerce Act.

The current framework is a **disclosure-based regime**. Airports retain responsibility for investment and pricing decisions, subject to structured consultation and ex-post regulatory assessment. This design reflects a deliberate legislative choice to promote the long-term benefit of consumers through transparency and accountability, not through ex-ante approval or negotiated settlement mechanisms.

The airline proposals, taken collectively, would move the framework toward a different regulatory model. Mandatory independent verification, binding dispute resolution, pre-decision certification, and expanded ex-ante procedural gates introduce elements characteristic of price control or approval regimes. Such changes are not incremental refinements. They represent architectural redesign.

The implications are material:

- Regulatory risk: Introducing quasi-approval mechanisms increases perceived regulatory uncertainty.
- Investment timing: Pre-commitment gates create delay risk and reduce flexibility in staged infrastructure delivery.
- Market incentives: In concentrated airline markets, dispute mechanisms may amplify incumbent incentives to resist capacity expansion.
- Consumer outcomes: Short-term airline cost containment does not necessarily translate into long-term passenger affordability. Under-investment risks congestion, reduced connectivity, and higher fares over time.

This submission supports calibrated refinements that enhance clarity of economic analysis and transparency of service level objectives. However, reforms should operate within the existing disclosure architecture.

Infrastructure regulation must balance four foundational principles:

- Transparency
- Consumer interest
- Investment certainty
- Institutional coherence

These objectives are mutually reinforcing when regulatory design is internally consistent. They become misaligned when procedural mechanisms characteristic of other regulatory models, such as price control, introduced into a disclosure-based framework.

The central question before the Commission is therefore not whether transparency can be improved, but whether proposed reforms preserve the integrity of the statutory model or inadvertently replace it. ACI Asia-Pacific and Middle East (ACI APAC & MID) respectfully submits that regulatory evolution should strengthen analytical clarity while safeguarding investment certainty and maintaining coherence of the Part 4 disclosure regime.

1. Institutional Context and ACI Mandate

1.1. ACI Global Role

1.1.1. Airports Council International (ACI) represents airport operators worldwide, advocating for policies that promote safe, efficient, financially sustainable and consumer-oriented aviation infrastructure.

1.1.2. ACI works in close cooperation with ICAO, regulators and governments to ensure that airport regulatory frameworks preserve long-term investment incentives while ensuring appropriate transparency and user engagement.

1.1.3. *ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082)* establish that consultation must be meaningful and structured but does not transfer decision-making authority from the airport operator to users. Similarly, the *ICAO Airport Economics Manual (Doc 9562)* recognises the capital-intensive and long-lived nature of airport assets and the need for regulatory stability to preserve investment incentives.

1.1.4. *ACI's Recommended Practices on Transparency and Consultation* provide globally recognised guidance for structured, meaningful engagement between airports and airlines.

1.2. ACI Asia-Pacific & Middle East

1.2.1. ACI Asia-Pacific & Middle East represents one of the fastest-growing aviation regions globally, accounting for a substantial share of long-term passenger and cargo growth.

1.2.2. The region is characterised by capital-intensive infrastructure expansion, rapid demand growth, sustainability transition pressures, and heightened competition among airport hubs.

1.2.3. In this context, ACI APAC & MID actively 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.

1.2.4. The relationship between regulatory predictability and financing cost is not speculative; it is well established in infrastructure economics. The OECD has consistently emphasised in its infrastructure governance literature that regulatory stability and credible commitment mechanisms reduce perceived policy risk, thereby lowering required returns for both debt and equity investors. Similarly, the World Bank, in its guidance on infrastructure regulation and PPP frameworks, identifies regulatory uncertainty as a primary driver of elevated risk premia and

higher weighted average cost of capital, particularly in capital-intensive sectors with long-lived assets.

1.2.5. In the aviation context specifically, ACI has observed that even modest increases in perceived unpredictable regulatory settings translate into measurable uplifts in required returns. Predictable, proportionate and transparently applied regulatory frameworks therefore function not merely as governance preferences, but as direct determinants of long-term financing efficiency and consumer outcomes.

2. Foundational Principle:The Purpose of Information Disclosure

2.1. Ex-PostTransparency, Not Pre-Approval

2.1.1. Information Disclosure (ID) is an ex-post assessment mechanism designed to enable the regulator to assess the reasonableness of airport decisions against statutory objectives.

2.1.2. The statutory objective under Part 4[1] is to promote the long-term benefit of consumers by promoting outcomes consistent with workably competitive markets. Information Disclosure is designed as a transparency and assessment tool within that objective, not as an approval mechanism.

2.1.3. It is not designed to provide airlines with approval authority over infrastructure investment decisions.

2.1.4. As per airline submissions, airlines implicitly seek to redefine success under ID from "transparency and assessability" to "agreement and satisfaction."

2.1.5. This reframing would materially alter the regime's architecture.

2.1.6. A regulatory framework cannot simultaneously preserve investment autonomy and introduce mechanisms that condition investment progression on user consent or third-party certification. These approaches reflect fundamentally different regulatory architectures.

2.1.7. In regulatory theory, a clear distinction exists between:

[1] **Part 4 of the *Commerce Act 1986* (New Zealand)**:To promote the long-term benefit of consumers in markets where there is little or no competition, by promoting outcomes that are consistent with outcomes produced in competitive markets.

The three major international airports ('the airports') are currently subject to information disclosure regulation.This means that the airports' prices and revenues are not controlled by the Commerce Act. Instead, they must disclose information annually and at price-setting events every five years.This aims to provide sufficient information to interested persons to help them assess whether the purpose of Part 4 is being met.

2.1.7.1. **Disclosure regimes**, in which firms retain commercial decision-making authority but must provide sufficient information for ex-post regulatory assessment and market discipline;

2.1.7.2. **Negotiated settlement regimes**, where outcomes are shaped through structured bargaining between regulated entities and substantial customers, often under regulatory oversight;

2.1.7.3. **Price control regimes**, in which allowable revenues or returns are determined ex ante by the regulator, typically following detailed scrutiny of forecast capital programmes; and

2.1.7.4. **Approval regimes,** where major investments require formal regulatory authorisation before commitment.

2.1.8. The airport framework under Part 4 is expressly designed as a disclosure regime. It relies on transparency, structured consultation, and ex-post Commission assessment to promote outcomes consistent with workably competitive markets, while preserving the airport's accountability for investment decisions.

2.1.9. Proposals for mandatory independent verification, binding dispute resolution, or pre-decision certification introduce structural features characteristic of negotiated settlement or approval-based regimes. These mechanisms would materially migrate the framework away from disclosure and toward co-determination of capital investment decisions. Such a shift would constitute a reconfiguration of regulatory architecture rather than a refinement of Information Disclosure.

2.1.10. Maintaining conceptual clarity between these regime types is essential. Each carries distinct implications for investment incentives, regulatory burden, cost of capital, and institutional coherence. Reform proposals should therefore be assessed not only for their procedural appeal, but for the regulatory model they implicitly construct.

2.2. Consultation Is Structured Engagement, Not Negotiation

2.2.1. ACI guidance[2] clearly states that consultation seeks consensus where possible but does not create an obligation to agree.

[2] **Airports Council International (ACI),** ***Recommended Practice on Airport Charges Consultation and Transparency*** (latest edition). This guidance document sets out internationally recognized principles for structured engagement between airports and users in relation to pricing and capital investment decisions. It emphasizes early information sharing, clarity of cost drivers, disclosure of investment rationale, and meaningful opportunity for user feedback, while preserving the airport operator's decision-making responsibility. The Recommended Practices align with ICAO Doc 9082 by promoting transparency and consultative discipline without converting consultation into a negotiated settlement or approval mechanism.

2.2.2. Airports must balance divergent airline preferences, passenger interests, long-term strategic objectives and safety requirements.

2.2.3. It is structurally impossible for an airport operator to simultaneously satisfy all airline preferences, particularly where airlines themselves have conflicting network strategies and fleet plans.

3. Capital Investment Dynamics and Timing

3.1. Nature of Airport Capital Planning

3.1.1. Airport infrastructure planning spans multi-decade horizons.

3.1.2. Major projects involve iterative refinement: traffic forecasting, environmental assessment, engineering design, phasing, cost optimisation, financing structuring, and regulatory compliance.

3.1.3. Early-stage business cases are inherently probabilistic and subject to change.

3.2. Risks of Early Formal Disclosure

3.2.1. **Airlines have called for mandatory disclosure at early concept stages.**

3.2.1.1. At this stage, projects are typically iterative, with scope, phasing, cost envelopes and demand assumptions still evolving. Formal disclosure may prematurely frame conceptual options as firm commitments, reducing management flexibility to refine design, sequencing, or delivery models. This can diminish the real-option value inherent in staged infrastructure planning and discourage adaptive optimisation as market conditions evolve.

3.2.2. **Market expectations formed around immature data may later be misinterpreted as reversals or inconsistencies.**

3.2.2.1. Early-stage cost estimates and traffic forecasts are inherently subject to revision as engineering, procurement and risk assessments mature. If preliminary figures are publicly disclosed and subsequently adjusted, such revisions may be perceived as cost escalation, inefficiency, or strategic drift, even where they reflect normal project development. This risks entrenching adversarial stakeholder dynamics and diverting focus from substantive investment quality to narrative management.

3.2.3. **This creates regulatory risk without improving decision quality.**

3.2.3.1. Formalising disclosure at the concept phase does not necessarily enhance analytical robustness, as core inputs remain provisional. Instead, it may increase exposure to challenge, delay, and reputational scrutiny without materially improving capital allocation outcomes. In extreme cases, it can incentivise conservative project scoping to avoid controversy, potentially

resulting in under-capacity, deferred resilience upgrades, or higher long-term system costs borne by passengers and airlines alike. Infrastructure decision-making in the airport environment is closely linked to operational safety and system resilience. Procedural mechanisms that materially slow investment decisions or introduce prolonged uncertainty may inadvertently delay critical upgrades required to maintain safe, reliable and resilient airport operations.

3.3. Investment under Uncertainty and Real Options

3.3.1. Airport infrastructure investment is inherently subject to demand uncertainty, technological evolution, sustainability requirements, and macroeconomic volatility. Modern infrastructure economics recognises that such projects embed real option value — the value of managerial flexibility to stage, defer, expand or reconfigure investment as information evolves.

3.3.2. Real options theory demonstrates that preserving flexibility under uncertainty enhances long-term efficiency. Premature formalisation of early-stage capital concepts through mandatory disclosure or pre-decision regulatory processes may inadvertently reduce this option value by creating external expectations around immature design parameters.

3.3.3. Once early-stage concepts enter a formal regulatory arena, revisions driven by improved forecasting, cost optimisation, environmental constraints or technological shifts may be misinterpreted as inconsistency rather than adaptive efficiency. This increases political and regulatory risk associated with iterative refinement.

3.3.4. Regulatory frameworks should therefore distinguish between transparency that enhances informed engagement and procedural constructs that inadvertently constrain adaptive phasing. Preserving flexibility in capital staging is not opacity; it is economically rational infrastructure governance under uncertainty.

3.4. Existing Mechanisms

3.4.1. *ACI's Recommended Practices* explicitly encourage sharing information on large capital projects in advance of final decisions.

3.4.2. Airport Master Plans provide structured long-term visibility of infrastructure development pathways and are internationally recognised planning instruments. *ICAO Annex 14* and the *ICAO Airport Planning Manual* establish master planning as a foundational governance tool for staged capacity development, integrating traffic forecasts, airside and landside infrastructure, environmental constraints and safeguarding requirements. ACI views on airport master planning similarly emphasises transparency of long-term development concepts, phased delivery,

and stakeholder consultation. These frameworks already provide directional clarity regarding future capital trajectories without converting preliminary planning concepts into binding regulatory commitments.

3.4.3. Strengthening structured consultation within existing tools is preferable to introducing new procedural approval gates.

4. Cost-Benefit Analysis and Analytical Transparency

4.1. Substance Already Exists

4.1.1. Airports routinely undertake detailed financial modelling, demand analysis, sensitivity testing, and option evaluation.

4.1.2. These analyses underpin internal governance and capital allocation discipline.

4.2. Calibration andThreshold

4.2.1. Airlines have called for formal cost-benefit analysis (CBA) requirements. If included, these should be grounded in regulatory proportionality. International regulatory practice, including principles articulated by the OECD, recognises that regulatory obligations must be proportionate to the scale of market power, the magnitude of consumer impact, and the administrative burden imposed. A uniform CBA requirement applied irrespective of context would be inconsistent with these principles.

4.2.2. In the airport context, proportional calibration requires explicit consideration of:

4.2.2.1. The degree of market power exercised by the airport;

4.2.2.2. The scale and materiality of the proposed capital programme;

4.2.2.3. The extent of competitive constraint from alternative gateways or modal substitution;

4.2.2.4. Traffic volume and passenger profile; and

4.2.2.5. The systemic impact of the project on connectivity and resilience.

4.2.3. CBA thresholds should reflect these structural characteristics rather than adopt a one-size-fits-all trigger.

4.2.4. Better Regulation frameworks, including the *UKTreasury's Green Book* guidance on appraisal and evaluation, emphasise that CBA is a tool for disciplined decision support, not a procedural hurdle to be applied mechanically. Excessively prescriptive or low-threshold requirements risk incentivising formal compliance over substantive economic evaluation.

4.2.5. Setting thresholds too low would divert both airport and regulatory resources toward projects with limited consumer impact, while potentially delaying or

complicating delivery of genuinely material investments. A calibrated, high-level approach focused on major, systemically significant projects would better align with proportionality and regulatory efficiency principles.

4.3. Time and Incentive Effects

4.3.1. High-quality CBA is resource intensive and iterative.

4.3.2. Imposing rigid pre-decision CBA checkpoints may incentivise strategic project timing and reduce agility in responding to demand surges, operational resilience needs, and time-sensitive safety improvements.

5. Independent Verification: Structural Implications

5.1. Architectural Shift

5.1.1. Airlines have called for mandatory independent technical verification of major capex. This would function as a quasi-approval gate.

5.1.2. It would introduce third-party certification as a precondition for investment progression.

5.1.3. This moves beyond disclosure toward regulatory co-determination.

5.1.4. From a legislative perspective, mandatory independent verification operates as a de facto ex-ante control mechanism. Where investment progression is conditioned on third-party certification or regulatory sign-off, the framework shifts from ex-post transparency toward pre-commitment oversight.

5.1.5. Such mechanisms are characteristic of formal price control regimes, rate-of-return regulation, or concession-based regulatory contracts, where the regulator sets allowable revenues or approves capital expenditure ex ante. In those contexts, detailed scrutiny and verification are integral because investment decisions directly feed into regulated revenue determinations.

5.1.6. By contrast, New Zealand's airport framework under Part 4 is designed as a disclosure regime. Airports retain decision-making authority, subject to transparency and ex-post assessment by the Commission. Introducing mandatory verification would materially alter that architecture and migrate the regime toward price control characteristics without corresponding legislative redesign.

5.1.7. Regulatory coherence requires alignment between the tools deployed and the statutory model adopted. Overlaying approval-style mechanisms onto a disclosure-based framework risks internal inconsistency and increased regulatory uncertainty.

5.1.8. Reform proposals should therefore be evaluated not only for their procedural attractiveness, but for the structural regulatory model they implicitly introduce.

5.2. Comparative Perspective

5.2.1. Independent verification requirements are closely tied to regime type rather than asset complexity alone. Under New Zealand's regulation of electricity distribution businesses (EDBs), also governed by Part 4, no mandatory pre-decision independent verification of capital programmes is imposed under the Information Disclosure regime. The Commerce Commission may engage independent expertise where required, but the obligation does not generally sit with the regulated entity. Notably, this approach is not uniform across all Part 4 regulated entities: Transpower and Chorus are subject to more prescriptive verification requirements within their respective regulatory frameworks. In contrast, under formal price control frameworks such as the United Kingdom Civil Aviation Authority (CAA) regulation of Heathrow Airport, detailed capital scrutiny and independent review occur within a price cap setting process. There, verification is structurally linked to ex-ante revenue determination and allowable return calculations.

5.2.2. The distinction is instructive. Verification mechanisms are embedded in regimes where regulators determine allowable revenues or approve investment plans in advance. They are not inherent to disclosure-based systems. The presence or absence of independent verification therefore reflects regulatory architecture rather than the technical sophistication of airport infrastructure.

6. Formal Dispute Resolution Mechanisms

6.1. Regime Scope

6.1.1. The Commission's Issues Paper expressly identifies the introduction of formal dispute resolution mechanisms as outside the scope of the current review. This boundary reflects a recognition that such mechanisms would constitute structural redesign rather than incremental refinement of Information Disclosure. Preserving clarity of scope is essential to maintaining coherence between legislative intent and regulatory implementation.

6.2. Incentive Structure in Concentrated Airline Markets

6.2.1. In markets characterised by significant airline concentration, the incentive effects of formal dispute resolution mechanisms require careful scrutiny. Where one carrier holds a dominant market position, regulatory processes that enable delay or structured challenge of airport capital programmes may unintentionally amplify incumbent commercial incentives.

6.2.2. Industrial organisation theory demonstrates that firms operating under market power conditions may rationally prefer capacity constraint where it supports yield management and price discipline. In network industries, limiting infrastructure

expansion can serve as a mechanism to sustain higher load factors and protect margins, particularly where competitive entry is limited.

6.2.3. Yield management strategies in aviation rely on capacity discipline and demand segmentation. Where airport expansion lowers congestion, enables slot availability, or supports new entry, it may intensify competition and reduce pricing power. It is therefore economically coherent, though not necessarily consumer-aligned, for incumbents to resist or delay infrastructure expansion.

6.2.4. Embedding binding dispute resolution mechanisms at the pre-commitment stage risks institutionalising these incentives within the regulatory process. Infrastructure governance frameworks should be designed to replicate competitive market outcomes, not to entrench incumbent advantage.

6.2.5. The Commission's assessment of reform proposals should therefore explicitly consider how market structure interacts with procedural mechanisms. Regulatory symmetry requires awareness of both airport market power and airline market power when evaluating proposed institutional changes.

6.3. Investment Chilling Effect

6.3.1. Binding pre-commitment dispute processes create delay risk.

6.3.2. Rational capital planners may defer or scale down projects under regulatory uncertainty.

6.3.3. The social cost of deferred capacity is borne by passengers and the wider economy.

6.4. Regulatory Coherence

6.4.1. Binding dispute resolution mechanisms are typically features of negotiated settlement or price control regimes, not disclosure-based systems. Introducing such mechanisms without corresponding legislative redesign would create internal inconsistency within the Part 4 framework. Regulatory evolution should reinforce institutional clarity rather than introduce hybrid constructs that increase uncertainty and delay investment.

7. Regulatory Asymmetry and Consumer Welfare

7.1. Information Imbalance

7.1.1. Under the Information Disclosure regime, airports are required to publish detailed information regarding costs, revenues, capital expenditure, asset values, pricing methodology, and performance metrics. This transparency enables structured ex-post regulatory assessment.

7.1.2. Airlines, by contrast, are not subject to equivalent disclosure obligations regarding capacity strategy, yield management performance, network expansion plans, or capital allocation decisions. As a result, the Commission evaluates infrastructure investment debates with full visibility of airport financial information but limited visibility of airline strategic incentives.

7.1.3. This asymmetry is not a criticism of airlines; it is a structural feature of the regulatory framework. However, it has implications for how submissions should be interpreted, particularly where airlines have presented their positions as aligned exclusively with consumer interests.

7.2. Incentive Analysis

7.2.1. The domestic aviation market exhibits a high degree of concentration, with a single carrier holding in excess of 80 percent market share on domestic routes. In such settings, competitive constraints on capacity strategy are structurally limited.

7.2.2. Since 2014, domestic seat capacity growth has lagged behind national GDP growth, indicating a period in which capacity expansion has not kept pace with broader economic growth dynamics. While such outcomes may reflect rational commercial discipline, they illustrate that airline capacity decisions are shaped by profitability and yield considerations rather than infrastructure expansion objectives.

7.2.3. Industrial organisation theory recognises that in concentrated markets, firms may rationally prioritise load factor optimisation and margin preservation over aggressive capacity growth. Infrastructure expansion that reduces congestion, increases slot availability, or facilitates new entry may intensify competition and affect pricing power.

7.2.4. When assessing reform proposals, the Commission therefore operates with full transparency of airport cost structures but only partial visibility of airline strategic incentives. This information context should be recognised when weighing submissions that seek to introduce procedural mechanisms capable of delaying or conditioning investment decisions.

7.3. Cost of Under-Investment

7.3.1. Infrastructure bottlenecks reduce route development, limit connectivity, increase congestion, and constrain tourism and trade flows.

7.3.2. The economic cost of under-investment compounds over time and is rarely reversible in the short term.

7.3.3. Long-term connectivity losses exceed short-term cost containment gains.

7.3.4. Framing the issue in consumer terms, the central question is not whether airlines and airports disagree, but whether the regulatory framework provides the Commission with sufficient visibility to assess long-term consumer welfare. Where airport financial information is fully transparent, but airline strategic incentives are not symmetrically disclosed, the Commission must exercise caution in equating airline cost containment preferences with long-term consumer benefit.

7.4. Regulatory Neutrality

7.4.1. Recognising information asymmetry does not imply regulatory imbalance; rather, it highlights the need for analytically neutral assessment. A framework that seeks to replicate competitive market outcomes must account for the incentives of all market participants, including those operating with substantial market share. Proportional reform should therefore strengthen assessment capability without embedding mechanisms that amplify incumbent influence over infrastructure investment timing or scale.

8. Service Level Disclosure: Constructive Engagement

8.1. Transparency with Flexibility

8.1.1. ACI supports high-level transparency regarding the service level objectives underpinning capital investment programmes. Service standards materially influence terminal design, capacity planning, passenger experience outcomes, and associated cost structures.

8.1.2. The *IATA and ACI Airport Development Reference Manual (ADRM)* sets out widely recognised Level of Service (LoS) categories that are extensively referenced in airport planning practice globally. These LoS categories provide indicative benchmarks for passenger processing conditions across various functional areas, including check-in, security, immigration and baggage reclaim.

8.1.3. ADRM's Level of Service framework is designed as planning guidance rather than as a regulatory mandate. It offers a structured methodology for assessing passenger experience outcomes but explicitly recognises that appropriate service levels depend on airport context, traffic mix, operating model and commercial positioning.

8.1.4. Airports serve diverse market segments, including hub transfer traffic, point-to-point leisure flows, premium business travel, and regional connectivity. The optimal service level target for one airport may not be appropriate for another.

8.1.5. Transparency regarding intended service outcomes can enhance stakeholder understanding of cost drivers. However, converting indicative LoS guidance into prescriptive regulatory requirements would risk constraining contextual optimisation and innovation in terminal design.

8.2. Balanced Approach

8.2.1. Disclosure should describe intended outcomes, quality benchmarks, and capacity rationale.

8.2.2. It should not impose rigid national standards or convert design preferences into regulatory obligations.

8.2.3. A balanced approach would therefore involve disclosure of the service level rationale informing major capital programmes, including reference to recognised frameworks such as ADRM LoS where relevant, while preserving airport discretion to calibrate standards in light of local demand characteristics and long-term strategic objectives. This approach strengthens transparency without altering the fundamental allocation of decision-making responsibility.

9. Conclusion

9.1. The Information Disclosure framework has enabled transparency, structured consultation, and independent regulatory assessment while preserving accountability for investment decisions. It reflects a deliberate legislative choice to promote long-term consumer benefit through disclosure and oversight rather than ex-ante control.

9.2. Infrastructure regulation must balance four foundational objectives: transparency, consumer interest, investment certainty, and institutional coherence. These objectives are mutually reinforcing when regulatory architecture is internally consistent. They become misaligned when procedural mechanisms are introduced that are inconsistent with the underlying statutory model.

9.3. Calibrated refinements that enhance clarity of economic analysis, improve service level transparency, or strengthen structured consultation may contribute positively to regulatory evolution. Such refinements should operate within the existing disclosure-based architecture.

9.4. By contrast, mandatory independent verification, binding dispute resolution, or mechanisms that condition capital progression on external approval would introduce elements characteristic of price control or negotiated settlement regimes. These would represent architectural redesign rather than incremental improvement.

9.5. ACI respectfully submits that reforms should strengthen transparency and analytical capability while safeguarding the structural integrity of the disclosure regime established under Part 4.

10. SummaryTable

10.1. To assist the Commission in assessing the practical implications of the reform proposals advanced by airline submissions, the table below translates each principal proposal into its operational, financial and economic consequences. It distinguishes

between the stated objectives of the proposals and their likely effects on airport governance, capital planning, financing costs and regulatory architecture. It further traces how these structural changes would transmit through to airline-related charges, passenger affordability and long-term consumer welfare.

10.2. This analytical framing is intended to support an evidence-based evaluation of whether the proposed reforms enhance or inadvertently undermine the statutory objective of promoting the long-term benefit of consumers.

Table 1: Regulatory Reform Impact Matrix

What airlines want / claim	What it means in reality for airports (economics, finance, CAPEX)	Impact on airline charges, passenger affordability & consumer outcomes
Earlier mandatory disclosure of capex (business case stage)	Converts iterative planning into quasi-commitment. Reduces real option value in staged investment. Increases regulatory risk if early concepts evolve. Potential chilling effect on adaptive phasing.	May delay investment. Short-term suppression of charges possible, but long-term congestion risk rises. Under-capacity leads to higher fares via scarcity pricing and reduced connectivity.
Split disclosures separating capex and Price Setting Event (PSE) pricing	De facto pre-clearance structure. Introduces parallel review gate. Increases compliance cost and regulatory complexity.	Adds process cost (ultimately recovered via charges). Slows infrastructure rollout, increasing long-term cost of travel through constrained supply.
Mandatory Cost–Benefit Analysis (low thresholds)	Increases administrative burden. Risk of formalistic compliance. Diverts management focus from material projects. Potential delay in resilience investments.	Introduces structured third-party scrutiny for major capital projects. May increase documentation, assurance and coordination requirements. At appropriate materiality thresholds, can enhance investment discipline, improve project robustness, and strengthen credibility with regulators and users. If applied rigidly or at low thresholds, may reduce flexibility in phased or adaptive investment planning.

Independent technical verification of major capex	De facto ex-ante approval mechanism. Migration from disclosure regime to quasi-price-control model. Increases transaction cost, delays financial close, and raises cost of capital.	Increased financing costs passed through in charges. Investment delays increase congestion, reducing service quality and route development.
Binding dispute resolution before capex commitment	Introduces structured delay risk. Strengthens incumbent airline leverage in concentrated markets. May incentivise capacity suppression.	Slower capacity expansion → reduced competition → higher fares. Short-term cost containment may protect airline margins, not passenger welfare.
Stronger airline influence in investment sequencing	Shifts infrastructure governance toward negotiated settlement regime. Undermines airport autonomy in balancing long-term strategy with critical safety and operational resilience requirements.	Projects optimised for airline cost minimisation, not network growth or resilience. Risk of underinvestment affecting long-term connectivity.
Stricter service-level disclosure tied to regulatory benchmarks	If prescriptive, constrains contextual optimisation. Limits airport ability to differentiate service standards by market segment.	Uniform low service standards may reduce short-term capex, but degrade passenger experience, operational resilience, and premium traffic competitiveness.
Framing ID success as "agreement achieved"	Implicit migration from ex-post assessment to co-determination model. Redefines statutory objective in practice.	Increased negotiation complexity raises cost and delays investment. Regulatory uncertainty feeds into cost of capital and ultimately ticket prices.
Formal dispute pathway as "consumer safeguard"	In concentrated airline markets, amplifies incumbent incentives to resist capacity expansion that could intensify competition.	Capacity constraint may sustain higher airline yields. Apparent protection of airline cost base may not translate into lower passenger fares.

11. Contacts

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

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