Auckland Airport

10 August 2026

Mr Andy Burgess
General Manager
Infrastructure Regulation
Commerce Commission
Via email: infrastructure.regulation@comcom.govt.nz

Dear Andy

Cross Submission on Draft Decisions Reasons Paper Airport Information Disclosure Amendment 2026

1. Auckland International Airport Limited ("**Auckland Airport**") has reviewed the submissions made by other parties on the Commerce Commission's Draft Decisions Reasons Paper on Airport Information Disclosure Amendment 2026 ("**Draft Decision**"). This cross-submission should be read in conjunction with our:

    - submission on the Commerce Commission's process and issues paper dated 19 February 2026;
    - cross-submission dated 6 March 2026; and
    - submission on the Draft Decision dated 23 July 2026, together, the "Auckland Airport Submissions".

2. Auckland Airport notes that none of the airline submissions identify an evidenced failure of the current information disclosure ("**ID**") regime to promote the Part 4 purpose. Successive reviews of airport pricing decisions, including the Commission's own review of Auckland Airport's PSE4 capital programme, have found airport investment decisions to be reasonable and consistent with Part 4. Auckland Airport is supportive of the ID regulatory regime. It has delivered investment and pricing outcomes at airports that promote the Part 4 purpose to deliver long-term benefits for consumers.

3. Taking a broad view, airline submissions focus on further changes to the regime that would progress their own self-interest. These include:

    4. Calls for multiple disclosure requirements which would duplicate consultation obligations that already sit in the Civil Aviation Act (the CAA). These would cause uncertainty and create opportunities for airlines to delay process and investment.

    - A lowering of the bar of the definition of 'major capex' to the extent that projects captured would no longer be limited to major projects.
    - Introduction of pricing matters into capex disclosure that would undermine the ability for airports to appropriately set future prices to earn a fair return on investment.
    - Introducing independent verification that would fundamentally be a shift away from the purpose of disclosure regulation towards a more prescriptive regime.

Airlines seek triggers for multiple or ongoing disclosures for a single project – this is the wrong answer to the premature timing for disclosure in the draft decision

5. Airline submissions support the draft decision for disclosure to be issued within 10 days of commencing consultation but go further and call for additional requirements that would trigger additional disclosures. They also call for mandated time periods where decisions to proceed with investment are not allowed to be made.

6. These proposed amendments highlight the fundamental problem with the draft decision, that the timing for disclosure within 10 days of a decision to consult on a major capex project is premature. This will bring the ID regime into the very middle of the consultation process with Substantial Customers that sits in the CAA. Rather than the ID regime complementing the consultation obligations, it will instead interfere with and duplicate them.

7. Requiring public disclosure of a proposal at the point consultation opens sits in direct tension with the consultation obligations airports have under the CAA. It will require proposals that are still in development to go on the public record prior to consultation feedback being considered. The airlines answer to this problem is more disclosure, requiring additional disclosures when proposals change or are updated. Such an approach risks unintended consequences and opens up the consultation and disclosure process to gaming, creating opportunities for airlines to delay major infrastructure projects.

8. As set out in our primary submission on the draft decision, the most effective solution to this problem is for the disclosure to occur following consultation with airlines once a decision has been made, not prior to it. This approach would avoid the problems airlines proposed amendments seek to address.

9. Information disclosure regulation is effective because it incentivises the right behaviours from the regulated business, which knows what information is required to be disclosed. As with pricing disclosures, where the disclosure requirements after consultation concludes influence the information that is shared by airports through the consultation process, disclosure of major capex after completion of consultation can achieve the same outcomes.

Trigger for re-disclosure following material change

10. The draft decision would require airports to release a subsequent disclosure in the event that it was required to re-consult on a major capex project.

11. In response, Air New Zealand and Qantas submit that re-disclosure should be triggered automatically by any material change to a proposed project, including changes to scope, cost, timing and pricing impact, regardless of whether the airport characterises the change as requiring re-consultation under the CAA.

12. Such a change risks unintended consequence. Airports could likely be required to release multiple disclosures for a single project as it develops through consultation. Consultation is a process in which change is not a defect but a design feature, requiring potentially multiple disclosures for a process that is working as intended would add unnecessary burden. The CAA consultation process already establishes a structured framework for managing material changes to investment proposals

13. Multiple disclosures could also have significant impacts on the timelines to deliver major capex projects. Airports take great care and invest significant time, effort and resource to prepare its disclosure documentation. The additional cost of not only preparing disclosures, but the time delays potentially introduced from preparing and releasing disclosure information could result in unnecessary delays to delivering major capex projects.

14. Auckland Airport also notes that airlines can materially benefit from delaying the delivery of major capex projects. Constrained airport capacity can limit competition entering the market which can drive higher

airfares and increased profits for airlines, while it can also delay price increases for airport charges further into the future. Introducing a requirement for re-disclosure, a requirement that will take significant time to prepare, could risk airlines 'gaming' for a re-disclosure during the consultation process in an effort to cause delays to the delivery of the project.

BARNZ's proposed six-month minimum window before committing to proceed with major capex

15. BARNZ recommends the Commission require a window of six months from the time of disclosure to either when an airport can commit to the major capex project, or an airport can spend more than 5% of the overall major capex project budget.

16. The introduction of an artificial timeline, with a six-month window, could risk unnecessary delays to the delivery of major capex projects, delays that would come with additional cost. Where appropriate, airports can choose to wait before progressing these projects further, but there are often other factors that need to be considered in terms of the timeline of delivering the project, such as potential for capacity shortfalls or resilience and safety of existing assets.

17. The introduction of an arbitrary 5% threshold for spend would add unnecessary complexity and potentially cause for premature release of disclosure documentation. Major capital projects require extensive up-front planning and design to inform the proposed approach. This detailed information is needed to undertake consultation, and money is required to be spent in order to create this information. Project budgets also move and change over time as design matures and costs are better understood.

18. Requiring disclosure too early when information may be less accurate risks perverse outcomes and would undermine airports' ability to invest, as public disclosure of information for a major capex project would set expectations for that project. Requirements that would cause disclosure to be made too early such as these proposed by BARNZ would undermine the quality, accuracy and usefulness of the disclosures that are released. This would create uncertainty, rather than achieve the Part 4 purpose.

IATA's proposed "Project Gateway" framework

19. IATA proposes a four-stage 'Project Gateway' framework modelled on Dublin Airport. The Commission has already considered and declined a broadly similar staged approach at paragraph 2.33 of the Draft Decision.

20. We note that Dublin's gateway model operates within a formal charge-cap regime, not a disclosure framework, and the comparison should be read with that structural difference in mind.

Changes requested by airlines seek to solve a problem caused by the premature disclosure of information

21. The calls from airlines for these additional disclosure triggers are a reflection that the timing proposed in the draft decision, to release disclosures when consultation begins, is premature. Proposals at this time will be incomplete, subject to airline feedback, and have significant potential to change.

22. Section 53A of the Commerce Act sets the purpose of ID as ensuring sufficient information is readily available to assess, whether the purpose of Part 4 is being met. Disclosure of incomplete proposals that are subject to consultation and may be changed, or potentially not even proceed, is unlikely to achieve this purpose.

23. Section 231 of the CAA separately governs engagement between airports and substantial customers on proposed investment. Section 231 of the CAA requires airports to have an open mind on the final outcome and to be genuinely open to changing proposals in response to customer feedback. They are two different regulatory functions.

24. This problem can be solved more simply and efficiently by moving the timing of disclosure to the completion of the consultation process, rather than the beginning, as airports have submitted on the draft decision.

25. This would be solved through our previous proposal that disclosure occur alongside the annual information disclosure accounts the year following an investment decision. An alternative approach could mirror the timing of when pricing disclosures are required to be released, which is within 40 working days of when a decision to proceed following consultation is made.

26. Such timing would avoid the potential for multiple disclosures called for by airlines, avoid the public release of incomplete capex proposals subject to airline feedback, and complement rather than interfere with the consultation process. By stipulating the disclosure requirements ahead of time, this will influence the information that is shared with airlines through the consultation process.

27. However, in the event that the Commission retains its trigger for disclosure to when consultation on a major capex project commences, Auckland Airport considers the Commission's approach in the draft decision, requiring further disclosure where an airport decides to reconsult on a substantial change, is superior to the changes that have been proposed by airlines.

Airlines seek to materially lower the definition of 'major capex'

28. Alongside the 20% value of the regulated asset base ("**RAB**") threshold, several airlines submitted that a fixed dollar threshold also apply to trigger disclosure. Air New Zealand propose $200 million, IATA propose $10 million, Qantas do not specify a particular amount. BARNZ did not propose a dollar threshold but indicated in its submission that a $1 billion threshold may be appropriate. Views on this threshold vary greatly.

29. Auckland Airport agrees with the Draft Decision that the 20% of the RAB threshold is the appropriate mechanism. A fixed dollar threshold is neither necessary nor proportionate for a disclosure regime that is targeted at disclosure of major capex.

30. A percentage-of-RAB test scales with the size of the business being regulated, and the relative percentage impact on prices. With the Draft Decision set at 20% of the RAB, with a standard building block pricing approach a 20% increase in the RAB of an airport will increase prices by less than 20%, how much less depends on the relativity of operational costs to the value of the asset costs being recovered.

31. Inclusion of static dollar figure as a threshold will become progressively less representative of materiality where an airport's asset base increases over time. Without ongoing adjustment to a fixed threshold, the scope of what constitutes major capex will increase, linking disclosure to the size of the asset base as the Commission has done addresses this issue.

32. Air New Zealand supports its call for a $200 million threshold to be introduced by noting that $200 million of capex results in $29 million of additional aeronautical charges. This may be the case in year 1 of the asset opening and in operation, however, this value will only decrease in nominal terms every year the asset is in operation as it is depreciated, reducing the annual revenue requirement.

33. Projects not defined as major capex will still be subject to the consultation obligations under the CAA, as the $30 million consultation threshold continues to apply, the purpose of these ID changes is to target only major capex projects, and the thresholds stipulated in the Draft Decision achieve this intent.

Airlines seek to introduce pricing into major capex disclosures

34. Air New Zealand requests the Commission include additional requirements for cost benefit analysis to include the expected pricing and demand impact of the investment over the full period in which the costs of the major capex is expected to be recovered, and that this analysis would extend beyond the current price-setting event. It also recommends that forward-looking allocation include the expected impact on aeronautical charges by customer group.

35. There are several factors that go into determining aeronautical prices, forecasts of operational costs, traffic volume numbers, the cost of capital are all parameters that can have a material impact on future price paths and these inputs change over time.

36. Requiring public disclosure of price paths related to a major capex project would undermine the ability for airports to set their prices in the future as circumstances change. The publicly released projections, as uncertain as they are, would likely become the expectation going forward and could cause these to become 'locked in'. These impacts are not simply uncertain; they are, in large part, a product of processes that have not yet occurred.

37. Requiring such disclosures could have several perverse consequences. Airports may overstate future prices and would have an incentive to do so. Once price paths are disclosed publicly, this can create an expectation of a price ceiling for future prices. This would incentivise airports to overstate the expected prices in its disclosures to protect against future risk of under-recovery. The impacts of this would undermine the true case for the investment.

38. Alternatively, airports could understate the future prices in its major capex disclosure. As circumstances change in the future, for example lower passenger traffic or a higher cost of capital due to a higher interest rate environment, prices required to recover the investment could be higher than anticipated. However, public disclosure of long-term pricing could set an expectation of a cap on prices, limiting this could restrict airports' ability to earn a return commensurate with the risk of investment that has been taken. Such an outcome could discourage airports from investing in essential infrastructure.

39. BARNZ's call for the inclusion of a mandatory traffic demand downside sensitivity scenario of 15 to 20 per cent underperformance is illustrative of the potential issues disclosing this information would cause. It would result in disclosure of higher price paths than what are expected to occur. This would provide 'fodder' for airlines that have interests to delay the investment. If such a pessimistic view of future growth was always taken when planning long-run infrastructure, then nothing would ever be built.

40. If the Commission accepts airline submissions and considers that projections of future price paths are to be included within the disclosure requirements, then any cost benefit analysis must also consider the subsequent impacts on airfares, not only of the projected increase in aeronautical charges out into the future, but also in the alternative case where investment does not proceed and the impacts on airfares due to constrained capacity creating barriers of entry to the market. This is the true counterfactual to rising aeronautical charges to fund infrastructure investment, looking at aeronautical charges in isolation is an incomplete view of the impacts on consumers.

Airlines seek regulatory intervention under the banner of a disclosure regime

41. Qantas and Air New Zealand both submit that the Draft Decision does not go far enough on independent assurance. Both seek mandatory independent assurance for all major capex projects above the threshold.

IATA, by contrast, supports the Commission's approach as drafted, describing it as a pragmatic balance between transparency and regulatory burden.

42. The Commission, quite rightly in its Draft Decision did not include mandatory independent assurance in the draft decision. Mandatory independent verification of the kind Qantas and Air New Zealand propose, is a feature of more prescriptive regulatory regimes, not information disclosure.

43. As Auckland Airport has previously submitted in this process, it is inconsistent with ID regulation. Introducing it here would represent exactly the architectural shift, from disclosure regulation toward requiring pre-approval of major capex. The Commission has already considered and declined to make in reaching this Draft Decision.

Other issues raised in airline submissions

44. Air New Zealand explicitly names Auckland Airport's next price-setting event as "an important practical test of the amended ID regime" citing the scale of the capital programme at Auckland. For the avoidance of doubt, Auckland Airport has completed its consultation on the Terminal Integration Programme which is currently in delivery. These new proposed disclosure requirements for major capex would not apply to the Terminal Integration Programme, but only for future major capex projects or programmes that meet the disclosure threshold set by the Commission.

45. BARNZ submits that without an explicit aggregation clause, an airport could divide a single major programme into sub-threshold projects. Air New Zealand submit that some clarification that functionally connected projects should be considered in the definition of a programme. Auckland Airport is supportive of an appropriate definition of programme to define major capex includes functionally connected projects. This is how Auckland Airport undertook its consultation with airlines on the Terminal Integration Programme and presented its capital plans through disclosures to date as an overall programme, with more granular detail on the projects that sit within that programme. Submissions from BARNZ that imply otherwise are incorrect.

46. Air New Zealand proposes amendments to Schedules 9 and 10 of the annual disclosure requirements. This proposal sits well outside the scope of this review which concerns disclosure of major capex projects and should not be considered by the Commission as part of this process.

47. BARNZ submits that additional information be included in disclosure documentation related to project costs, including detailed unit-cost benchmarking of various components of the project, and further disclosure of the underlying inputs and assumptions within any third-party report. As outlined in our previous submission, Auckland Airport would be concerned that the inclusion of such information in public disclosures would undermine the airport's position when moving to delivery phase and procurement, as it would undermine the airport's ability to negotiate commercially with contractors when such sensitive cost information is in the public domain.

Conclusion

48. Auckland Airport has always supported proportional, well evidenced changes to the ID regime to enhance its role in ensuring airports meet their Part 4 obligations. Throughout this process we have made practical recommendations to the Commission on what changes could work and we are pleased some are contained the draft decision.

49. However, Auckland Airport's position remains that the Draft Decision's proposed timing, for disclosure at the beginning of consultation, asks the ID regime to perform a function outside the scope of Part 4 of the Commerce Act, a function that Parliament has addressed through consultation obligations in the CAA. If the

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Commission proceeds with a pre-decision disclosure trigger notwithstanding Auckland Airport's significant concerns with this timing, the comments in this cross-submission are intended to make the resulting regime more workable and more proportionate.

50. On the other hand, the airline submissions focus on further changes that would progress their own self-interest rather than the aims of Part 4. Calls for multiple disclosure requirements would cause uncertainty and create opportunities for airlines to delay investment. Lowering the bar of the definition of 'major capex' would afford them this opportunity on a greater number of projects. Introduction of pricing matters into capex disclosure would undermine the ability for airports to appropriately set future prices to earn a fair return on investment. While introducing independent verification would fundamentally be a shift away from the purpose of disclosure regulation towards a more prescriptive regime.

51. The purpose of Part 4 requires that airports have incentives to invest, and do not earn excessive profits, so that consumers benefit in the long-term. The changes proposed by airlines in response to the draft decision only seek to create opportunities and delay major capital investment undermining the incentives for airports to invest – these are not outcomes consistent with the Part 4 purpose.

Please contact us if it would assist to discuss any element of this submission further.
Yours sincerely

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