Auckland Airport

23 July 2026

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

Dear Andy

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

1. Auckland International Airport Limited (**"Auckland Airport"**) has reviewed the Commerce Commission's Draft Decisions Reasons Paper on Airport Information Disclosure Amendment 2026 (**"Draft Decision"**). This cross-submission responds to the principal points contained in the Draft Decision and should be read in conjunction with our:

   - submission on the Commerce Commission's process and issues paper dated 19 February 2026; and
   - cross-submission dated 6 March 2026,

   together, the "**Auckland Airport Submissions**").

2. The Draft Decision proposes that disclosure for major capex is made 10 days following a decision to consult, and would result in a substantial shift away from the current operation of the Part 4 regime, seeing the Commerce Commission creating a parallel process to the consultation requirements under the Civil Aviation Act 2023 ("**CA Act**"). Requiring disclosure to the Commerce Commission ahead of a settled investment decision is inconsistent with the ex-post transparent information disclosure regime for regulated airports.

3. The CA Act provides for a structured consultation process which is iterative and has established consultation requirements before any investment decision is made by a regulated airport. It is designed to inform investment decisions before they are made, and provides a framework that allows for the disclosure of commercially sensitive information, the provision of feedback by Substantial Customers and revisions to plans before any investment decision is made. The purpose of Part 4 information disclosure is to enable ex-post assessment of outcomes. Auckland Airport does not support ID under the Commerce Act creating a pre-decision disclosure requirement, particularly for major capex consultation that is already the subject of the CA Act, and commercially sensitive.

4. If the Commerce Commission is seeking to provide stronger guidance as to what it expects to be provided by airports through the consultation process, this can be achieved through an ex-post disclosure requirement which prescribes the information to be included. This would also have the effect of setting the expectations of what airports include in the consultation documents under the CA Act to be able to achieve the requirements of following ID under the Commerce Act.

5. Auckland Airport provides comments in this submission on the other aspects of the Draft Decision, but on the basis that the timing of the disclosure is amended.

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Draft decision 1: Major capex disclosures: threshold and timing

6. Subject to the timing of the ID requirements being amended, Auckland Airport agrees with the Commerce Commission's draft decision to define a "major capex project" as being a "...project or programme of more than 20% of the airport's total closing RAB...". The Auckland Airport Submissions set out the reasoning for our support of setting the threshold at this level, and note that it is important that a threshold at this level be maintained to ensure that the additional requirements of any proposed change to ID only attach to truly major capex. We note that BARNZ submitted that the Commission consider the trigger for major capex of 20% of the RAB in its cross-submission on the process and issues paper.[1]

7. Auckland Airport has considered the proposed requirement to undertake disclosure within 10 working days of an airport's decision to consult. In a practical context, we are not clear on what this would achieve outside of the existing obligations of a regulated airport to consult with its Substantial Customers under the CA Act. The Draft Decision refers to the reason for the timing being so that interested persons have the ability to assess whether the purpose of Part 4 is being met. However, the Draft Decision does not explain how this will be achieved and does not consider the potential detrimental impacts and increased legal burden for consultation processes under the CA Act.

8. The context of the proposed ID requirement is important. At the time of the proposed ID requirement for major capex, the relevant regulated airport will have, 10 days earlier, provided significant material to its Substantial Customers in accordance with its obligations under the CA Act. Outside of Substantial Customers, the most significant other "interested person" being given the ability to make the Part 4 assessment would be the Commerce Commission itself.

9. The Commerce Commission notes in its Draft Decision that the proposed timing "...avoids the creation of a parallel consultation obligation under ID". Our view is that the proposed timing will do just that, as the consultation for a major capex project will now include the Commerce Commission, in whatever capacity it elects to participate in the process. The decision to consult on a major capex process, and the consultation process itself, is an iterative process, involving the relevant airport and its Substantial Customers. As acknowledged in the Draft Decision, it starts at the Master Plan level and develops through 10 year capital plan views to a committed project. The Master Plan and project plans are subject to the consultation requirements of the CA Act, with 10-year capital plan views required by ID. It is unclear what the Commerce Commission's proposed role will be in being part of the process, but an important initial point is the Commerce Commission already has the ability to be consulted on Spatial Plans (including Master Plans) under the CA Act, as a relevant government agency.

10. A fundamental consultation obligation under section 231 of the CA Act is for the airport to have an open mind on what the final decision about the relevant capex project will be. An airport must be open to changing and developing any capex proposal in response to feedback from its Substantial Customers. The purpose of consultation is to enable the airport to reach an informed final decision, and is iterative in nature as the airport and its Substantial Customers progress through the sharing of information, response to questions and further information requests through the consultation process. The Draft Decision does not recognise this and the proposed disclosure at a time when no investment decision has been made would likely result in a disclosure which could quickly become obsolete as changes arise through the consultation process, and would not facilitate any useful assessment of Part 4 requirements by interested parties.

[1] BARNZ cross-submission on process and issues paper, 6 March 2026, p.4

11. The purpose of consultation is to share, test and refine the capex proposal with Substantial Customer input. In accordance with legal consultation obligations, Substantial Customers are provided with all information necessary to allow them to provide informed views on an airport's capex proposal. In practice, airlines are provided with extensive information and there is comprehensive engagement between airports and airlines to optimise the capex proposal.

12. The Draft Decision states that requiring disclosure once the project is committed to construction "would provide little room for change of direction, if airports wish to do so after receiving feedback from interested persons". Similar reasoning is provided for rejecting the option of requiring disclosure at the next annual disclosure.

13. The assessment of whether or not an investment decision promotes Part 4 does not turn on when disclosure about that decision is made. What the Draft Decision implies is that the timing of the disclosure impacts the Commerce Commission's ability to have oversight and influence over decisions before they are made. Airlines already have significant opportunity to provide feedback through consultation. That would be an improper purpose that departs from the purpose of information disclosure regulation to provide sufficient information for assessment purposes.

14. If the purpose of the threshold and timing is to provide guidance or specificity as to what an airport provides its substantial customers for consultation, that can be achieved by simply requiring that without the need for disclosure at the time of initiation of the consultation process, to avoid complicating the consultation itself and its timelines.

15. We submit that the disclosures required under draft decision 2 be made at the airport's next annual disclosure following the investment decision on the relevant major capex.

16. This alternative achieves the practical outcome the Commission is considering because:

    - Airports will have a clear set of requirements from the Commerce Commission of what will need to be disclosed under ID, and this will in effect influence what is included in the extensive materials airports provide to Substantial Customers through CA Act consultation because the consultation process would be at risk if airports subsequently disclosed relevant information to all interested parties that had not been provided to airlines during the consultation. As noted earlier, airports already provide a significant amount of information to Substantial Customers through consultation, including in response to questions from Substantial Customers. Auckland Airport broadly supports the nature of the proposed capex disclosure requirements in draft decision 2, subject to the specific comments set out below.

    - The prescribed material becomes a formal public record once confirmed at the airport's next annual disclosure following the investment decision.

17. Adopting this alternative timing would be consistent with the sequence of disclosure that relates to pricing decisions. Airports are required to release their disclosures within 40 working days of a pricing decision. These disclosures are not made at the beginning of the consultation process, but rather following a decision at the conclusion of the process, and reflect the outcomes of the decision taken. The information airports share through the pricing consultation is heavily influenced by the disclosure obligations that stipulate what information will be disclosed following a decision (again, disclosures should not contain information that was not provided to airlines during the consultation).

Draft decision 2: Major capex disclosure requirements

18. Auckland Airport has no comment on the requirement to describe the major capex.

Cost benefit analysis

19. Airport investment sits under the airport regulatory regime which has been designed to incentivise investment for the long-term benefit of consumers. This includes investing for reasons including safety, infrastructure renewal and resilience, capacity growth, and service quality that reflects customer demand. The regime provides incentives for airports to make investments that create public benefit.

20. The cost-benefit analysis in the form the Commission has proposed, which is an approach used to support decision making in the context of government expenditure, does not necessarily reflect the assessment and decision making process used by airport's when making major capex decisions. Auckland Airport uses a structured business case process, which is typical for infrastructure businesses when considering and proposing investment decisions and we understand is consistent with other regulated airports.

21. The regulatory regime itself incentivises airports to make investments for the long-term benefit of consumers, cost benefit analysis that goes beyond the parameters of this business case process followed by airports is not required to determine if there are broader benefits unlocked through investment.

22. Consistent with the Commission's approach on other aspects of the Draft Decision, Auckland Airport submits that disclosure by airports be of the key elements of the business case for the major capex project that an airport already includes in its process. The following key elements could be included as specified requirements:

- Reasons for the investment;
- Other options considered;
- Costs;
- Assumptions and risks;
- Sensitivity analysis of the key assumptions.

23. This is in substance consistent with the Draft Decision, however we do not support a requirement for expected benefits to be presented as a standalone monetised breakdown, or for a single, formally computed cost-benefit ratio, as outputs of this disclosure. This would not reflect the broader context and decision-making process for capex for airports. Under such an approach, airports would still be open to include further analysis that was considered to be relevant to the investment decision, however having requirements that go beyond a typical business case approach would add unnecessary cost to producing the disclosures.

24. It is important to note that at the point of stakeholder consultation on capex, airports are yet to engage contractors and other service providers. There are therefore many details that are not appropriate to disclose publicly prior to procurement. We recommend a clear carve-out for commercially sensitive information, or for anything sensitive to be provided to the Commission, but not made public.

Levels of service (LoS)

25. Auckland Airport does not oppose the Commerce Commission's proposal to require disclosure of LoS assumptions where those assumptions are used to support a major capital expenditure proposal. However, it is important to note that LoS frameworks are designed to be planning tools rather than regulatory standards.

26. IATA standards are designed to support infrastructure planning and rely on the application of professional judgement. Airports may adopt different planning assumptions depending on their traffic mix, terminal layout, operational ne eds, passenger expectations, and development timelines. Airlines may advocate for a lower LoS depending on their operating model (eg low-cost carriers versus full-service). Terminal infrastructure is generally planned to achieve an "Optimum" level of service within the medium range. LoS is only one input into infrastructure planning and is considered alongside factors such as forecast demand, operational requirements, resilience, stakeholders requirements, commercial impacts, and broader airport development objectives.

27. While we do not oppose the disclosure of LoS, we are not supportive of any introduction of prescribed LoS benchmarks or mandatory target levels. While the Commission recognised that the IATA LoS guidance is primarily focused on processing area within passenger terminal facilities, the Draft Decision does not acknowledge that IATA intends LoS to be based on the busy-day methodology that is airport-specific. IATA itself acknowledges that facilities may not achieve an "Optimum" LoS at all times and that designing infrastructure to accommodate peaks can result in inefficient investment outcomes.

Cost and asset allocation

28. As proposed in the Draft Decision, there is a high likelihood that commercially sensitive information would need to be required to be included in the disclosure. For example, project cost information ahead of entering into a contract with constructors would be commercially sensitive. All information relating to the cost and details of the project, and proposed options and reasoning, if disclosed under ID ahead of entering into contract would be available to any construction companies looking to bid for the work, and would put the airport, at a commercial disadvantage in negotiations. Accordingly, a general exemption for commercially sensitive information should be included.

29. Auckland Airport's Submissions set out the detail of the information already provided through consultation under the CA Act and ID under Part 4. We believe that cost and asset allocation ahead of an investment decision would not be accurate and would not provide a benefit to interested parties.

30. Cost and asset allocation is already a heavily disclosed feature of ID through annual disclosure schedules, through PSE pricing consultations, and through Part 2 of the airport Input Methodologies. Introducing a forward-looking allocation disclosure 10 working days after a decision to consult risks bringing what is essentially a pricing matter into infrastructure planning, at a stage when allocation approaches will be subject to change based on final design and consultation feedback from Substantial Customers.

31. We propose that airports be permitted to satisfy this requirement, where applicable, by confirming that the approach to allocation for a proposed project is consistent with the methodology already disclosed in the airport's most recent PSE or annual disclosure, rather than being required to produce a new, project-specific forward-looking allocation model at an early and potentially immature stage of planning.

Independent assurance/peer review of major capex

32. Auckland Airport supports the Commission's draft decision to require disclosure of existing independent assurance or peer review reports, rather than mandating independent verification.
33. As submitted in respect of aspects of the business case material, independent reports are likely to contain commercially sensitive information such as contractor cost estimates. We propose that airports be permitted to disclose these reports with commercially sensitive content redacted, alternative explanatory material in place of these specific sections, or for this material to be provided to the Commerce Commission alone and not made public. This does not impact on what is provided to Substantial Customers through consultation, where confidentiality has been agreed.
34. Auckland Airport reiterates that it does not support mandated independent verification, for the reasons set out in the Auckland Airport Submissions.

Draft decision 3: Additional tax information disclosures in pricing templates to support profitability analysis

35. Auckland Airport is supportive of this additional disclosure.

Draft decision 4: Update to Debt leverage assumption in Schedule 3b(iv)

36. Auckland Airport supports this update.

Matters excluded from the draft decisions

37. Auckland Airport agrees with the matters not included in the Draft Decision.

Yours sincerely

[redacted]

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