

6 March 2026

Mr Andy Burgess
General Manager
Infrastructure Regulation
Commerce Commission
Via email

Dear Andy

Please find attached Auckland Airport's cross submission on the Commerce Commission's Process and Issues Paper on Potential Changes to the Information Disclosure ("ID") requirements for specified airport services.

Auckland Airport remains committed to practical and proportional changes that sit within the scope of the ID regime, and we outline those in our submission. ID has, over multiple reviews of multiple airports, succeeded in incentivising airports to invest in the long-term interests of consumers. It is no accident that the recent National Infrastructure Plan highlighted that airport infrastructure is meeting New Zealander's needs¹, at a time when many sectors are being highlighted for years of chronic under investment.

Airline submissions seek to constrain airports' ability make investments in resilience and capacity, running counter to the interests of consumers

The airline submissions are arguing for measures that would constrain airport investment and shift the key metric airports must consider for capital investment, towards what airlines want, and away from consumers' long-term interests. That is not what Part 4 is intended to do. We encourage the Commission to maintain a strong focus on Part 4 outcomes.

Most of the time airports and airlines agree on capital investment, but disagreement was predicted and baked into the design of Part 4. Disagreement on one project, the Auckland Airport Domestic Jet Terminal, does not demonstrate a failure of the regime, it highlights its strength. It reveals that, as intended, Auckland Airport was able to look through the flip-flopping from support to opposition by airlines, to make necessary investment to improve resilience and increase capacity. The terminal project is a crucial enabler of essential safety upgrades that must be made to the runway in the coming years. Auckland Airport has a responsibility to keep our airport safe and to enable NZ's economy to grow. It is vital the regime has allowed us to make these investment decisions.

At no point do the airline submissions engage with the fact that the Commission's own PSE4 review found Auckland's capital investment was consistent with Part 4, they continue to assert that outcomes that favour them should be prioritised over the legislative intent of the Commerce Act. While the airlines focus on over investment, they do not consider the system issues that would be caused by under investment, and no airline has questioned the need to replace the existing 60-year-old domestic terminal.

¹ Te Waihanga – New Zealand Infrastructure Commission (2026). *National Infrastructure Plan – Mahere Tūāhanga ā-Motu*. Wellington: Te Waihanga, p. 185

Change outside the scope of ID risks regulatory stability essential to address New Zealand's infrastructure deficit

Several airline proposals sit fundamentally outside the scope of ID. If enacted, they would essentially change the form of regulation without following appropriate process. The Commission's own paper sets out that different forms of regulation are not being considered. We would therefore expect the Commission to be alive to the regulatory creep of considering options that would erode in any way the principles of ID.

To play our role in helping achieve key government goals of addressing New Zealand's infrastructure deficit and increasing export growth, Auckland Airport has to raise capital. Investors need to have confidence that regulatory settings only change if there is a clear problem to be addressed and correct process is followed. Airline proposals do not meet those criteria.

Recent airline interim financial results indicate airport costs are not the key driver of fares or airline profitability

As we continue to highlight, the Part 4 is all about protecting strong consumer outcomes not airlines. However, if you look at the recent fortunes of airlines, airport charges which are influenced by the level of capital investment, have minimal impact on airlines' ability to grow and be profitable.

This is highlighted by last week's interim financial results from both Air New Zealand and the Qantas Group. Qantas Group, which has significant and growing presence at Auckland Airport and has a hub airport (Sydney) which charges higher fees than Auckland Airport, has just reported a \$1.4 billion AUD profit. This profit is largely driven by strong growth and cost management, allowing them to manage their per unit cost. Qantas have on average one new aircraft arriving every three weeks.

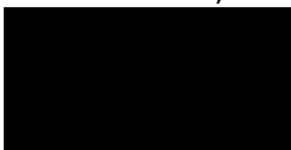
By way of contrast, Air New Zealand reported a half year loss, for which they asserted airport landing fee increases was a key factor. The numbers illustrate that is not the case.

Their year-on-year profitability was down \$200m. Landing and aviation charges, which include all airport and government navigation charges across the entire network, represented just \$18m of the \$200m, of which AKL charges are less than half. Between the first half of FY25 and first half of FY26, a period when Air New Zealand has moved from profit to a loss, Auckland's per passenger charges have only increased an average of \$0.68 cents for domestic and \$1.23 for international.

Auckland Airport wants to see Air New Zealand grow and we are committed to working with them on their growth plans. We acknowledge a factor in their position is due to engine issues outside their control. What we object to is continued claims that airport charges are a key factor in their loss.

We look forward to continued engagement with the Commission on this process.

Yours sincerely



Mary-Liz Tuck
Chief Strategic Planning Officer