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Kia ora Hristina,

Re: Cross-Submission relating to submissions to the Airport Information Disclosure (ID) Amendment 2026 (Draft Decisions)

The Board of Airline Representatives New Zealand (BARNZ) welcomes the opportunity to cross-submit to the responses to the Commerce Commission's *Airport Information Disclosure Amendment 2026 Draft Decisions Reasons Paper*.

The BARNZ cross-submission responds to the arguments put forward by the regulated airports—Auckland International Airport Limited (AIAL), Christchurch International Airport Limited (CIAL), Wellington International Airport Limited (WIAL)—and the airport industry groups, the New Zealand Airports Association (NZAA) and Airports Council International (ACI) Asia-Pacific & Middle East. These submitters seek to dilute, delay, or undermine the Commission's proposed ex-ante major capex disclosure framework. BARNZ firmly rejects these arguments. We provide responses across three operational and regulatory pillars:

1. **Timing of disclosures:** BARNZ rejects the airports' attempt to defer major capex disclosures to post-decision annual disclosures.
2. **Cost-benefit analysis (CBA) and granularity:** BARNZ rebuts claims that CBAs are inappropriate for private infrastructure or "too burdensome".
3. **Assurance & third-party reports:** We respond in defence of full transparency and closing airport loopholes designed to redact, suppress, or narrowly define external reviews.

1. Timing of Disclosure: rebutting deferred "post-decision" disclosures

Airport arguments

- **AIAL, CIAL, and NZAA** state that requiring disclosure within 10 working days of a decision to consult under the Civil Aviation Act 2023 (CAA) is

"unworkable," creates a "parallel consultation," and undermines the ex-post architecture of Part 4.
- They advocate instead that disclosures set out in the Draft Decision should be deferred until the next annual disclosure following a confirmed investment decision.

BARNZ response
- Ex-post disclosure is a structural failure for multi-billion dollar capex: Deferring disclosure until after an investment decision is finalised renders the information disclosed ineffective for oversight. Once capital expenditure is committed, it enters the Regulated Asset Base (RAB), and consumers are locked into paying guaranteed returns on potentially gold-plated or inefficient assets for decades.
- Ex-ante disclosure fits within Part 4 architecture: As noted in submissions by BARNZ and Air New Zealand, the Input Methodologies (IMs) underpinning Part 4 are inherently forward-looking. Providing ex-ante transparency does not constitute "pre-approval" or "ex-ante control". Rather it fulfils the core statutory objective of ensuring that interested parties have *timely* and *sufficient* information to evaluate whether the Part 4 purpose is being met.
- CAA consultation is not a substitute for public ID: CAA consultation occurs in confidence with individual substantial customers. It lacks standardised, publicly available financial models, objective cost-benefit analyses, and unbundled data. No example of CAA project consultation has yet been consulted on with BARNZ accompanied by fulsome information of the sort proposed in these ID improvements. Public ID disclosure at the 10-day CAA trigger ensures transparency for the entire market—including non-substantial customers and travellers —without delaying project execution.

2. Cost-benefit analysis (CBA) & business cases: Rebutting flexibility & redactions

Airport arguments
- WIAL and NZAA submit that formal CBAs and Benefit-Cost Ratios (BCRs) are "public sector tools" unsuited for commercial, investor-owned airports. They claim a full CBA is overly burdensome (at $150k–$200k) and request an "inflexible business case summary" without mandatory monetised benefit breakdowns or BCRs.
- AIAL, WIAL, and CIAL further demand blanket carve-outs/redactions for "commercially sensitive" cost build-ups and contractor pricing.

BARNZ response
- Private monopolies require rigorous CBA metrics: Monopoly airports operate under guaranteed, low-risk regulated returns. Asserting that CBAs are strictly

"public sector tools" ignores the reality that monopoly capital expenditure directly impacts New Zealand's public air transport affordability. Without a mandatory, quantified CBA (including clear BCRs, do-nothing base cases, and least-cost alternatives), airports can easily justify over-scoped projects under vague "resilience" or "strategic" headings.

- Compliance burden is minimal: Monopoly airports proposing multi-hundred-million-dollar capital programs (such as AIAL's multi-billion dollar build) must already perform rigorous financial, demand, and options modelling as part of prudent corporate governance. A $150k CBA cost is negligible relative to the financial risk imposed on airlines and passengers by inefficient multi-billion-dollar investments.
- Blanket commercial sensitivity claims obscure accountability: Broad commercial sensitivity exemptions risk hiding key cost drivers from scrutiny. Development of a monopoly airport does not constitute a trade secret to be protected. Unit-cost benchmarks, growth sensitivity assumptions, and allocation percentages must be fully disclosed to prevent information asymmetry.

3. Third-party assurance and peer review reports: Closing the redaction loophole

Airport arguments

- ACI APAC & MID submits that clause 2.5A(1)(d) is materially broader than intended and demands that disclosures be strictly limited to *final* independent assurance reports relied upon by the airport, excluding draft/interim notes and legally privileged materials.
- AIAL, NZAA, and CIAL ask to disclose these reports with commercially sensitive content redacted or provided exclusively to the Commission on a confidential basis.

BARNZ response

- Regulations should not allow hiding behind "draft" status or redactions: Confining disclosure strictly to "final reports relied upon" allows airports to suppress unfavourable external reviews simply by labelling them "interim," "draft," or "advisory". This must not be permitted if we hope for transparency of disclosures.
- Mandatory disclosure of underlying assumptions: BARNZ strongly rejects allowing airports to unilaterally redact third-party reports. If an airport uses an independent peer review to justify a major capex project, the underlying scope, instructions, inputs, and assumptions supplied to the verifier must be disclosed in full to enable true independent verification.

Summary of responses

Issue / Topic	Airport / NZAA / ACI Position	BARNZ Response
Disclosure Timing	Defer disclosure to the next *annual disclosure* after an investment decision is finalised.	Maintain ex-ante trigger: Disclose at 10 working days post decision to consult. Deferring to post-decision annual disclosures makes transparency useless once capital plans are locked in.
Major Capex Threshold	Support 20% RAB percentage threshold; reject fixed dollar backstops.	Enforce aggregation rules: Retain 20% RAB but introduce strict project aggregation rules to prevent airports from "slicing" major programs into minor sub-contracts to bypass thresholds.
Cost-Benefit Analysis (CBA)	Replace CBA with a flexible, high-level business case summary; remove BCRs and monetised benefit breakdowns.	Mandate quantified CBA & options analysis: Require explicit BCRs, "do-nothing" baselines, least-cost options, and demand downside sensitivity audits (-15% to -20%).
Third-Party Assurance	Limit to final reports; allow heavy redactions or confidential submissions to the Commission for commercial sensitivity.	Full assumption transparency: Reject redactions. Require public disclosure of full report inputs, scope, instructions, and underlying data provided to third parties.
Level of Service (LoS)	Treat LoS strictly as non-binding, qualitative planning guidelines.	Mandate Affordability Trade-Offs: Require airports to explicitly justify point selections within IATA LoS ranges and demonstrate the trade-off between higher service quality and passenger affordability.

Conclusion and recommendations

The Commission's draft decision represents a necessary and long-overdue evolution of the Information Disclosure regime. The airports' attempts to roll back the timing of disclosures, dilute CBA obligations, and redact third-party verification reports must be firmly rejected.

BARNZ respectfully urges the Commerce Commission to finalise the Determination with the following provisions:

1. **Retain ex-ante timing:** Firmly reject post-decision annual disclosure proposals. Maintain the requirement for public disclosure within 10 working days of a decision to consult under the CAA. This is not operationally problematic as airports claim.
2. **Close threshold loopholes:** Introduce an explicit **anti-slicing aggregation clause** under Clause 1.4.1 to ensure operationally interdependent or phased projects are combined when evaluating the 20% RAB threshold.
3. **Stand firm on CBA requirements:** Require standardised, quantified CBAs including BCRs, least-cost alternative analysis, and traffic demand downside sensitivity audits. This is simply baseline internal governance process, is not unusual, and should not be withheld by the monopoly airport.
4. **Enforce unredacted assurance transparency:** Require monopoly airports disclosing third-party reports to publish all underlying inputs, instructions, and data provided to reviewers.

BARNZ welcomes questions on this submission, and looks forward to publication of the Commission's final Airport ID Amendment 2026. Once published, BARNZ would be happy to participate in commissioning workshops where participants can ask any process questions as may arise from the revised Determination.

With kind regards

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