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Commerce Commission

Via e-mail: infrastructure.regulation@comcom.govt.nz

CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED (CIAL) – SUBMISSION ON AIRPORT INFORMATION DISCLOSURE AMENDMENT 2026 – DRAFT DECISIONS REASONS PAPER

Introduction

1 Christchurch International Airport Limited (CIAL) welcomes the opportunity to submit on the Commission's 25 June 2026 draft decisions on additional information disclosure for airport major capital.

2 CIAL has contributed to and supports the issues raised in the submission by the New Zealand Airports Association (NZAA).

3 Overall CIAL supports the objective of improving transparency where it assists interested parties to assess whether the purpose of Part 4 is being met. Whilst we are generally supportive of several aspects of the Commission's proposals, we consider there are aspects of the draft determination that require amendment to ensure that regime remains practical, proportionate and aligned with existing regulatory processes.

4 The purpose of this exercise by the Commission is to seek ways to enhance information disclosure (ID) for airports. In our submission, the proposed changes are modest improvements. They mainly relate to information that CIAL already freely shares with substantial customers during consultation and would willingly share with the Commission. The opportunity for airlines to understand capital planning assumptions and investment drivers already exists within current consultation processes and ongoing stakeholder engagement activities.

5 As we have consistently submitted, the proposals do not sit well with the commonly understood purpose of Information Disclosure as an ex-post review of decisions. The Civil Aviation Act 2023 (CAA) already performs the function of informing investment decisions before they are made. The integrity of both regimes is important to maintain.

6 Given that CIAL already shares this information with customers during consultation, the question that is unanswered in the draft decision is the use that the Commission intends to put the information to. CIAL's submission is that participation by the Commission in existing processes that operate effectively would be counter-productive to the Commission's own objectives.

Disclosure Threshold and Timing

7 There are no examples at CIAL where the Commission's timing problem – that prices are set and then major capital projects that affect those prices are consulted after that – have occurred.

8 The Commission's proposal to require further disclosures when a proposed major capex project or programme is estimated to exceed 20% of the total regulated asset base (RAB) is supported by CIAL. A percentage threshold is appropriate, given it will grow with airport size over time.

9 However, CIAL considers further guidance could be provided in respect to the proposed concept of a "capital programme" comprising a "group of projects that together contribute to one output (or a set of overlapping outputs)". Providing some practical guidance around how the Commission views interdependent projects would improve consistency of application across airports and reduce uncertainty around disclosure obligations.

10 The Commission notes that this threshold would capture no upcoming CIAL capex. This reflects our current airport infrastructure lifecycle. We expect to have major capital projects that could be captured by the changes in the future.

11 The Commission proposes that airports should make additional disclosures "within ten days of a decision being made to consult" under the Civil Aviation Act. The Commission must be aware that major airport capital projects evolve materially in response to substantial customer feedback during consultation. This can make the additional disclosures made before consultation quickly obsolete.

12 A simpler solution would be if the Commission were to require the requested information to be included in the next relevant airport annual disclosures following the investment decision being confirmed. This proposal would be consistent with the existing regime and reporting rhythm and avoid additional compliance and resourcing costs for airports and the Commission. It also deals with the issue that capital proposals can and should change in response to substantial customer feedback during consultation.

13 We would also note that there is nothing now, or resulting from CIAL's proposals, which would prevent the Commission from engaging with an airport's capital planning process ahead of any major investment decisions, should it wish to do so.

Disclosure Requirements

14 The Commission proposes that as an additional disclosure for major capital projects, airports disclose:

a) a description of the major capex

b) a quantitative and qualitative cost-benefit analysis for major capex, including a summary of reasons why the chosen option was preferred over other identified options

c) any Level of Service design assumptions and parameters where they have been used in planning major capex projects and a summary of the reasons for an airport's Level of Service decisions including the method of measurement

d) indicative asset and cost allocation for major capex projects on a forward-looking basis; and

e) any independent project assurance or peer review report held by the airport on major capex

15 To the extent that this information is held and helpful, CIAL shares it with customers as part of consultation already. Level of Service information is a useful part of this discussion and can often uncover the different preferences of airline customers.

16 Cost and costing information is provided to substantial customers during various price setting events. Releasing that information as an additional disclosure at the start of consultation on a project is likely to lead to the need for that information to be adjusted to reflect the result of consultation.

17 A cost-benefit analysis (CBA) is not commonly prepared as outlined in 2.46. A CBA as understood by the Commission is a public sector tool, allowing for comparison of different projects and their specific and wider benefits so that public resources can be better allocated. Care should be taken in its applicability to airport capital investment, given airports are commercial, investor-owned businesses. For example, wider non-tangible benefits are a consideration that is specifically relevant to public sector decision making rather than private investment decisions. In addition, several airport investment decisions are driven by operational resilience or regulated compliance requirements in the areas of safety and security.

18 A CBA of the type described would likely be an artifact that CIAL would need to create for the purpose of disclosure, drawing on different documents that make the assessments contained in it. We would request that the Commission gives airports maximum flexibility in preparing this disclosure.

19 It is also 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

20 Establishing the benefits of a major capital project to consumers, through the proxy of major customers, is a core part of the consultation process under the Civil Aviation Act. That consultation process includes discussions with major customers about their plans and how benefits flow through their business financially and operationally. A benefits analysis that is prepared at the start of that process will necessarily lack the nuance that is uncovered through consultation and ultimately informs the size, scope and timing of capital projects.

Commission's Role

21 The draft decision is unclear about the use that the Commission will put the additional disclosures to. At 2.7 the Commission states "*We may choose to undertake analysis on certain aspects of an individual project or programme, or a higher-level analysis of a group of projects and programmes that we bundle together at some stage for analysis."* We would encourage the Commission to consider its intended role and participation carefully, and to give clearer guidance in its final decision. Specifically, it is unclear if the Commission wishes to be treated as a party to consultation or to use additional disclosures as part of ex-ante ID review, or on occasion neither or both. We are wary about the Commission's ability, within current resources and capability, to participate as an ex-officio party to consultation on major capital projects at the pace that substantial customers can participate. The effect could be to exacerbate rather than ease the timing mismatches that the Commission identifies as the reason for these changes and add uncertainty and risk to investment decisions.

22 We reiterate our offer to make information available to the Commission at your request and to engage further with the Commission on our future capital plans.

Other Proposed Amendments

23 CIAL has no objection to draft decision 3 (additional tax value disclosure in Schedule 19) and draft decision 4 (defining the debt leverage assumption by reference to the applicable IM clause rather than a hard-coded figure).

Matters Excluded from the Commission’s Draft Decisions

24 CIAL agrees with the Commission's decision not to progress asset management plan disclosure, formal dispute resolution within ID, or NDA-related changes as part of this amendment

Please contact me to discuss any element of our submission

Yours sincerely

[redacted]

Tim May
CHIEF FINANCIAL OFFICER