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Commerce Commission of New Zealand
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SUBJECT: IATA RESPONSE – AIRPORT INFORMATION DISCLOSURES AMENDMENT 2026 DRAFT DECISIONS AND REASONS PAPER

IATA welcomes the Commerce Commission's draft decisions and broadly supports the proposed amendments to the Airport Information Disclosure (ID) regime. Combined and as part of an integrated framework, the proposals represent a significant and positive step toward improving transparency, accountability, and stakeholder engagement in relation to major airport capital expenditure (capex) programmes.

IATA considers these amendments will materially improve interested parties' ability to assess whether airport investment decisions are affordable, efficient, proportionate, fit-for-purpose and consistent with the long-term benefit of consumers under Part 4 of the Commerce Act. Notwithstanding our support, IATA considers several refinements could further strengthen the effectiveness of the proposed framework while remaining consistent with the Commission's objective of balancing transparency against regulatory burden.

Draft Decision 1: Major Capex Disclosures; Threshold and Timing

Threshold – IATA supports the Commission's proposal to define major capex as projects or programmes (excluding renewals) exceeding 20% of the airport's closing RAB. Providing a clear, objective and proportionate threshold that scales appropriately with airport size and focuses disclosure on investments most likely to influence airport charges and consumer outcomes is critical.

IATA recommends an additional, complimentary approach is introduced similar to other airports such as Dublin, Heathrow and Gatwick to determine minimum value thresholds ensuring all major investment projects are consulted upon with users. While we understand there may be obligations for regulated airports to consult under the Civil Aviation Act 2023 (**CAA**) if the project value exceeds NZD30m, this is a high threshold. We would suggest a lower threshold in the region of NZD10m would be more appropriate e.g. large hub airport like Heathrow consult on projects over GBP5m.

A further positive refinement would be to identify any strategically significant projects below the threshold that may have a material impact e.g. critical safety, resilience or passenger infrastructure.

IATA also supports the Commission's proposal to aggregate related projects into programmes for larger, more complex investments where they contribute to a common output, with benefits to identify and manage project dependencies, to identify critical design, development and construction milestones, and to align to the overall business plan objectives and outcomes, reducing the risk of project fragmentation to avoid disclosure obligations.

Timing – IATA strongly supports the Commission's proposal to require disclosure within 10 working days of an airport's decision to commence consultation under the Civil Aviation Act. An ex-ante approach represents a substantial improvement over the current framework, where meaningful disclosure often occurs ex-post only after price-setting decisions have effectively been finalised. The proposed timing better aligns disclosure with investment decisions and gives airport users a meaningful opportunity to understand the rationale for investment, to assess and provide feedback on major investment proposals before commitments become entrenched.

An important point is the overall affordability of investments and the associated capex thresholds. Consultation on the capex plan and the associated thresholds is recommended at least 6 months in advance of determinations being made, noting there will be projects at different levels of maturity. The overall scale of investments, and process to prioritise and categorise them is important to understand (e.g. capacity enhancements, safety and security, asset replacements, passenger experience, etc.) so the impact on airport charges can be understood in the round, that in turn will help airlines to assess the relative important and prioritization of investments, informed by project and program level consultation.

Important Improvement – Introduce Project Gateways

While supporting the proposed disclosure, a single ex-ante disclosure event will not result in adequate or effective consultation for major capex projects and programmes. Airport infrastructure development is an iterative process that applies to all major airport capital investments. Regular, ongoing consultation is strongly recommended with airlines at key gateways in the design process within each period to ensure investment proposals are aligned with airline's needs, secure the buy-in of those funding investments, allow the opportunity for new ideas and refinements, and ultimately to optimise outcomes and benefits as well as costs. Consultation on a stage gate basis also allows time for review of procurement and capital efficiency elements, within the context of an airport business case.

Projects will often undergo significant changes in scope, timing, costs, construction delivery and risks impacting outcomes between initial consultation and implementation. IATA recommends the Commission introduce a Gateway requirement for major capex programmes that has proven to be successful at airports such as Dublin, supported by the regulator, balancing time and resources with effective consultation. While each airport has slightly different definitions, we typically recommend consultation at the following points:

- Initiate/Concept stage – to agree investment objectives and identify project options.
- Options Selection stage – identify design solutions and how project benefits will be delivered, estimated 50% cost and design certainty
- Scheme Design stage – development of the preferred option, at a stage with approximately 85% cost and design certainty
- Construction Delivery / Implementation stage – construction and engineering works focusing to deliver the agreed benefits and outcomes.

Any major changes to cost, scope, outcomes during the implementation stage can be consulted upon as required.

An important point to recognise is that we are not asking regulated airports to do anything they would not otherwise ordinarily do – they will almost certainly have internal project and business case processes set-up (if they do not, this would be a cause for major concern), so this approach is a natural extension of what already exists with a little more effort on their and the airline community's part required for substantial gains and assurance.

We understand this recommendation is an enhancement to what is proposed by the Commission. Nevertheless, based on IATA's experience of participation in similar frameworks this is a very manageable structure striking a good balance between resources required and investment outcomes.

Draft Decision 2: Major Capex Disclosure Requirements

IATA strongly supports the proposed requirement to disclose both qualitative and quantitative Cost Benefit Analyses (CBAs). The Commission's proposed requirements closely align with the principles advanced by IATA during the consultation process and provide stakeholders with a meaningful basis to assess investment efficiency. In particular, IATA supports disclosure of:

- Project need and justification
- Consumer engagement
- Alternative options considered
- Costs and benefits
- Cost-benefit ratios
- Sensitivity analysis

Suggested Improvement – Standardised CBA Framework

To improve comparability across airports and projects, IATA recommends development of a high-level disclosure template or guidance note setting out minimum expectations for:

- Demand forecasting assumptions
- Discount rate methodology
- Treatment of non-financial benefits
- Scenario testing
- Price impact analysis

A common framework would improve consistency and facilitate more effective stakeholder assessment.

Levels of Service (LoS)

IATA supports the proposal to require disclosure of LoS assumptions, design parameters, methodologies and supporting rationale where these are used to underpin major capex projects. LoS assumptions have a direct influence on both investment costs (opex) and passenger outcomes. Transparency around selected LoS targets will improve stakeholders' ability to determine whether proposed investments appropriately balance service quality and affordability.

Suggested Improvement – Explicit Reference to IATA LoS Guidance

The Commission may wish to explicitly encourage airports to reference recognised international standards, including IATA LoS guidance, when disclosing design assumptions. This would improve consistency and allow stakeholders to benchmark proposed service outcomes against established industry ranges, noting these are guidelines.

More importantly, airports need to consult with users and agree on service quality KPIs that are linked to the design input for infrastructure and facility design requirements based on the target level of service. This would help ensure that capital investment business cases incorporate relevant service quality outcomes, while also taking into account the associated whole of life and operational costs.

Cost and Asset Allocation

IATA supports the requirement for forward-looking disclosure of cost and asset allocation for major capex projects. This is particularly important where investments support both aeronautical and commercial activities. Greater transparency will assist stakeholders in assessing whether regulated users are bearing an appropriate share of costs and whether cross-subsidisation risks are being appropriately managed.

Suggested Improvement – Pricing Impact Disclosure

In addition to allocation methodologies, IATA recommends requiring airports to disclose:

- Estimated impacts on aeronautical charges
- Impacts by passenger category where relevant
- Sensitivity of charges to key forecast assumptions

Understanding how investment costs may flow through to airport users is a critical component of assessing long-term consumer outcomes.

Independent Assurance and Peer Review

IATA supports the Commission's pragmatic approach of requiring disclosure of assurance and peer review reports already commissioned or held by airports, rather than mandating independent verification processes at this stage. This approach strikes an appropriate balance between improving transparency and avoiding unnecessary regulatory burden. The disclosure of such reports should provide stakeholders with greater confidence in the robustness of project scope definitions, cost estimates, delivery assumptions, risk assessments, and investment justifications. Over time, the Commission will be able to assess whether these disclosures deliver the intended transparency and accountability benefits, and to evaluate, as part of a future ID review, whether a more formal requirement for independent verification is warranted for major capex projects.

For the Commission's reference, some airports like Dublin use independent fund surveyors commissioned by the regulator, to assess the cost efficiency against industry recognised benchmarks at defined project gateways for major projects. This works very well, providing users with assurance regarding value and functional development, and the airports with an independent perspective, supporting an ongoing focus on efficiency.

Suggested Improvement – Assurance Scope Disclosure

Where assurance reports are disclosed, airports should also provide a concise summary identifying:

- Scope of review
- Limitations of review
- Key findings
- Recommendations
- Actions taken in response

This would enhance accessibility and usefulness of disclosed assurance material.

Draft Decision 3: Additional Tax Information Disclosures

IATA supports this approach by the Commission as the additional tax disclosures will support independent profitability analysis and improve stakeholders' ability to understand expected airport returns and pricing outcomes.

Draft Decision 4: Update to Debt Leverage Assumption in Schedule 3b(iv)

IATA also supports replacing the hard-coded leverage value with a dynamic reference to the applicable Input Methodology. This is a sensible administrative improvement that will reduce the need for future amendments and improve consistency across regulatory instruments.

While IATA recognises these matters are outside the scope of the current review, the Commission may wish to continue exploring:

- Enhanced monitoring of capex delivery performance against forecasts
- Disclosure of major project outcomes following completion
- Greater transparency around forecast versus actual costs and benefits
- Mechanisms that promote earlier identification and resolution of major capex disputes

Such measures could further strengthen accountability and improve stakeholder confidence in future airport investment programmes.

We thank the Commission again for its time and efforts throughout this consultation period. Should you have any queries, please don't hesitate to contact me at [redacted] or Allan Young, Head Airport Infrastructure at [redacted]

Sincerely,

[redacted]

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cc Mr. Allan Young, IATA Head of Airport Infrastructure
Mr. Richard Tan, IATA Senior Manager Airport and ANSP Charges