Changes to Airport Information Disclosure 2026: Process and Issues paper

Submission from NZ Airports Association

Introduction

1 NZ Airports represents 49 airports across New Zealand, including the three airports formally subject to the Commerce Commission's Information Disclosure (ID) regime, as well as the wider airport network that is materially affected by the regulatory precedents it sets. We welcome the opportunity to comment on the Commission's consultation on proposed changes to the ID regime. We support the Commission's focus on improving the operation of the existing ID framework.

2 In this submission, NZ Airports sets out overarching observations on the issues paper before responding to the Commission's specific consultation questions.

The Commission must apply the same analytical discipline here as in other sectors

3 The Commission's last major review of ID was for electricity distribution businesses (EDBs). That review demonstrates the analytical discipline that characterises strong ID design: clear problem definition, explicit boundaries around what ID can and cannot achieve, and careful distinction between information gaps and interpretive complexity. We encourage that same rigour here, recognising that while airports and EDBs operate in different contexts, the intellectual foundations of effective ID remain constant.

4 In the 2023 review, the Commission explicitly acknowledges that ID is not intended to deliver negotiated outcomes or eliminate disagreement, nor to identify a single "correct" investment or performance outcome. Rather, in that context, the Commission's role is to assess whether disclosed information is sufficient to enable an informed evaluation of whether outcomes fall within a reasonable range and are consistent with Part 4 objectives, recognising that judgement is required and that reasonable parties may disagree.

5 In the airport context, this Process and Issues Paper moves from the existence of disagreement and discomfort with assessment complexity, to consideration of additional disclosure or process requirements. In NZ Airports' view, this creates a risk of conflating the presence of substantive disagreement, the Commission's confidence in assessing contested material, and the adequacy of the Information Disclosure regime itself.

6 It is critical that the Commission apply the same analytical rigour and discipline in the airport context as it does in other ID reviews. This includes being explicit about whether the issues identified relate to genuine information gaps, to the Commission's own assessment capability, or to structural features of the aviation market that sit outside the scope of ID.

7 In particular, the Commission's experience in other sectors demonstrates that confidence in regulatory assessment cannot be created through disclosure obligations alone. It depends fundamentally on sector understanding, evaluative capability, and informed engagement. Where the Commission faces challenges in assessing complex, long-lived investment decisions in the presence of disagreement, the appropriate response is not automatically to expand disclosure requirements, but to consider a wider set of options, including deeper sector engagement, investment in expertise, and better utilisation of existing information and consultation processes.

8 NZ Airports encourages the Commission to approach its draft decision paper with this in mind. Any targeted refinement of the ID regime should be grounded in a clear and evidenced problem definition, consistent with the purpose of ID, and should distinguish carefully between issues that ID can reasonably address and those that cannot. This approach will help ensure that any reforms strengthen the

effectiveness and credibility of the regime, rather than inadvertently shifting it toward a more prescriptive or approval-based model that was not intended under Part 4.

Information Disclosure is an ex post assessment tool, not a consultation process

9 The Process and Issues Paper shows a risk of conflating the role of the ID regime under Part 4 of the Commerce Act with consultation and planning obligations that sit under the Civil Aviation Act. These frameworks serve distinct but complementary purposes.

10 The Civil Aviation Act establishes the primary mechanisms through which airports consult on, plan, and develop major infrastructure. This includes master planning and spatial planning processes, which provide early, forward-looking visibility of airport development pathways, capacity planning, staging options, and long-term investment intent. These processes are explicitly consultative in nature and are designed to inform decision-making before investment decisions are finalised.

11 By contrast, the ID regime is an economic regulation tool. Its purpose is to promote transparency, accountability, and ex post regulatory assessment of airport performance and decision-making against Part 4 objectives. It is not intended to function as a consultation mechanism, a planning approval process, or a means of influencing investment decisions before they are taken.

12 NZ Airports considers this to be a fundamental boundary issue. Expanding the scope of ID to perform functions that sit within consultation and planning frameworks would represent a material change in the nature of the regime, with implications for timing, accountability, and decision-making responsibility.

13 The distinction also matters practically. Airports develop major capital projects over extended periods, with information becoming progressively more detailed and reliable as options are refined and business cases are approved. Consultation processes are designed to manage this evolution of information. By contrast, ID is most effective when it focuses on explaining decisions that have been made, the rationale for those decisions, and ho w they align with statutory objectives.

14 NZ Airports therefore encourages the Commission, in preparing its draft decision paper, to be explicit about the respective roles of the ID regime and Civil Aviation Act consultation processes. Where the Commission seeks earlier visibility of airport planning or greater understanding of how investment pathways are developed, this can be achieved through Civil Aviation Act processes. We are pleased to see this mentioned in the issues paper as an option.

Seeking to avoid disagreement is not a neutral position for the regulator

15 The Information Disclosure regime is intended to promote transparency, accountability, and informed regulatory assessment of airport decisions. Where disagreement occurs, the role of ID is to ensure that the basis for investment decisions is clear, evidence-based, and capable of robust scrutiny against Part 4 objectives. Where additional disclosure genuinely addresses information gaps that limit regulatory assessment of decision quality, refinement may be warranted. However, this requires clear distinction between information that supports assessment and process requirements that shift ID toward approval or negotiation.

16 As the Commission has articulated, ID is not designed to deliver negotiated outcomes or consensus between regulated suppliers and their customers. Rather, it is a regulatory tool to support assessment of performance and decision-making in circumstances where incentives are not aligned. In monopoly infrastructure settings, customers may have strong incentives to resist cost increases or capacity expansion, even where investment is efficient and in the long-term interests of consumers. The ID regime deliberately accommodates this reality by placing final decision-making responsibility with airports, subject to consultation, disclosure, and ex post regulatory review.

17 The regime also reflects an explicit policy choice that, in the airport sector, there will often be a range of reasonable investment outcomes rather than a single “right” answer. The Commission’s role is

therefore not to determine optimal investment decisions, but to assess whether airport decisions fall within a reasonable range and are consistent with Part 4 objectives, recognising that judgement is required and that reasonable parties may disagree.

18 Against this design intent, disagreement between airports and airlines should not be treated as evidence that the regime is failing. Nor should agreement be treated as a neutral or desirable objective of regulatory oversight. The appropriate focus for this consultation is whether the Commission is confident in its ability to assess airport decisions and disclosures in cases where disagreement is present, using the tools and evaluative framework already provided for within the ID regime.

The Auckland Airport case study points to the Commission's confidence in assessment, not a lack of information

19 In the Process and Issues Paper, the Commission has identified Auckland Airport's PSE4 as the first instance of significant disagreement under the ID regime since its inception. This is notable in itself. The AIAL PSE4 experience is a legitimate and important input into this review, but the Commission should take care not to draw broad or systemic conclusions from a single case.

20 Our review of the PSE4 record indicates that the disagreement in that case was substantive rather than procedural. Airlines and representative bodies demonstrated a clear understanding of Auckland Airport's proposals and engaged through detailed analysis and alternative scenarios. That feedback was actively considered by the airport, with changes made to capital expenditure plans throughout the process in response to airline input.

21 The points of contention raised by airlines primarily centred on cost and affordability, rather than on the underlying need for the project or on any lack of information or clarity regarding the airport's proposals. This distinction is important. It indicates that the disagreement did not arise because the ID regime failed to provide sufficient information, but because parties held fundamentally different views on how costs should be borne and the pace at which investment should proceed.

22 In reviewing AIAL's PSE4, the Commission ultimately found that the airport's investment decisions were reasonable, well consulted, and consistent with Part 4 objectives. This finding is significant, and demonstrates that the ID regime enabled the Commission to assess the airport's decisions effectively, even in the presence of substantive disagreement.

23 This context is directly relevant when considering potential refinements to the regime and the Commission's own review capability. Where disagreement reflects differing incentives and cost tolerance, rather than information gaps, additional disclosure or process requirements are unlikely to alter outcomes. In such cases, the central question is whether the Commission is equipped to assess the reasonableness of airport decisions in the presence of disagreement, rather than whether further disclosure would have prevented that disagreement from arising.

Airport decision-making authority is a critical feature of the regime

24 The AIAL PSE4 experience reinforces the importance of airports retaining decision-making authority over capital expenditure and pricing within the existing regulatory framework.

25 Major airport investments involve long-lived assets, significant upfront capital commitment, and exposure to demand, delivery, and regulatory risk over multiple decades. The consultation process is intended to inform and test these decisions, not to transfer decision rights to customers whose incentives, risk exposure, and planning horizons differ materially from those of the airport. The allocation of decision-making authority to airports is therefore a deliberate feature of the regime.

26 While airline feedback can be extensive and technically informed, it is often oriented toward short-term affordability or deferral. These perspectives may not always align with long-term system needs. Where disagreement persists after consultation, the existence of a clear decision-maker, subject to information disclosure and ex post regulatory review, is therefore an important and intentional feature

of the ID regime. It ensures that investment decisions can proceed while remaining transparent, accountable, and reviewable against Part 4 objectives.

27 In its review of AIAL's PSE4 decisions, the Commission explicitly acknowledged that the interests of incumbent airlines do not always reflect those of end consumers. This acknowledgement goes to the core rationale for the Information Disclosure regime. ID explicitly accounts for this tension by leaving airports as ultimate decision-makers, while subjecting their decisions to disclosure and regulatory assessment rather than negotiated or approval-based control.

Consultation friction is exacerbated by New Zealand's highly concentrated airline market

28 The Information Disclosure regime operates within a wider system context that is not addressed in the Process and Issues Paper. Airports are subject to a heavily specified and monitored framework, including statutory consultation requirements and extensive disclosure obligations. By contrast, despite the high level of concentration in New Zealand's airline market, there is no comparable monitoring regime for airlines administered by the Commission or any other agency. In a domestic market where one carrier has 84% market share, this is of particular importance when considering how incumbent airlines' incentives influence their positions on airport investment.

29 Very low competitive pressure in the airline market has, over time, amplified incentives that naturally exist for airlines to constrain capacity growth. In more competitive markets, airlines' natural preference to constrain cost and defer investment is counterbalanced by the need to grow, renew fleets, add capacity, and respond to competitive threats. Where competition is limited, those countervailing pressures weaken.

30 In New Zealand's domestic market, we have experienced a prolonged period of subdued capacity growth relative to broader economic growth, more conservative network and fleet decisions, and heightened resistance to airport investment that would expand capacity or increase cost. Since 2014, domestic seat capacity growth has lagged well behind GDP growth, illustrating the extent to which airline commercial incentives have become increasingly focused on yield protection rather than system expansion.

31 In NZ Airports' view, this context helps to explain why consultation dynamics became more contested in a price setting event of the scale and complexity of Auckland Airport's PSE4. It also highlights that the key contributing factors to disagreement on airport capital investment sit outside the ID regime itself.

There is a risk of over-regulation and cumulative disclosure requirements

32 As we have discussed, the ID regime operates alongside extensive monitoring and consultation provisions in the Civil Aviation Act, including master planning and spatial planning consultations. Taken together, these frameworks already provide significant opportunities for government and stakeholders to understand airport planning, provide input, and influence investment decisions.

33 While NZ Airports is pleased to engage on refinements to the ID regime, there is a risk that additional requirements could result in over-regulation or unnecessary duplication if not carefully calibrated. Any ID reforms should therefore build on, and be coherent with, existing Civil Aviation Act processes, rather than layering additional obligations that add complexity and cost without commensurate benefit. A disciplined approach to reform will help ensure that Information Disclosure remains focused on transparency and accountability, rather than evolving into a more prescriptive or approval-based framework.

Responses to consultation questions

34 NZ Airports' responses to the questions below are guided by the view that targeted refinement of ID should be directed at supporting regulatory assessment where disagreement exists, rather than at preventing disagreement.

Q1. How does the timing misalignment between airport decisions on major capex and PSE reviews affect the effectiveness of the regulatory regime?

35 The existence of this perceived misalignment has not translated into outcomes that are inconsistent with Part 4. The Commission has not found that airports have made investment decisions inconsistent with Part 4 objectives as a result of current disclosure timing. This suggests the issue is largely theoretical rather than evidenced in practice. The requirement to disclose information and be subject to ex post review already creates strong incentives for airports to make well-evidenced, Part 4-consistent investment decisions, knowing those decisions will be scrutinised.

36 Experience from recent PSEs, including Auckland Airport's PSE4, also demonstrates that timing misalignment has also not prevented substantive engagement or regulatory assessment. Where stakeholders raised concerns about the future pricing impacts of investment decisions, Auckland Airport was able to provide forward-looking analysis and indicative pricing information, including in relation to subsequent PSE periods.

37 Overall, we consider that the effectiveness of the regulatory regime depends on the quality and clarity of disclosed information, the quality of stakeholder engagement during consultation, and the Commission's ability to assess decisions ex post against Part 4 objectives, which the current regime already supports.

Q2. What other problems, besides limiting the ability to fully assess airports' major investment decisions, are presented by the current scope of information disclosures?

38 This answer will cover two parts. First, in the Process and Issues Paper this question is directed in part to the absence of an explicit requirement for a formal cost-benefit analysis (CBA) of major capital expenditure under the current ID regime.

39 Airports undertake economic and investment analysis as part of sound capital planning and governance. This can include business cases, options analysis, demand forecasting, staging assessments, and evaluation of long-term costs, benefits, and risks. While this work is not always presented as a standalone CBA, it is undertaken rigorously and serves the same substantive purpose.

40 Experience from recent price setting events, including Auckland Airport's PSE4, suggests that the absence of a mandated CBA requirement did not prevent stakeholders or the Commission from assessing the merits of proposed investments. However, we accept that there could be value in greater clarity and consistency around how CBA is presented within the ID framework, particularly to support regulatory assessment. This needs to be carefully calibrated to make sure it is not overly rigid.

41 The Commission references 'major capex' in relation to this and other proposals. Airports undertake a wide range of capital expenditure, from routine asset renewals and safety-driven investments through to large, complex development programmes. Applying additional analytical or disclosure requirements at too low a threshold risks capturing projects where the compliance burden would be disproportionate to the regulatory benefit. Poorly calibrated thresholds also risk constraining airports' ability to manage integrated capital programmes over time, by forcing project-by-project compliance that does not reflect how infrastructure is planned and delivered in practice.

42 For CBA requirements, NZ Airports encourages the Commission to work closely with airports to test threshold settings against real-world capital programmes, to ensure that any reforms are proportionate, practical, and targeted to the issues the Commission is seeking to address.

43 Second, returning to the question posed, NZ Airports' observation is that a key issue presented by the current scope of ID is its inherent asymmetry. As we have noted, airports are subject to extensive scrutiny in relation to their investment decisions, while the investment behaviour of substantial customers that materially influence airport outcomes sits outside the scope of the regulatory regime. This

means expanding airport disclosure requirements will neither address the underlying drivers of disagreement nor materially improve the Commission's ability to assess it.

44 This asymmetry matters for how disclosed information is interpreted and contested. Particularly in highly concentrated airline markets, airlines' own investment decisions, capacity strategies, and affordability constraints play a significant role in shaping consultation dynamics.

45 NZ Airports therefore considers there is an opportunity for the Commission to strengthen its own assessment framework by reviewing the feedback from substantial customers on major capex proposals. As part of its evaluation, the Commission should consider the position of substantial customers providing that feedback, including their market investment behaviour, capacity growth, and longer-term strategic trajectory, to provide context for interpreting their views on airport investment scale, timing, and affordability, and how the airport responded to those views.

46 Understanding whether a substantial customer is pursuing growth, renewal, or contraction strategies, and how those strategies align with long-term system demand and consumer outcomes, would support more balanced interpretation of consultation input and improve confidence in regulatory judgements.

47 Any such approach would need to be carefully designed to avoid discouraging open engagement or shifting consultation into a more adversarial or strategic exercise.

Q3. Do you consider disagreements on major capex between airports and their substantial customers a problem?

48 We recognise that significant disagreement can make regulatory review more complex and resource-intensive for the Commission. However, we do not consider the existence of disagreement between airports and their substantial customers to be a problem in itself. As we noted in the introduction, this is a fundamental aspect of the ID regime that needs to be fully understood in the context of the aviation sector. If the Commission were to consider agreement as a measure of the regime's success, this would not be a neutral position to take as a regulator. Differences of view are a natural and expected outcome where parties with different incentives, planning horizons, and risk exposures engage on long-term infrastructure investment, and this is core to the purpose of ID.

49 Auckland Airport's PSE4 demonstrates that disagreement can arise even where disclosure is extensive and consultation is genuine. It is also clear that airports have been focused on pursuing agreement as much as possible in fulfilling the purpose of Part 4 since the regime's inception, meaning that disagreement has been the exception rather than the rule under the current regime. Even in the case of PSE4, parties were aligned on the overall approach for much of the process, with disagreement emerging later. Evidence from that process suggests this shift was influenced by changes in airline personnel and strategic settings, as well as differing views on affordability, timing, and investment ambition.

50 Where disagreement does persist between airports and airlines, the current regulatory framework already contains a clear mechanism for moving forward. Consultation is designed to inform and test investment decisions, but responsibility for deciding ultimately rests with the airport, which bears the long-term financial, operational, and delivery risks associated with major infrastructure. That decision-making authority, subject to information disclosure and ex post regulatory review, is a deliberate and important feature of the regime.

51 The PSE4 experience illustrates this in practice. While disagreement remained, the airport considered feedback, made changes where appropriate, communicated transparently about where changes were made and where they were not, and then proceeded with a decision within the existing framework.

52 ID reform can add value by improving how disagreement is documented, understood, and assessed by the Commission. It should not be judged by whether it produces consensus, but by whether it supports sound, accountable decision-making consistent with the design intent of the regime.

Q4: At what time should additional disclosures be made on capex decisions to best promote efficient outcomes including better supporting the consultation process?

53 A number of the timing concerns raised in the consultation paper appear to conflate Information Disclosure requirements with consultation and planning obligations under the Civil Aviation Act. Timing questions relating to master planning, spatial planning, and capex development are more appropriately addressed within those existing statutory processes.

54 The paper explores ideas to achieve earlier disclosures as well as more detailed disclosures, ideas which are contradictory in practice. Airports develop capital investment proposals over extended periods, with information becoming progressively more detailed and reliable as projects move through option development, design refinement, and business case approval. Requiring disclosure too early in this process risks releasing incomplete or speculative information, which would not serve the process.

55 We also strongly caution against approaches that implicitly require airports to seek regulatory comfort before proceeding with projects. The ID regime is not an approval framework, and disclosure timing should not evolve in a way that creates de facto pre-clearance or delays to investment. Any expectation that the Commission would review or respond to disclosures within a defined timeframe raises further questions about role, resourcing, and the risk of project delay, with associated cost impacts ultimately borne by users.

56 In our view, as long as relevant information is disclosed once decisions are sufficiently mature, the objectives of ID are met. The Commission may find value in earlier informal engagement during CAA consultation processes, which would provide visibility without creating de facto pre-approval requirements through ID.

Q5: Is it appropriate to 'split up' capex disclosures and price setting disclosures?

Q6: What other ways could we improve the current timing misalignment?

57 Individual airports may provide further comments on these questions.

Q7: How do you consider the additional information requirements above would enhance the decision-making process for major capex projects?

58 In this question consultation and ID may have been conflated. We are not convinced that additional information requirements would meaningfully enhance the decision-making process, but as noted above, we see some merit in considering the ways cost-benefit analyses are presented to support regulatory assessment.

59 We also see merit in considering the disclosure of service levels associated with major capital expenditure. Airports commonly reference established international standards, including IATA terminal service level guidance and other recognised engineering and safety standards, when developing and consulting on investment proposals. Greater transparency around the service levels that underpin investment decisions may assist stakeholders and the Commission in understanding the outcomes that capital expenditure is intended to deliver. Any such requirement would need to remain high-level and non-prescriptive, allowing airports flexibility in how service levels are defined and applied across different contexts.

Q8: What information may better support the consultation process between airports and their substantial customers on major capex proposals?

60 This may also be a question where consultation and ID have been conflated, and where the next stage of this process could clarify the Commission's intended approach. That aside, the CBA and service level proposals feel to us like a productive area to explore.

Q9: Please comment on the desirability and/or scope for an independent verification report for major capex projects.

61 NZ Airports does not support the introduction of independent verification requirements for major capital expenditure as part of the ID regime.

62 Independent verification of the kind contemplated in the consultation paper would represent a significant shift in the nature of the regime. In practice, meaningful verification would require an external party to gain deep access to airport decision-making, assumptions, internal analysis, and commercial judgements, in a manner more akin to an approval process than to information disclosure. This would go well beyond the intended scope of ID and move the regime toward a more heavy-handed and intrusive regulatory model.

63 NZ Airports is particularly concerned that such an approach would blur the line between disclosure and decision-making, create additional cost and delay, and introduce a quasi-assurance function that is not contemplated under Part 4 for airports. The costs of independent verification would ultimately be borne by customers, without clear evidence that it would resolve the substantive sources of disagreement or materially improve outcomes.

64 This is distinct from the Commission's ability to obtain independent advice to support its own assessment of disclosures. NZ Airports recognises that the Commission may choose to engage independent experts to assist it in interpreting complex information or contested positions, and that is appropriately a matter for the Commission. However, this does not require, and should not be conflated with, imposing verification obligations on airports themselves.

65 Airports commission extensive independent expert advice as part of sound capital planning and governance, including business cases, demand forecasting, design assurance, and cost estimation. The issue is therefore not the absence of independent analysis, but how existing information is assessed and interpreted within the regulatory process.

66 In NZ Airports' view, improvements to the Commission's confidence in assessing major capex decisions are more appropriately addressed through clearer evaluative expectations and better use of existing disclosures, rather than through the introduction of independent verification requirements that would materially alter the nature of the Information Disclosure regime.

Q10: At what stage of the decision-making process would independent verification add the most value?

67 Refer to our comments above.

Q11: How might expert reports that are generated in the Airport's development or consultation processes be re-purposed to give stakeholder confidence in the decision-making process?

68 NZ Airports considers that decisions about whether, how, and when expert reports are shared with stakeholders are appropriately matters for consultation, not ID.

69 Airports commission and utilise a wide range of expert reports as part of the development and consultation of major capital expenditure proposals, including demand forecasts, design assessments, cost estimates, and business cases. Judgements about how these reports are used, summarised, or shared with stakeholders are made in the context of consultation, taking into account project maturity, commercial sensitivity, and the purpose of engagement at different stages.

70 When asked for further information by airlines, airports have almost always found a way to provide it.

71 Formalising the re-purposing of expert reports through the ID regime would conflate consultation and disclosure, create expectations of routine publication of internal or draft material, and reduce flexibility for airports to engage constructively and proportionately with stakeholders during project development.

72 To the extent that the Commission seeks greater confidence in assessing airport decision-making, this is better addressed through its own capacity building and engagement, which are at a lower level than for other regulated sectors.

Q12: How could ID changes most effectively reduce the likelihood of significant capex disputes?

73 NZ Airports does not consider that changes to the ID regime would materially reduce the likelihood of significant disputes on major capital expenditure. In fact any move towards reducing disputes risks airports not making necessary investments needed to promote Part 4 because they are trying to avoid a dispute.

74 As outlined earlier in this submission, disagreement should not be treated as evidence of regime failure. The current framework deliberately provides a mechanism for decisions to proceed where agreement cannot be reached, recognising that negotiated outcomes are not a neutral or efficient benchmark in monopoly infrastructure settings.

75 Accordingly, ID reform aimed primarily at reducing disputes risks misdiagnosing the issue and shifting the regime toward accommodating the most resistant positions rather than supporting timely and efficient investment. In a highly concentrated airline market, there is a particular risk that such an approach would amplify incentives for incumbent airlines to resist growth and capacity expansion, rather than addressing the underlying drivers of disagreement.

76 Overall, NZ Airports considers that well-targeted ID refinements should focus on improving the Commission's ability to understand and assess disagreement when it occurs, rather than seeking to prevent disagreement itself.

Q13: Should the s 232 (2) consultation requirement in the CAA consider the Commission a "relevant government agency" for the purpose of consultation on spatial plans?

77 The Commission can and should gain earlier visibility of long-term airport planning through Civil Aviation Act processes, including spatial and master planning. These processes contain some of the most forward-looking information about the scenarios for airport investment direction, scale, and sequencing.

78 Airports already undertake extensive public consultation and disclosure through these processes, providing significant information on future capacity needs, demand forecasts, staging options, and long-term development pathways. NZ Airports has repeatedly encouraged the Commission to evaluate, observe, and utilise these processes as part of its broader understanding of airport investment planning. There is nothing in the current framework that prevents the Commission from engaging with, or drawing insight from, this material.

Closing thoughts

79 NZ Airports has approached this consultation as an opportunity to step back and reflect on the operation of the airport ID regime as a whole. The regime was deliberately designed to support transparency, accountability, and ex post regulatory assessment in a sector characterised by long-lived assets, significant uncertainty, and misaligned incentives between infrastructure providers and their customers. It does not seek to eliminate disagreement, nor to deliver negotiated or consensus outcomes. The presence of disagreement, including in the Auckland Airport case, does not in itself indicate regulatory failure. Notably, the Commission has never found that airport investment outcomes have been inconsistent with Part 4 objectives.

80 What the consultation paper does reveal, however, is a question about the Commission's confidence in assessing airport decisions in cases of substantive disagreement. That confidence cannot be created through disclosure obligations alone. It depends fundamentally on the Commission's own capability, sector understanding, and engagement.

81 NZ Airports considers that the most productive areas for engagement on the health and utility of the ID regime are therefore those that support regulatory assessment. At this stage, we think these could usefully include:

a. greater clarity around how service levels underpin major investment decisions
b. a proportional approach to the presentation of economic analysis such as cost-benefit considerations
c. improved transparency that assists the Commission to interpret stakeholder positions and incentives in context

82 These are refinements that can support the Commission's understanding and assessment.

83 However, there will continue to be limitations in the Commission's understanding without further work to engage in New Zealand's airline market context and its impact on airports and Part 4 outcomes. If, through this consultation, the Commission continues to be concerned about disagreements, it must start to meaningfully engage with the state of the New Zealand airline market and develop a holistic view of the drivers of any disputes.

84 When considering the content of the issues paper, our reflection was that the Commission may also not yet have enough experience with the wider set of planning, consultation, and disclosure processes that airports already undertake, both for ID and outside the regime. Before pursuing major changes to the ID regime, NZ Airports strongly encourages the Commission to undertake further discovery of these processes with the major airports including how they operate in practice, the amount of information involved, and what the Commission would do with that information. NZ Airports and its members are ready to facilitate that engagement.

85 NZ Airports expects that some submitters will argue that the presence of disagreement under the ID regime points to the need for formal dispute resolution or arbitration mechanisms. This has been a many decades-long objective for airlines and their representative bodies, regardless of their agreement or disagreement with individual airport consultation processes. Such proposals would represent a fundamental shift away from ID toward a negotiated or approval-based regulatory model. Introducing dispute resolution mechanisms in this context would constitute a policy concession to lobbying pressure rather than an evidence-based regulatory response. There is no evidence that the current regime has failed to deliver Part 4 outcomes. The Commission has never found that airport investment decisions are unreasonable. In a highly concentrated airline market, formal dispute resolution would entrench incentives for incumbent airlines to delay or resist capacity expansion, with long-term consequences for competition, connectivity, and consumer welfare. As the Commission notes, this kind of proposal is out of scope of this consultation.

86 Thank you for the opportunity to comment on the issues paper. The structure of this consultation has meant that many of our responses necessarily focus on boundaries, limitations, and concerns with proposed approaches, but we are committed to working through further detail on improvements that are coherent with the design and purpose of ID. We look forward to providing feedback on the next stage.

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