NZ AIRPORTS ASSOCIATION

# Airport information disclosure amendments 2026: draft decisions paper

**Submission from NZ Airports**

## Introduction

1 NZ Airports welcomes the opportunity to submit on the Commission's 25 June 2026 draft decisions.

2 The draft decision changes the regime substantially by introducing information disclosure to the Commission ahead of an investment decision. This is not consistent with the ex-post, transparency-based architecture that has defined Part 4 information disclosure for airports since its inception. This has been a key concern in our submissions, and the draft decision does not respond to this in a material way.

3 The Civil Aviation Act 2023 ('CAA') establishes a structured, airport-led consultation regime designed specifically to inform investment decisions before they are made. Part 4 information disclosure exists for a different purpose – to enable robust ex-post assessment of decisions that have been made. We do not consider it appropriate to use the Commerce Act to create what functions as a pre-decision disclosure gate for matters the CAA already governs directly.

4 We therefore do not support the draft decision to introduce pre-decision disclosure for major capex.

5 We recognise, however, that the draft decision avoids the more far-reaching forms of pre-decision control sought by some submitters, which would move airports towards the investment and renewal stagnation experienced by other infrastructure sectors.

6 If the Commission does proceed with pre-decision disclosure, then we recommend refinements that will make this reform more practical and proportionate.

## Regulatory framework

7 The draft decision asserts that the proposed changes will help to ensure that interested persons have sufficient and readily available information to assess whether the purpose of Part 4 is being met. But it does not explain how this will be achieved, and does not consider the potential detrimental impacts and increased legal burden for consultation processes under the CAA.

8 The proposed new disclosure requirements would be triggered by a "decision to consult" under section 231 of the CAA. A fundamental consultation obligation is for the airport to have an open mind on what the final decision might be. An airport can present a proposal for consultation but must be open to changing and developing that proposal in response to feedback. The purpose of consultation is to help the decision-maker reach an informed final decision.

9 The draft decision appears not to recognise this. It does not answer the question of how requiring disclosure about a proposal that is necessarily subject to change can be useful in helping interested persons to assess whether the purpose of Part 4 is being met. Paragraph 2.6 of the draft decision suggests:

> *The proposed disclosure would allow interested persons to better assess on a more timely basis whether airports are investing efficiently and providing services at a quality that reflects consumer demands.*

10 This assertion cannot be correct. At the time the disclosure is made, no investment decision would have been made. It will not be possible for interested parties to assess (on a more timely basis or otherwise) whether airports are investing efficiently.

11 The purpose of consultation is to test and refine the capex proposal with customer input. In accordance with legal consultation obligations, substantial customers are provided with all information necessary to allow them to provide informed views on an airport's capex proposal. In practice, airlines are provided with extensive information and there is deep engagement between airports and airlines given the mutual benefit of sharing views and information to optimise the capex proposal.

12 In short, NZ Airports does not believe the draft decision establishes that the proposed requirements – particularly the timing of them - will provide useful new information to interested persons that will allow them to assess investment decisions.

13 The draft decision (at 2.31) states that requiring disclosure once the project is committed to construction "would provide little room for change of direction, if airports wish to do so after receiving feedback from interested persons". Similar reasoning is provided for rejecting the option of requiring disclosure at the next annual disclosure (at 2.32). Paragraph 2.17 of the draft decision more directly states that if disclosure is too late, then:

> *it may limit the ability of interested persons (including us), to effectively assess if the purpose of Part 4 is being met. This is because after a PSE, decisions on major capex might have been finalised, funds committed and some projects may have commenced.*

14 NZ Airports disagrees that the timing of disclosure is relevant to the question of whether sufficient information is available to assess whether the purpose of Part 4 is being met. The assessment of whether or not an investment decision promotes Part 4 does not turn on when disclosure about that decision is made. What the Draft Decision is really saying is that the timing of the disclosure impacts the Commission's ability to have oversight and potential influence over decisions before they are made (noting that airlines have every opportunity to provide feedback and seek a change in direction during consultation).

15 That would be an improper purpose that departs from the purpose of information disclosure regulation to provide sufficient information for assessment purposes.

**Major capex threshold**

16 NZ Airports supports the draft decision to set the major capex threshold at 20% of an airport's closing RAB. As the Commission's own indicative table shows, 20% of RAB captures materially different dollar values across Auckland, Wellington and Christchurch, which is appropriate given how different those businesses are.

17 Using the closing RAB from the preceding year's annual disclosure means the threshold moves with an airport's actual scale over time, rather than requiring periodic manual recalibration.

18 A fixed dollar threshold becomes a static number in a growing system. For example, the disclosure threshold under the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 was set at $10 million in total revenue. When this was decided, the threshold was intended to capture Auckland, Wellington and Christchurch airports only. Over subsequent decades the same static threshold has captured a wide range of small regional airports never contemplated by the original policy intent.

19 The Commission's overall approach to this work suggests an intent to keep major capex disclosure operating at a high level. If pre-decision disclosure were to proceed, the threshold is well-judged for that purpose: a simple, scaling percentage test that captures genuinely major investment without drawing in the volume of smaller projects a more granular approach would generate. However, we are concerned that operationalising this process will be challenging for the Commission even at this level.

20 There is some concern among airports about the practical application of the definition of a ‘programme’ and ‘related projects’. We suggest a further engagement with airports to work through scenarios and examples to inform the final decision.

**Timing of disclosure**

21 NZ Airports does not support the timing mechanism proposed in the draft decision. The observations below explain why we consider the mechanism unworkable as designed, in addition to the structural objection we have already raised.

*Commission capability and pace*

22 At paragraph 2.17, the Commission's justification for the timing of disclosure refers to enabling assessment by "interested persons (including us)" - the Commission identifies itself as a direct user of the disclosed information. However, at paragraph 2.6, the Commission states it does not intend to undertake a detailed review of every major capex disclosure and would instead select certain projects or aspects for deeper review.

23 If the Commission's envisaged role is to conduct its own substantive analysis of proposed major capex, it would need to engage with complex, technical infrastructure proposals in a manner that does not disrupt consultation requirements under the CAA. We do not believe the Commission is currently resourced to perform a role that does not destabilise or unduly interfere with the statutory consultation process - as distinct from its existing periodic PSE review function which occurs after consultation is complete. PSE reviews already routinely extend well beyond the statutory period. If major capex disclosure reviews take equivalent timeframes, the Commission's output on a proposed project will not arrive within a timeframe that is meaningful to the investment decision itself.

24 If the Commission intends to select only certain projects or aspects for review, it should set out now what triggers that selection and what a disclosure would need to show to warrant a review. Absent stated criteria, the alternative and less charitable reading is that selection will be driven by the preferences and pressure of stakeholders rather than by the requirements of Part 4.

25 If the Commission's role is closer to a conduit – collecting and publishing information for other interested persons, principally airlines, to use – the capability question above falls away, but so does most of the justification for the mechanism, since the CAA consultation process already puts equivalent information directly in front of the airlines who would use it.

26 This reform is not a response to any finding that airport capex decision-making is deficient – to the contrary, successive PSE reviews, including of Auckland Airport's PSE4 capital programme, have found airport investment decisions to be reasonable and consistent with Part 4. Absent an evidenced problem of that kind, we would like to put on record that the Commission has not made a case for taking on a more resource-intensive role, and airports should not be expected to fund one through increased levies.

*The iterative nature of investment*

27 Major airport capital planning is, by its nature, long, multi-stage and genuinely iterative – projects evolve materially in response to substantial customer feedback during consultation. A disclosure obligation triggered at the point of a decision to consult creates perverse incentives for airports:

a. Once a decision is made to consult on major capex, there would be a requirement for extensive disclosure within 10 days. The proposed content of that disclosure would require airports to pre-consider and make decisions on matters that would normally be subject to the consultation process itself.

b. It would not be clear whether disclosure is required if an airport consulted at a very early stage on aspects of a proposal that have not proceeded to the extent that the proposed disclosure requirements contemplate. Put another way, airports would be encouraged to decide not to consult with airlines until a much later stage in the project development.

c. The proposal to require further disclosure after "any subsequent decision to consult on a substantial change to the same major capex project" is particularly concerning in this respect. It is far from clear what would amount to a "substantial change" – we consider the definition will be unworkable in practice. Airports would either need to issue repeated, updated disclosures as a project develops, or treat the initial disclosure as a fixed reference point and become more reluctant to adapt the proposal in response to consultation feedback than they otherwise would be. Neither outcome serves the purpose of Part 4 well, and the second risks undermining the responsiveness that the CAA regime is designed to produce. NZ Airports submits that this requirement must be removed from the proposal – which would best be achieved by only requiring disclosure once final decisions have been made at the end of consultation.

d. Dealing with a potential review and inquiries by the Commission during the consultation will create issues for the process. The Commission is not a consultation participant, so there would be legal questions about whether an airport could consider the Commission's views in preference to views provided by consultation participants. It would actually create the parallel consultation regime that the draft decision says it wishes to avoid.

28 Our primary concern remains that formal disclosure ahead of a settled decision blurs the line between ex-post transparency and ex-ante control. For airports operating in interdependent capital and pricing cycles, there is a further practical concern that capital and pricing inputs are not meaningfully separable, and that early disclosure of one without the other risks giving stakeholders a partial and potentially misleading picture.

29 If the Commission nonetheless proceeds with a pre-decision disclosure trigger, we do not consider this consultation process has adequately worked through the practical and legal issues raised above, and we would expect the Commission to engage with airports directly on implementation before the mechanism takes effect.

*An alternative approach*

30 We propose an alternative timing mechanism for the Commission's consideration. Rather than disclosure within 10 working days of a decision to consult, we propose that the disclosures required under draft decision 2 be confirmed at the airport's next annual disclosure following the investment decision on the relevant major capex.

31 This alternative achieves the practical outcome the Commission may be seeking, through two distinct mechanisms. First, once airports know what will eventually need to be disclosed under ID for major capex, this will reinforce the provision of that content as part of the material airports put to substantial customers through CAA consultation. Second, the same material becomes a formal public record once confirmed at the airport's next annual disclosure following the investment decision. Both outcomes are achieved without the architectural and resourcing concerns raised above: disclosure is not read as a pre-approval mechanism, because it is not made until after the decision; and the Commission is not required to resource and respond within the compressed timeframe a pre-decision trigger would demand. It also deals with the problem that capital proposals can and should change in response to substantial customer feedback during consultation, and a disclosure confirmed before that process has run its course risks describing a project that no longer reflects what is actually built.

32 This proposal would avoid creating a new reporting regime and additional compliance and resourcing costs for airports and the Commission. It also better aligns disclosure and assessment with the point in time at which a project is sufficiently mature.

33 We note this would not prevent the Commission from engaging with an airport's planning process ahead of an investment decision, should it wish to do so. The Commission is already free to engage directly with airports' CAA consultation processes without this requiring a new disclosure obligation under Part 4.

**Cost-benefit analysis**

34 Airport investment sits within a wider policy and regulatory regime designed to ensure it serves public benefit - including safety, infrastructure renewal and resilience, capacity growth, service quality that reflects customer demand, and pricing processes. The Civil Aviation Act and Civil Aviation Rules, the Commerce Act, and other legislation and regulations play different roles in influencing these

outcomes, and how airport boards make investment decisions. Part 4 of the Commerce Act is specifically the mechanism testing whether airport investment decisions serve the long-term benefit of consumers, through price-setting review and ex-post information disclosure operating together.

35 It is against this framework that we assess the specific cost-benefit analysis requirements proposed at paragraph 2.46.

36 Cost-benefit analysis in the form the Commission has proposed, with particular reference to 2.46.6 and 2.46.7, adopts a methodology generally used to test and justify decisions to spend public money. CBA exists to formally monetise benefits and express them as a single ratio against cost in order to test whether the expenditure is justified.

37 Airports are commercial, investor-owned businesses. Part 4 itself is deliberately structured as an incentive-based regime for this reason: it relies on airports responding to commercial incentives, including the need to earn a return acceptable to investors.

38 An airport's board will test a proposed investment against commercial criteria and regulatory obligations, not against a welfare calculation designed to establish public benefit, although public benefits will exist. Infrastructure investment decisions will also deliver benefits that are not able to be captured into a traditional welfare calculation including resilience, operational flexibility, compliance and safety.

39 Airport capex decisions are typically assessed through a structured business case process. That process will be specific to each airport, but it will weigh multiple factors together – strategic need, options and alternatives, financial and commercial impact, delivery risk, and consumer and passenger outcomes among them – as inputs to a governance judgement.

40 We therefore propose that the Commission require disclosure of the airport's business case for the proposed major capex, comprising:

a. reasons for the investment and the outcomes it is intended to achieve;

b. other options considered;

c. costs;

d. assumptions and risks; and

e. sensitivity analysis of the key assumptions.

41 We consider our proposed approach provides the Commission with the context sought at 2.46.6 and 2.46.7, without requiring expected benefits to be presented as a standalone monetised breakdown or a formally computed cost-benefit ratio as organising outputs of the disclosure. A monetised breakdown or ratio risks manufacturing an artefact that does not reflect the actual basis on which the investment decision was made.

42 It is 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, or for anything sensitive to be published to the Commission, but not made public.

**Cost and asset allocation**

43 NZ Airports is concerned that the proposed forward-looking cost and asset allocation disclosure duplicates information already provided through the existing regime without a clear corresponding benefit.

44 Cost and asset allocation is already a heavily disclosed feature of ID – through annual ex-post disclosure schedules, through PSE pricing consultations, and through the framework set out in Part 2 of the airport Input Methodologies. Allocation is, in substance, a pricing matter. It determines who bears the cost of an investment once it proceeds, rather than a driver of the investment decision itself.

Introducing a forward-looking allocation disclosure 10 working days after a decision to consult risks drawing pricing-style disputes into the middle of infrastructure planning, at a stage when allocation approaches may still be immature and subject to change based on final design and consultation feedback.

45 We propose that airports be permitted to satisfy this requirement, where applicable, by confirming that the approach to allocation for a proposed project is consistent with the methodology already disclosed in the airport's most recent PSE or annual disclosure, rather than being required to produce a new, project-specific forward-looking allocation model at an early and potentially immature stage of planning.

**Independent assurance**

46 NZ Airports supports the Commission's draft decision to require disclosure of existing independent assurance or peer review reports, rather than mandating independent verification.

47 We see this sitting logically alongside the 20% RAB threshold: for projects at that scale, it should be considered standard practice for an airport to already have commissioned independent costing or peer review for internal governance and board purposes, as the Commission's own review of Auckland Airport's PSE4 Terminal Development Plan illustrates.

48 As noted for the business case material in paragraph 39, independent reports are likely to contain commercially sensitive information such as contractor cost estimates or negotiating positions. We propose that airports be permitted to disclose these reports with commercially sensitive content redacted, alternative explanatory material in place of these specific sections, or for this material to be provided to the Commission alone and not made public.

49 We continue to oppose mandated independent verification, for the reasons set out at the Process and Issues stage: it would represent a structural shift from ex-post transparency toward a form of pre-approval; it would materially extend planning and delivery timeframes; and it would substitute a third party's judgement for the airport's own, notwithstanding that airport investment decisions typically involve a legitimate spectrum of defensible approaches rather than a single correct answer.

**Levels of Service**

50 NZ Airports supports the Commission's proposal to require disclosure of Level of Service design assumptions and parameters where used, together with the reasoning behind them, on the basis that this remains high-level and non-prescriptive and does not lock airports into specific design standards that may not suit their particular passenger profile or market.

**Other draft decisions**

51 NZ Airports has no objection to draft decision 3 (additional tax value disclosure in Schedule 19) or draft decision 4 (defining the debt leverage assumption by reference to the applicable IM clause rather than a hard-coded figure). Both are sensible, low-cost refinements to existing disclosure mechanics.

**Matters excluded from the Commission's draft decisions**

52 NZ Airports 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, for the reasons set out in our earlier submissions.

**The Commission’s engagement process**

53 As we noted in our submission on the Process and Issues paper, we consider the Commission would benefit from further direct engagement with how these processes actually operate in practice - the amount of information involved, how capital planning and Civil Aviation Act consultation interact at each stage, and what the Commission intends to do with the information disclosed. We recommend the Commission complement this written submission process with a facilitated workshop involving airports directly, ahead of settling its final position. Written submissions are well suited to setting out positions

and the reasoning behind them, but less well suited to surfacing the practical, day-to-day mechanics of how these processes work, and how they vary, across different airports. NZ Airports and its members remain ready to facilitate that engagement, as offered in our earlier submission.

Contact:
Billie Moore, Chief Executive
[redacted]

Contact after 31 July:
Steve Riden, Policy Director
[redacted]