23 July 2026

Commerce Commission of New Zealand
Wellington

By email: infrastructure.regulation@comcom.govt.nz

RE: Airports ID Amendment 2026 – Draft decisions reasons paper

The **Qantas Group** (**QAG**) welcomes the Commerce Commission's draft decisions on amendments to the Airports Information Disclosure (ID) regime. We support the Commission's objective of improving transparency around major airport capital expenditure and enabling stakeholders to better assess whether airport investment decisions promote the purpose of Part 4 of the Commerce Act.

Overall, the draft decisions represent a meaningful improvement to the existing framework. In particular, Qantas supports:

- Earlier disclosure of major capital expenditure proposals.
- Enhanced disclosure of cost-benefit analysis.
- Disclosure of Levels of Service (LoS) assumptions and rationale.
- Forward-looking asset and cost allocation disclosures.
- Additional tax disclosures to support profitability analysis.

These measures will help reduce information asymmetry between airports, airlines and the Commission, and improve stakeholders' ability to assess whether major investments are efficient, justified and in the long-term interests of consumers. While supportive of the overall direction, Qantas considers three areas of the draft decisions warrant further strengthening:

1. The proposed 20% RAB threshold is high for Auckland Airport. Qantas supports a hybrid threshold based on the lower of a fixed dollar value or 20% of RAB.
2. The proposed approach to independent assurance does not provide sufficient confidence that major investments have been subject to meaningful external challenge.
3. The framework lacks ongoing disclosure obligations when major projects materially change following initial consultation.

QAG addresses each of the Draft Decisions in the submission below. We would welcome the opportunity to discuss our submission with the Commission in detail.

Yours sincerely,

Andre Neilson
Head of Finance and International

Draft Decision 1 – Major Capex Threshold and Timing

1. **Timing of Disclosure**

   QAG supports the Commission's proposal to require disclosure within 10 working days of an airport deciding to consult on a proposed major capital project. This represents a significant improvement over the current framework, where information may not become publicly available until after a price setting event. Early disclosure will allow stakeholders to better understand proposed investments at a stage where assumptions, scope, timing and costs remain capable of being influenced through consultation. This aligns with the Commission's objective of ensuring information is not only sufficient but also timely and readily available.

2. **Threshold for Major Capex**

   QAG remains concerned that a threshold based solely on 20% of RAB is likely to become less effective as airport RABs increase. Under this approach, an airport can undertake progressively larger capital projects before any disclosure obligation is triggered. This risks creating a material gap in transparency, particularly at Auckland Airport where substantial RAB growth is anticipated. In Qantas' view, a percentage-only threshold does not adequately safeguard against the exclusion of projects that may have significant implications for airport charges and airline users.

   Qantas continues to support a hybrid threshold comprising a fixed dollar value and a percentage of RAB, whichever is lower. Such an approach would ensure that projects capable of materially influencing airport charges are captured, regardless of future growth in airport asset bases. The Commission notes that projects exceeding $30 million may still require consultation under the Civil Aviation Act. However, consultation obligations under the Civil Aviation Act are not a substitute for public disclosure obligations under the ID regime and serve a different regulatory purpose. Accordingly, Qantas encourages the Commission to reconsider a hybrid threshold approach in its final decision and aggregate related or interdependent projects for threshold assessment.

Draft Decision 2 – Major Capex Disclosure Requirements

1. **Cost-Benefit Analysis**

   Qantas supports the Commission's proposal to require disclosure of quantitative and qualitative cost-benefit analysis, including explanations of why the preferred option was selected over alternatives. Airports are proposing increasingly large and complex infrastructure investments with long-term implications for airline costs and consumers. Transparency regarding project need, assumptions, alternatives, benefits and risks is essential if stakeholders are to assess whether investments are efficient and proportionate and how other viable alternatives have been considered.

The Commission's proposed requirements covering project need, customer engagement, project risks, option analysis, benefit assessment, benefit-cost ratios and sensitivity testing represent a substantial improvement in transparency and will assist airlines in evaluating major investment proposals.

Qantas also supports disclosure of key demand forecasting assumptions and sensitivity analysis, given these assumptions frequently underpin the need for major capital investment and the scale of proposed projects.

2. **Levels of Service**

Qantas supports the proposal to require disclosure of LoS assumptions and associated rationale where these have influenced investment decisions. Historically, disputes between airports and airlines have often focused on the service standards underpinning investment programmes. Improved transparency regarding target service levels, design assumptions and measurement methodologies will allow stakeholders to better understand both the necessity and scale of proposed investments. Qantas supports the Commission's proposed requirement that airports explain the reasons for selecting LoS parameters and how performance will be measured.

3. **Cost and Asset Allocation**

Qantas strongly supports the proposal requiring forward-looking disclosure of asset and cost allocation. Airports increasingly develop assets that serve both aeronautical and non-aeronautical purposes. Without transparency around allocation methodologies, there remains a risk that aeronautical customers bear a disproportionate share of costs associated with assets that generate significant unregulated revenue streams.

Qantas recommends the Commission provide further clarity that major capex disclosures should include:

- The allocation methodology applied;
- The allocation percentages proposed;
- The rationale supporting the allocation approach; and
- The expected impact on aeronautical charges.

Such disclosure would materially improve stakeholders' ability to assess whether proposed allocations are reasonable and consistent with the purpose of Part 4.

4. **Independent Assurance:**

Qantas considers the Commission's proposed approach to independent assurance represents the most significant remaining gap in the draft framework. The Commission's proposal only requires airports to disclose assurance or peer review reports that they already hold. There is no requirement to commission independent assurance, no minimum standards regarding scope or independence, and no mechanism to ensure that major projects undergo meaningful external scrutiny.

While disclosure of existing reports is preferable to no disclosure at all, the proposal does not adequately address the information asymmetry that exists between airports and users of airport infrastructure. Qantas therefore recommends that airports be required to obtain independent assurance for projects exceeding the major capex threshold. Such assurance should assess at a minimum:

- The need for the project;
- Planning assumptions;
- Option analysis;
- Cost estimates;
- Service level assumptions; and
- Consultation outcomes.

The Commission itself notes that airports already commission independent reviews in some instances and cites Auckland Airport's independent costing and peer review of its Terminal Development Plan as an example. Accordingly, a requirement for independent assurance would not represent a substantial departure from existing industry practice but would significantly strengthen the credibility and transparency of the regime.

5. **Ongoing Disclosure of Material Changes:**

Qantas supports the Commission's decision to require updated disclosure where airports undertake re-consultation following material changes to a project. However, we remain concerned that the proposed framework does not adequately address circumstances where project costs, scope, timing, service levels or allocation approaches change significantly following initial disclosure. The Commission acknowledges that airport capital programmes are iterative and that staged disclosure may have merit but ultimately concludes that the additional burden may not be justified.

Recent experience demonstrates that project scope, timing and delivery can change materially following consultation. When this occurs, stakeholders should have visibility of these impacts on project costs, timing and airport charges.

Qantas supports updated disclosures throughout the project lifecycle, including where material changes occur to project scope, costs, timing or service outcomes. This would improve transparency and accountability while ensuring stakeholders continue to receive relevant and current information throughout the life of major investment programmes.

Draft Decision 3 – Tax Disclosure

Qantas supports the proposed tax disclosure requirements as they improve transparency regarding airport profitability and support more informed assessment of airport returns.

Draft Decision 4 – Debt Leverage Assumption

Qantas supports replacing the hard-coded leverage assumption with a dynamic reference to the applicable Input Methodology. This will improve consistency across regulatory instruments and reduce the need for future administrative amendments.

Conclusion

Qantas supports the overall direction of the draft decisions and considers the proposed amendments will materially improve transparency around major airport capital expenditure. The Commission has appropriately adopted many of the concerns raised by airlines regarding disclosure of investment justification, service levels, cost allocation and project timing.

To further strengthen the effectiveness of the regime, Qantas recommends that the Commission:

1. Reconsider a hybrid threshold combining a percentage of RAB and a fixed dollar value.
2. Introduce mandatory independent assurance requirements for major capital projects.
3. Require updated disclosures throughout the project lifecycle, including where material project assumptions, scope, timing, costs or service outcomes change.

These targeted enhancements would significantly improve stakeholders' ability to assess whether airport investment decisions are efficient, proportionate and consistent with the long-term interests of consumers while remaining consistent with the transparency-based objectives of the Information Disclosure regime.