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Wellington International Airport Limited – Cross-submission on Airport Information Disclosure Amendment 2026

Wellington International Airport Limited (WIAL) welcomes the opportunity to provide this cross-submission on the Commission's proposed changes to airport information disclosure requirements for major capital expenditure.

WIAL supports proportionate improvements to transparency. However, we do not support changes that would move the information disclosure regime towards project approval, quasi ex-ante control, or duplicative consultation obligations. The role of information disclosure is to provide sufficient, timely and comparable information for scrutiny. It should not create a veto over efficient airport investment.

Interaction between Civil Aviation Act and Information Disclosure

WIAL remains of the view that the Commission has not adequately considered the interrelationship between CAA consultation and ID. This matter is well covered in the NZ Airports submission and cross-submission, which we have reviewed. WIAL fully endorses the points made by NZ Airports.

Disclosure threshold

Airlines have suggested various amendments to the disclosure threshold. WIAL strongly supports retaining the proposed 20% RAB threshold.

We do not consider a fixed dollar threshold is necessary. As RABs grow, the scale and cost of major projects will also tend to grow, meaning a percentage-based threshold remains relevant over time. By contrast, monetary thresholds require periodic adjustment to remain current and can become arbitrary as construction costs and inflation change. It is appropriate that the additional disclosure requirements apply to major, transformative projects rather than ordinary-course capital expenditure.

In addition, projects over $30m will continue to be captured by CAA consultation, providing airlines with information and the opportunity for input and scrutiny.

Definition of "programme"

WIAL does not support a materially tighter definition of "programme". Airport growth and development is inherently staged over time, and projects are naturally interconnected. If the definition were expanded to capture all interdependent projects, projects located next to each other, or projects across pricing periods, it could in practice treat the whole of airport development as a single project. That would go beyond the purpose of targeting major, transformative capital expenditure. We support the existing proposal which provides a flexible, common-sense solution that will not accidentally capture minor projects.

Ongoing disclosure

WIAL agrees with airlines that further disclosure would naturally be required where a project materially changes, but disagrees that this requires a change to the Commission's draft proposal. In practice, material changes would require re-consultation under the Civil Aviation Act, triggering another round of disclosure. In our view, this is actually a reason not to require ex-ante disclosure at all, as this simply leads to a series of ongoing and overlapping disclosure obligations before details are finalised.

Separately, airlines are concerned about ongoing reporting of cost progress and under/overspends. WIAL considers that this issue is already addressed through annual information disclosures and existing consultation processes. Additional bespoke reporting obligations should only be introduced where there is a clear regulatory gap and a proportionate case for further prescription.

Timing of disclosure

BARNZ states that the "right time to examine major capital cost is before decisions are taken". This examination already exists. In practice, the most meaningful scrutiny occurs through airline consultation, where airlines have the expertise, resources and direct commercial interest to test proposed capital expenditure before investment decisions are finalised.

BARNZ suggests a six-month minimum window before board decisions or contract execution. WIAL does not consider this additional prescription is necessary. In WIAL's case, airline consultation on major projects would almost always occur more than six months in advance of capital commitment, as consultation processes take time. Consultation occurs in line with price setting events, meaning that projects consulted on may well not commence until year 3, 4 or 5 of the PSE.

Some airline submissions appear to seek a regime that enables greater challenge to, or delay of, major capital investment before commitment. WIAL does not consider that the information disclosure regime should be used as a project approval mechanism. Its role is to support transparency and scrutiny, not to provide an approval right over efficient investment, or enable investment to be "stopped".

Cost-benefit analysis

Air New Zealand has requested disclosure of long-term pricing impacts. WIAL considers that this cannot be done with reliable precision because airport prices are affected by key variables that change over time, including WACC, passenger volumes, operating costs, financing costs and the timing of capital delivery. Disclosing long-term price paths would create false precision around future impacts, and would become meaningless at the next price setting event. Airlines would likely treat the long-term path as a commitment, which would undermine the genuineness of five-yearly consultation and the possibility of adaptation. The existing structure of five-yearly PSEs gets the balance right, allowing for price certainty over a reasonable period (five years) but not requiring crystal ball gazing far into the future when inputs cannot be predicted.

Airlines also suggest that effects on fares, passenger volumes, connectivity and demand should be disclosed. WIAL does not consider airports can provide this information reliably. There is limited transparency over airline fare-setting, and airline pricing decisions are influenced by a wide range of factors beyond airport charges. WIAL reiterates its previous position that airfare monitoring would be a more appropriate mechanism for assessing whether, and to what extent, airport charges affect airfares.

Independent assurance

Assurance and peer review are very likely to exist already for projects that exceed the 20% threshold, and WIAL supports disclosure of existing reports. We do not consider there is a sufficient case for further prescription about commissioning, scope or appointment of independent reviewers as suggested by Air NZ and Qantas. We reiterate the points made in our original submission.

Investor certainty and regulatory predictability

Airline submissions suggest that investor certainty and predictability are not materially affected by the proposed additional requirements. While this may not be the case in isolation, when combined with a full Civil Aviation Act rewrite, consideration of s 56G inquiry, MBIE-led review of the regulatory regime, and three IM changes in as many years, investor tolerance for uncertainty is low. This is particularly the case when the veiled suggestion from airlines is that they would like growth projects to be stopped, and see capex disclosure as a means of achieving this end.

Major airport investment is long-term, capital-intensive and requires confidence that the regulatory framework will remain proportionate, transparent and stable. The series of recent actions by government agencies has shaken that confidence. This cannot be overstated.

System costs and connectivity

BARNZ discusses the cost burden of airport infrastructure and its potential impact on regional, domestic and international connectivity. WIAL considers that connectivity outcomes cannot be attributed primarily to airport charges. Airline network decisions are affected by a wide range of factors, including aircraft availability, fuel costs, exchange rates, global network priorities, demand conditions and airline pricing strategies.

If higher airport charges were likely to materially constrain growth, airports would naturally take that into account in their planning. It is not in an airport's interests to set charges at a level that suppresses demand or prevents growth from materialising. Airports benefit from sustainable capacity growth because it enables efficient investment to be funded and supports long-term airport returns.

WIAL agrees with BARNZ that growth has been hard to secure post-pandemic and that this has been driven by factors including geopolitics, fuel costs, currency movements, fleet availability and other market conditions. Airport charges are only one small part of this wider picture. We urge the Commission to keep that context in mind when considering whether further regulation of major airport capital expenditure is justified in response to airline concerns about the state of the aviation market.

Conclusion

WIAL supports proportionate improvements to transparency for major capital expenditure. However, the final requirements should remain targeted, workable and consistent with the purpose of information disclosure. In particular, WIAL supports retaining the proposed 20% RAB threshold, avoiding an overly broad definition of “programme”, maintaining a clear link between consultation and disclosure, and limiting assurance obligations to the disclosure of existing reports.

Please contact me if there are any questions regarding this cross-submission.

Kind regards

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