19/02/2026

Infrastructure Regulation branch
Commerce Commission
via infrastructure.regulation@comcom.govt.nz

Airports ID Amendment 2026 – Process and Issues Paper

Wellington International Airport thanks the Commission for the opportunity to respond to this paper. This submission is not confidential. We include some initial general comments, followed by answers to the Commission's questions, with a summary of our views at the end.

Airports produce best-in-class infrastructure with minimal intervention from the Government

Airports are one of New Zealand's highest performing infrastructure categories, supporting the economic growth and wellbeing of virtually every other industry and every region. Wellington Airport provides excellent facilities and services and is highly regarded by our customers, community and stakeholders.

We do not believe the Commission has identified poor investment outcomes at airports. Lack of agreement from airlines is not indicative of poor decision-making; it is indicative of natural tension between airports' and airlines' incentives and planning horizons. Even then, there has been only one example of major disagreement in the 16 years since the start of the Information Disclosure (ID) regime. That example was thoroughly canvassed by the Commission in AIAL's PSE4 and the Commission was not able to identify any failure of consultation or any significant flaws in the airport's investment plan. This is strong evidence of a regime that is working well and has no reason to change.

Airports have been able to achieve significant growth and quality improvements in the last three decades, with minimal government investment. Since privatisation in the 1990s, outcomes at airports have been highly favourable, suggesting that less is more when it comes to regulation and government intervention.

Recurring and overlapping reviews are undermining investor confidence in airports

Despite the high performance of Wellington Airport, we have been subjected to repetitious reviews of regulatory settings over the last 15 years. Regulation of New Zealand airports is supposed to be light-handed. The system was deliberately designed this way to encourage efficient investment and maximise economic welfare.

The combination of the new Civil Aviation Act, significant Input Methodologies changes, multiple MBIE reviews and now the Commission's review, have unnecessarily shaken settings that have been working well. If the Commission would like to support effective infrastructure investment by airports, it should do so by supporting investor certainty and allowing airports to get on with the job. The existing safeguards of Information Disclosure regulation and five-yearly Commission reviews are more than sufficient to protect consumers and ensure airports continue providing right sized infrastructure of an appropriate standard.

Regulatory stability is vital to underpin investment and offer certainty over long-term capital planning horizons. This review, cumulatively with the others mentioned above, serves only as a distraction and ultimately will not achieve better investment outcomes.

Our starting point is that changes to Information Disclosure are not necessary; however, we have engaged in the Commission's questions with a view to achieving a workable outcome if something must change.

Problem not defined

We disagree with the Commission's assessment that a divergence of views between airlines and airports would necessarily indicate a problem with airports. While we are not aware in any detail of what occurred between Auckland Airport and its airline customers, the fact that airlines agreed through much of the consultation process before pulling their agreement indicates:

- Changes of personnel at Air New Zealand may have resulted in lost institutional knowledge;
- Airline incentives to inflate disagreements in order to advance a change in regulation;
- Unwillingness by airlines to support growth capex;
- That cost and price are the real issue, not the fundamentals of the capex plan.

We note that years of delay in the terminal redevelopment, driven by airline desire to keep costs down in the short term, has resulted in significant cost escalation. It is arguable the terminal should have been progressed earlier to avoid capacity crises and expensive solutions that could have been dealt with more easily at an earlier stage.

We question why the "disagreement" has led to the Commission ratcheting up regulatory levers for airports while dismissing requests to examine airline behaviour and the state of the wider aviation system.

We are also troubled by the Commission's assertion that it desires more "ability to influence the decisions" made by airports. To date, the Commission has not highlighted an example of a poor decision where it wished for more influence. We strongly caution the Commission against interfering in the capital planning decisions made by airports which, as the Commission notes, are complex and multi-dimensional.

Airports benefit from passenger growth, not from unnecessary investments

Ultimately, the Commission needs to consider why an airport would fund something that was unnecessary. There are no examples to date of this occurring. Airports carefully manage investment in line with growth, but unnecessary expenditure would be a financial burden, not a bonus.

Airports also have no incentive to pursue costly investments that would affect airport charges to the extent that passenger demand falls. Capacity reductions negatively and directly affect both regulated and unregulated airport revenue. Instead, airports have a clear incentive to pursue growth-enhancing capex in order to facilitate increases in passenger numbers and overall income. Enabling passenger growth also has the obvious benefit of lowering per-passenger charges for airlines over the longer term.

The incentives for incumbent dominant airlines act against any airport activity which could enable new entrants to commence competing services. This feature of the market supports a regime in which airports, subject to extensive consultation, are empowered to make investment decisions. Airport incentives align with end consumer benefit, measured by service availability and airfare levels and investment in long term infrastructure. Airline incentives seek to maximise the yield derived per unit of aircraft capacity by optimising (often restricting) capacity to support higher fare levels and prefer short term savings.

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz

Scope of Information Disclosure

As a general observation, the Commission's problem definition leads in the direction of solutions that are outside the proper scope of information disclosure. ID is limited to obligations to disclose information; it does not extend to imposing procedural requirements on airline consultation or setting of prices, particularly given those matters are already addressed under separate legislation.

Information disclosure, and Commission review of disclosures, is by design ex post. The purpose of ID is not to allow the Commission to "*influence outcomes before they are locked in*" but rather to assess, after the fact with reference to disclosed information, whether the purpose of Part 4 regulation is being met.

The Commission is focused on perceived limitations in the information disclosed, but also seems to be suggesting that airport consultation is inadequate. The scope of consultation is really a matter for the Civil Aviation Act rather than ID under the Commerce Act. We also note that the Civil Aviation Act has recently been overhauled, and we do not support another review of this legislation.

We suspect what the Commission actually wants, is an opportunity to review and influence capex decisions in advance rather than post-facto. We resist any suggestion that the Commission have anything resembling a pre-approval role or that the Commission ought to "influence" capital expenditure decisions. This would represent a major departure from information disclosure, and stifle airports' ability to make decisions in a timely and efficient manner, ultimately resulting in a substandard outcome for end consumers.

The Commission also comes dangerously close to suggesting that "minimising disputes" should be a goal of the ID regime. This does not sit comfortably within the legislation or regulatory framework. We endorse the Commission's confirmation that it is out of scope to decide on dispute resolution mechanisms within this consultation.

Answers to specific questions

Q1: In your view, how does the timing misalignment between airport decisions on major capex and our PSE reviews affect the effectiveness of the regulatory regime?

WIAL does not consider this a significant problem, as WIAL aligns its major capex investment decisions with PSEs.

The Commission states that "some of the capex decisions may be on the way to being delivered, with funds committed" before it has an opportunity to review those decisions. The timetable below illustrates that this is not generally the case. Capex decisions are made at the PSE, and disclosures are then made to the Commission within three months. Any disclosures earlier in the process would be made without full information (i.e. without final capex and pricing decisions having been locked in).

While there is some delay as the Commission's review occurs, projects are staggered throughout the five-year pricing period, so the bulk of capex is yet to be committed even as the Commission takes time for its review.

The Commission, quite rightly, is not seeking pre-approval rights over capex. Within the constraints of a post-facto review, we believe the current system streamlines the timing of disclosures as much as possible.

The real issue may be the timing of the Commission's review, rather than the timing of disclosures. The obvious way to address this would be for the Commission to equip itself with as much information as possible in advance of a PSE (e.g. Masterplan information and consultation documents could be supplied to the Commission in real time). The Commission should still wait until the PSE is complete and all information available before it conducts its review.

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz

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

No problems are presented by the current scope of information disclosures.

In fact, those disclosures are designed to recognise that airports are in the best position to make decisions about the future of their own assets. The Commission's views will always be more limited than the airport's own detailed expertise. The entire Information Disclosure system is set up to recognise this and to support airports' ability to make investments while providing scrutiny over the top.

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

No, this is not a general problem, and there is only one example of a major disagreement between airports and airlines. The background to that disagreement has already been fully canvassed by the Commission in its PSE4 review for AIAL.

The Information Disclosure regime specifically avoids "agreement" as an outcome. If agreement is desired, the Commission would need to move to a contractual model and airlines would be able to delay capital investments by threatening to withdraw agreement and/or payment. As demonstrated in Australia (e.g. Perth Airport), this can lead to years of litigation and uncertainty. The current model works by prioritising investment certainty while still giving airlines significant input into decisions, with review by the Commission.

When capacity is constrained, incumbent airlines can achieve a higher yield and make it difficult for other airlines to grow or new entrants to commence, giving them a strong incentive to delay and obstruct airport growth.

On the other hand, airports have a strong incentive to grow and attract more capacity and new airlines. In addition to improving economic and competitive outcomes, this ultimately leads to lower charges through passenger growth. More importantly, competition leads to lower airfares, so the end consumer benefits. We encourage the Commission to think about passengers as the ultimate consumers, in addition to considering airlines as customers.

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

The below timetable shows the recent processes undertaken by WIAL and possible additional points where the Commission might request more information. This information should be targeted at large or major capital expenditure only to ensure efficiencies for the regime.

	2018	Masterplan consultation
Option A →	2019	2040 Masterplan released setting broad capex intentions (no costings)
	2020	PSE4 consultation including capex consultation for all projects
	2021	Board decision to approve pricing including entire capex programme
	2021	PSE4 commences
	2022	Commission review of PSE4
	2021-4	Board decisions to approve project-specific capex within pricing envelope
Option B →	2023	PSE5 consultation
	2024	PSE5 commences
Status quo →	2025	Commission review of PSE5
Option C →	2024-9	Board decisions to approve project-specific capex within pricing envelope
Option D →	2024-9	Board decisions to approve new capex not foreseen in pricing consultation

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz

Option A would be for the Commission to request disclosure of Masterplans. We do not think this would offer useful information to inform the Commission's Part 4 assessment, as Masterplans are necessarily high level and do not include pricing information. We do not think the Commission can meaningfully assess profitability or the impact on consumers at this point. It is only when the Masterplan develops into specific projects and expenditures as part of a PSE that the projects can be assessed in context of the expenditure involved. We note that airlines tend to agree with capex plans at the Masterplan stage, and it is only when pricing information is made available that their decisions may waver.

However, the Commission may like to request information or briefings at the Masterplan stage to inform its own understanding of capital planning at airports, so it is better prepared for PSE reviews. WIAL would be happy to voluntarily include the Commission in Masterplan briefings (as we have done in the past).

The Commission also refers to capex that is "approved in principle" outside of a PSE. The associated cost would still need to be consulted with airlines at the next PSE before it could be funded, and disclosures would then occur. If an airport had somehow committed itself to major capex prior to consultation, it would be exposed to judicial review risk by predetermining decisions. Therefore, this does not occur in reality.

Option B would be for the Commission to engage more with airports at the commencement of pricing consultation. We could provide disclosures on planned capex projects at this stage (the same information provided to airlines), but these projects would obviously be subject to consultation and therefore subject to change. Again, we would be happy to voluntarily keep the Commission up to date as consultation progresses.

We caution the Commission against involving itself too much in consultation. WIAL's consultations with airlines are generally open, productive and controversy is limited to a small number of issues. The Commission's involvement could potentially be counterproductive.

Option C would be for the Commission to require further disclosures at the time the Board approves actual expenditure. We do not think this would add anything to existing processes, as all material information is provided at the time of the PSE, and these decisions largely execute decisions made at the time of the PSE. They also occur later in time, whereas the Commission seems to be wanting information earlier in time.

Option D would require additional disclosures at the time new in-period capex decisions are made. For example, if a new consultation requirement is triggered under the Civil Aviation Act, this could also trigger an additional disclosure to the Commission. WIAL would be comfortable with this but we note this has not occurred at WIAL to date as most material consultation and decision-making occurs at the time of the PSE. We understand this may be different for other airports.

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

We have considered the information provided under existing disclosures and whether any of this could be provided earlier. Attached to this submission are WIAL's PSE5 disclosures. The information in Appendix B (capex project summaries) could technically be disclosed earlier. Similar information is provided to airlines at the outset of pricing consultation, i.e. 9-12 months in advance of the PSE. However, any information disclosed at this stage would be subject to consultation and may change. We do not see how the Commission can really undertake analysis at this stage when the plan is not finalised, and airline feedback has not yet been taken into account.

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz

We have considered whether capex consultation with airlines could occur prior to pricing consultation, in order to deal with this issue. We do not think this makes sense for several reasons:

- Final capex decisions need to be aligned closely with the timing of funding. Forcing capex consultation to occur in advance of pricing will introduce new uncertainty in forecasting the cost and economic environment when those projects actually come to be delivered. There is already significant uncertainty inherent in forecasting over a five-year period and we would not want to extend this further.
- The capex programme needs to be able to flex during pricing consultation to deliver a reasonable pricing outcome. Capex is a major lever in pricing, and locking it in before the relationship to other inputs is understood, would be premature. It would also be premature to lock in capex before the impact of that capex on charges is fully understood.
- Achieving agreement at the broader capital planning stage is often not an issue. As demonstrated in the case of AIAL's terminal build, airlines may agree to plans in principle, but may withdraw agreement when cost and pricing information is made available.
- Earlier capex disclosures would not provide meaningful information to assist the Commission with assessing consumer outcomes under Part 4. Capex plans will usually look positive when divorced from cost and pricing information. Without knowing the total impact on per-passenger charges, it would be almost impossible to assess the costs and benefits of a plan from a regulatory perspective.

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

It appears to us the actual issue is that the Commission's reviews take some length of time and the Commission is therefore unable to comment until mid-way through the PSE. The best solution to this may be a non-regulatory one, i.e. the Commission could request briefings throughout the consultation process in order to stay up-to-date on the issues, and the Commission could arm itself with additional in-house expertise to understand airport planning more readily and issue its reports more quickly.

We would also be comfortable voluntarily providing the Commission with the same information given to airlines during the consultation process. In this way, the Commission could prepare itself earlier for its PSE reviews, reducing the time taken from the PSE to the Commission's final report.

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

WIAL does not think additional disclosure requirements would enhance decision-making processes, and does not think this is the purpose of Information Disclosure, which exists to support transparency and regulatory assessments.

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

WIAL does not think the proposed requirements would enhance consultation, as these items are already taken into account. In order to inform our own decisions, airline consultation and the Commission's reviews, we already provide cost allocation information and disclosure of service levels, and background to consultation. Business cases are provided to airlines for individual projects on request. If airlines feel information is missing, they are always able to request that information during consultation.

We also do not think "supporting the consultation process" is the purpose of Information Disclosure. The consultation process exists separately in the Civil Aviation Act. Information Disclosure exists to support the regulator's assessments of airport profitability.

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz

On the specific proposals:

- *Cost benefit analysis:* we do not think the multifaceted decisions made by airports can be reduced to a simple BCR. Disclosures could require an assessment of costs and benefits, but we encourage the Commission to frame this as broadly as possible rather than requiring a cost benefit analysis within an inflexible framework. Any CBA should highlight the counterfactual if investment decisions are delayed.
- *Further detailed costing information, showing reasonableness:* where appropriate, we can provide cost benchmarking. In some cases this is of limited use, for example WIAL's seawall renewal which is globally unique and difficult to compare to other seawall projects given the harsh environment on the south coast.
- *Cost allocation information, including the proposed future allocation for new assets:* this can be and is provided.
- *Disclosure of service levels targeted by proposed investments, including how the airport has responded to stakeholder submissions, the extent of independent verification and audit, and the extent of consultation and agreement with consumers:* this can be provided where appropriate (e.g. for terminal builds) but for some projects will be irrelevant. We support the current framing of this as requiring disclosure of "the extent" and "how" service levels have been assessed, rather than an absolute requirement.

WIAL is comfortable with exploring these proposals but would need to see the Commission's detailed proposal before finalising our position. The Commission will also need to consider an appropriate threshold for these additional disclosures to ensure that smaller, uncontroversial projects are not unnecessarily burdened.

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

WIAL is very strongly opposed to the suggestion of independent verification reports for major projects. The Commission is quite right in its statements that "When assessing the suitability of options, there can be a wide spectrum of what is considered reasonable", and "The planning of an airport investment is complex and requires specialised skills. It is a long, multi-stage and iterative process".

Airports are best placed to make decisions about their own investments. While these decisions are informed by the views of airlines and external experts and require at times extensive planning, work and iteration, ultimately they are ours to make and the freedom to invest as required to accommodate growth has underpinned the success of airports. Airport investments reflect a wide range of commercial considerations, and as the Commission notes, there is wide scope for reasonable persons to disagree on the correct approach. As long as the airport's decision is within this "reasonableness spectrum", there should be no cause for concern. However, an independent verifier may come up with a different approach, which may also be reasonable, but does not assist the airport in decision making.

Airports are very different to electricity or fibre infrastructure, where "reasonableness" is largely an engineering judgement rather than a commercial one involving numerous stakeholders. In these other contexts, independent verifiers apply quite strict scrutiny based on engineering principles, which is not well suited to an airport where there is much greater room for commercial judgement, on which reasonable minds could disagree.

Most of what a lines company spends is either maintaining assets (principally a function of asset condition) or accommodating demand growth on the network (principally a function of demographic change). Lines company capex is modelled, and those models can be meaningfully

peer-reviewed with reference to best-practice asset management standards. Investment units are fairly uniform (kilometres of line and number of connections). This does not translate into the airport context which is much more nuanced.

Airport investments depend on: population growth, travel demand, global economics, stand demand, aircraft types, evolving aircraft technologies, intersections between regulated and commercial business, service levels, curfews and other constraints, peak demand, and airline attraction, to name a few inputs. These decisions involve balancing current cost vs future need; aeronautical vs commercial space; efficient use of space vs passenger comfort and amenity; small vs large airline needs; incumbent vs future airline needs; sustainability implications; and more. We do not agree that an independent verifier might weigh up these considerations in a better way than the airport itself.

The Commission must avoid a situation where an independent verifier essentially substitutes its own judgement for that of the airport and the Commission then bases its assessment on the verifier's judgement. That would essentially make the Commission a central planner of airport services in New Zealand, which is not what the legislation contemplates, and would be a deeply undesirable outcome, adding complexity and cost to the regulatory regime.

We also caution the Commission that there is at least a question mark over the ability of the Commission to require an independent verifier report as part of ID. Section 53C(3)(f) says ID can "impose any other requirements that the Commission considers necessary or desirable to promote the purpose of information disclosure regulation", but that has to be read in the context of the other paragraphs of that subsection, which specify that ID can include a requirement for an audit or a statutory declaration. In our view, the Commission would have to maintain that an independent verifier's report is analogous to an audit requirement, which is arguable.

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

Independent verification would not add value at any stage.

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?

Wellington Airport uses external expert support in the development of Masterplans and for significant capital projects (for example, Intervistas reports on traffic forecasts; Level of Service assessments by Airbiz). To the extent that these reports exist already we would be comfortable disclosing them, but we would be resistant to generating additional new reports that are costly and unnecessary.

We note that airlines ultimately end up paying the cost of reports generated to support capex planning, so any unnecessary requirements negatively affect airlines and the regime as well.

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

The Commission rightly notes that it is out of scope to consider dispute resolution mechanisms as part of ID. As noted above, we do not believe "disputes" are evidence of a problem requiring a solution.

The ID changes proposed by the Commission will not reduce the likelihood of significant capex disputes. In fact, they increase the likelihood, by providing airlines with more tools to obstruct consultation and delay investment.

We note previous suggestions that additional ID could be triggered by a stakeholder applying for further disclosure if agreement can't be reached during capex consultation. We are pleased to see the Commission has not pursued this idea in the Process and Issues Paper. However, in case it is raised during this consultation, we note this would create very perverse incentives for airlines to

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz

withhold agreement during consultation, in order to delay processes by imposing additional requirements.

Obstruction and delay has real costs. The AIAL example shows that airline work to defer and delay investment can result in years of construction cost escalation, perpetuating and complicating issues that would have been easier to solve at an earlier stage. The regulatory system should avoid outcomes where investments are delayed beyond the last possible moment, and should focus on enabling staged investment, appropriately timed to accommodate growth.

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?

We are comfortable with exploring this further, but do not believe the Commission will gain much from inclusion in this process, which is focused on meeting the needs of on-airport agencies.

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz

Summary

Wellington Airport does not believe any problem has been properly made out, nor that any change is necessary. The ID regime has been in existence for 16 years and the only major disagreement has been between Auckland airport and its airlines during its most recent consultation. We consider this is strong evidence of a regime working well and has no reason to change.

However, subject to detail, Wellington Airport is open to exploring the following ideas to address the perceived timing misalignment:

- Disclosure of significant capex decisions made outside of a PSE (unlikely to be common for WIAL);
- Disclosure of Masterplans;
- We would also welcome more proactive interest from the Commission for large capex plans and projects as they are developed, and are more than willing to provide voluntary updates between PSEs.

Subject to detail, Wellington Airport is open to exploring the following ideas to enable better scrutiny of capex decisions:

- Disclosure of CBAs, cost benchmarking, cost allocation information and service levels for major capital expenditure where required and available for consultation (over an appropriate threshold);
- Earlier non-regulatory communication with the Commission as capex plans are developed;
- Inclusion of the Commission in spatial plan consultation.

Wellington Airport is strongly opposed to:

- Commission pre-approval of capex or pre-facto review of capex decisions;
- Independent verification of capex plans;
- Any form of "dispute resolution" between airports and airlines;
- Any suggestion that airline agreement to capex plans is ultimately required.

Wellington Airport also urges the Commission to consider:

- The impact of capex on passengers as the ultimate end consumer, in addition to the view of airlines;
- The long-term impact of growth capex on charges, by improving competition and passenger growth;
- The Commission's own sector expertise and internal timetables, which could be strengthened and streamlined to support more timely reviews.

Kind regards,

Jenna Raeburn
GM Corporate Affairs

WLG | Wellington Airport
Main Terminal
PO Box 14175
Wellington 6241 | Te Whanganui-a-Tara
New Zealand | Aotearoa

PH: 04 385 5100
mail@wellingtonairport.co.nz
wellingtonairport.co.nz