



## BRIEFING

### Regulation of airport services: feedback from targeted consultation and next steps

<b>Date:</b>	17 June 2025	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	0015166

Action sought		
	Action sought	Deadline
<b>Hon Scott Simpson</b> Minister of Commerce and Consumer Affairs	<b>Note</b> the contents of this briefing. <b>Agree</b> to your preferred option for next steps.	23 June 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Catherine Montague	Manager, Competition Policy	Privacy of natural persons	✓
Laura Davidson	Principal Policy Advisor	Privacy of natural persons	

<b>The following departments/agencies have been consulted:</b>
The Commerce Commission.

**Minister's office to complete:**

☐ Approved

☐ Noted

☐ Seen

☐ See Minister's Notes

☐ Declined

☐ Needs change

☐ Overtaken by Events

☐ Withdrawn

**Comments:**



# BRIEFING

## Regulation of airport services: feedback from targeted consultation and next steps

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### Purpose

To provide you with feedback from targeted consultation on the effectiveness of airport regulation and seek your direction on next steps.

### Recommended action

The Ministry of Business, Innovation and Employment (**MBIE**) recommends that you:

- a **Note** that you agreed for MBIE to consult with key aviation stakeholders on whether the economic regulation of airport services is effective under Part 4 of the Commerce Act (**Part 4**), including during times of major investment;
- Noted*
- b **Note** that airline stakeholders do not consider the regime has been effective, and generally cite a lack of a credible threat of further regulation on regulated airports, failures by airports to meaningfully consult on planned expenditure, and inadequate oversight of major investment;
- Noted*
- c **Note** that airport stakeholders consider the regime has been effective, and generally cite there is no case for change given regulated airports have reduced prices in line with the Commerce Commission's (**Commission's**) findings and the uncertainty change could create for investors;
- Noted*
- d **Note** that many stakeholders consider that the Commission could improve its oversight of regulated airports major capital investment, and the Commission acknowledged some potential changes in its final report for Auckland Airport's (**AIAL's**) Price Setting Event 4 (**PSE4**);
- Noted*

- e **Note** that we consider that there is more the Commission could do to improve its scrutiny of major investment under information disclosure and before progressing legislative reform. Noting the Commission's independence for statutory decision-making, this could include the Commission exploring:
- a. adding disclosure obligations relating to service quality levels (including expectations of air passengers) and inputs into investment decisions (such as cost benefit analysis) for major investments,
  - b. leveraging the new requirement under the Civil Aviation Act 2023 to consult on spatial plans before being approved to facilitate further oversight,
  - c. conducting forward looking assessments of major capital investment decisions (such as significant terminal builds and upgrades) in advance of investment decisions and construction starting.

*Noted*

- f **Agree** for MBIE to engage with the Commission on potential improvements to information disclosure during times of major capital investment including how the Commission could communicate potential changes to the aviation sector to guide future price setting events;

*Agree / Disagree*

Privacy of natural persons

Catherine Montague  
**Manager, Competition Policy**

17 June 2025

Hon Scott Simpson  
**Minister of Commerce and Consumer Affairs**

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## Background

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### The airport services regime under Part 4 of the Commerce Act 1986

1. The Civil Aviation Act 2023 (**CAA**) requires certain airports to consult with airlines on proposed capital expenditure that is likely to exceed the amounts prescribed over the following five years. These processes are referred to as Price Setting Events (**PSEs**).
2. Under Part 4 of the Commerce Act (**Part 4**), specified airports services at Auckland, Wellington and Christchurch International Airports (**regulated airports**) are subject to information disclosure regulation. The Commerce Commission (**Commission**) requires information to be disclosed and conducts and publishes a summary and analysis of this information for each PSE period.
3. Under section 56G of Part 4, the Commission may conduct inquiries into whether additional regulation across all three regulated airports is necessary. This is referred to as an 'airports inquiry'. An airports inquiry can be initiated by the Commission or by the Minister of Commerce and Consumer Affairs (**the Minister**). The result of an airports inquiry is a recommendation from the Commission to the Minister on whether to add a regulatory tool (either price-quality or negotiate / arbitrate) to the three regulated airports.

### MBIE targeted consultation

4. Over the past year, a public discourse has unfolded between airlines and Auckland Airport (**AIAL**). The airlines have strongly criticised AIAL for how consultation feedback was factored into investment decisions and have requested that either the Minister or the Commission initiate an airports inquiry.
5. In May 2024, the OECD Economic Survey of New Zealand suggested we consider:
  - a. 'hybrid till' alternatives to the current dual till airport model,
  - b. treating the three larger airports differently if remedies are needed only for one, and
  - c. questioning whether regulatory oversight should be extended to other airports.
6. In February 2025, we received submissions on how the Part 4 regime is performing in respect to airport services as part of the targeted review of the Commerce Act 1986. Subsequently, you agreed for us to engage with airport stakeholders to seek views on the effectiveness of this regime.
7. On 11 April 2025, we sent an email to key aviation stakeholders seeking views, focusing on whether the regime:
  - a. provides sufficient oversight during times of major capital investment, and
  - b. is sufficiently flexible to provide a targeted and timely response when changes in regulatory approach are required, considering comments made in the 2024 New Zealand OECD Survey.

## Overview of targeted consultation

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### Stakeholders have split views on the effectiveness of the regime

8. We have met with a range of stakeholders representing the interests of airlines and airports. Written submissions have been received from the 15 stakeholders listed in **Annex 1**.
9. Airline stakeholders generally consider that the regime has not been effective and requires change, whereas airport stakeholders generally consider that the regime has been effective and does not require change.
10. Many stakeholders raised the challenges currently facing the aviation sector, including muted demand, cost escalations and supply challenges. These are creating impacts on consumers, particularly in the domestic market, in the form of ticket price increases and reduced regional connectivity.
11. Airline stakeholders consider that the pattern of airports initially targeting excess returns and then adjusting pricing after the Commission indicates an acceptable range is evidence of regulatory failure. Alternatively, airport stakeholders consider this is evidence of the regime working as intended. Airports consider that the current model should be celebrated, as regulated airports are able to finance investments by debt and equity which is recovered on a user pays basis, while being subject to oversight by the Commission.
12. **Annex 2** provides a more detailed overview of key themes raised through submissions.

### Oversight during times of major capital investment

13. Airline stakeholders generally consider the current regime provides inadequate oversight of major capital investment. These stakeholders consider there have been instances of airports failing to meaningfully consult with airlines, restrictions on public debate due to requirements to keep information confidential, and that Commission oversight (and at times consultation by airports) is occurring after investment has been committed.
14. Airport stakeholders raised that airlines have natural incentives to oppose investments in airports to keep operational costs down and constrain airport capacity, which in turn constrains airline competition. Airports also raise that under an ex-post review model airports need to anticipate how decisions will be viewed by the Commission, which therefore influences investment choices, and inefficient investment can also be factored into the Commission's assessment of reasonable returns.
15. A common theme from both airline and airport stakeholders is that changes to information disclosure requirements that are set by the Commission could improve oversight of major capital investment. Airport stakeholders also raised that new requirements in the CAA to consult on spatial plans before being approved could be used to facilitate further oversight, without making legislative change.

## **Flexibility to provide a targeted and timely response when changes in regulatory approach are required**

### *'Hybrid till' alternatives to the current 'dual till' approach*

16. Currently, only airside activities are subject to information disclosure. A hybrid till approach would allow the Commission to have oversight of landside activities that are currently unregulated, such as retail and car parking. This would allow for the regime to partially account for spillover benefits (i.e. externalities) that airports enjoy from landside activities and factor these into charges for regulated airside activities. Under a single till approach, the costs and revenues from all airport activities (airside and landside) would be regulated.
17. Airline stakeholders were supportive of either hybrid or single till approaches. Airline stakeholders consider that an alternative approach to the current dual till model would improve oversight of all regulated airport activities, improve outcomes for passengers by encouraging efficient investment in aviation infrastructure and improve affordability by reducing airline charges (and in turn reduce ticket prices for consumers).
18. Airport stakeholders consider that departing from a dual till would weaken airports' ability to raise debt and equity, increase perceived regulatory risk, distort pricing signals, increase regulatory complexity and burdens, erode financial autonomy of all airports, and increase the commercial imbalance between airports and airlines. Airport stakeholders also consider that that landside activities operate in contestable markets (such as retail, property leasing, or commercial food supply) and therefore should not be regulated under Part 4.

### *Treating regulated airports differently*

19. Airline stakeholders generally consider that the regime does not provide a credible threat of further regulation on regulated airports due to:
  - a. The requirement for any additional regulation to apply to all three regulated airports. Some airline stakeholders also consider that subjecting all regulated airports to negotiate / arbitrate would only be burdensome if there are strong disputes regarding pricing and investment, and regulated airports that factor airline feedback into investment plans and pricing are unlikely to be progressed to arbitration.
  - b. The requirement for the Commission to determine or amend (and then apply) input methodologies before recommending whether additional forms of regulation should apply, as this is likely to be a lengthy process.
20. Airport stakeholders raised that the regime was made more flexible in 2018 and since then, no evidence has indicated the need for reform, including Commission findings and responses by regulated airports. Airport stakeholders also raised that the current processes promote stability and investment confidence.
21. AIAL considers that since it is of a greater size and scale compared to the other regulated airports, which means that the threat of regulation for AIAL is the same if the airports are regulated together or individually but allowing for individual additional regulation could reduce the threat for the smaller regulated airports.

### *Whether regulatory oversight should be extended to other airports*

22. There is a general process in Subpart 2 of Part 4 for the Commission to assess and determine whether consumers would benefit from the regulation of businesses that face little or no competition. This is referred to as a 'general inquiry' and differs from an 'airports inquiry' (discussed above).
23. The airports inquiry provisions were introduced in 2018 to provide a more streamlined approach to apply further regulatory forms on regulated airports, if needed. Under the airport's inquiry provisions, there is no power for the Commission to recommend an unregulated airport is brought into the Part 4 regime. Instead, a general inquiry could be used for this purpose.
24. Queenstown Airport (**QIAL**) is the fourth busiest airport by passenger traffic, which serves both international and domestic travel.<sup>1</sup> Confidential information entrusted to the Government
25. QIAL and Airports Association of New Zealand raised that no formal complaints have been made regarding QIAL's behaviour and there has been no review that justifies intervention. It was also raised that QIAL is subject to significant transparency requirements through the Airport Authorities Act 1966 (now the CAA), public ownership obligations, and existing consultation requirements with major users.

## **Options for next steps**

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### **The Commission's view is that the regime has generally been effective**

26. In the AIAL's PSE4 Final Report, the Commission commented that in the past, airports have responded to the conclusions of its PSE reviews by reducing prices when the Commission have concluded they are too high and in that respect, the regime has worked. However, the Commission also acknowledged limitations in the current regime for the purposes of monitoring major capital investment.
27. The Commission is currently reviewing Wellington Airport's (**WIAL's**) PSE5 and has not identified any significant issues. **Annex 3** provides further detail recent Commission views on the effectiveness of the regime.

### **We recommend that officials engage with the Commission on steps it could take within the current legislative framework to provide increased oversight during times of major capital investment**

#### *There is more that could be done within the current legislative framework*

28. As mentioned above, a common theme from stakeholders across the board is that non-legislative action could be taken to improve oversight of major capital expenditure investment.

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<sup>1</sup> QIAL is owned by Queenstown Lakes District Council (75.01%) and Auckland International Airport Limited (24.99%).

29. The Commission makes decisions under information disclosure regarding what information must be disclosed, the timing of disclosures, and the timing and scope of the summary and analysis it conducts.
30. In the AIAL's PSE4 Final Report, the Commission commented that the current information disclosure requirements and the Commission's review are ex-post (i.e. after PSE prices have been set) and that reviews of major capital investment are less amenable to ex-post regulation because it can be difficult or costly to alter an investment once it is underway.
31. The Commission also commented that reviewing the current information disclosure requirements would be relatively low cost and could address some substance concerns by adding disclosure obligations, but there are limited options for change that are likely to have a significant effect on outcomes.
32. We agree that the regime has generally been effective since regulated airports have responded to Commission's findings by reducing airline charges, and there is more the Commission could do during times of major investment within the current legislative framework before further exploring legislative reform.
33. We consider it would be sensible to further explore steps the Commission can take to increase and expand its scrutiny during times major capital investment before further considering legislative change. We also acknowledge that changing the legislative framework for airports is likely to create uncertainty for investors, especially at a time when AIAL is in the middle of major capital expenditure.
34. The Commission may wish to consider whether changes to the current information disclosure requirements could improve oversight of major capital expenditure, such as:
  - a. Adding disclosure obligations, for example relating to service levels, when decisions are likely to be sought for certain investments, and inputs to investments decisions such as cost benefit analysis.
  - b. Leveraging the new requirement under the CAA to consult on spatial plans before being approved to facilitate further oversight.
  - c. The Commission conducting forward-looking assessments covering (if necessary) multiple PSE periods, and reporting in advance of investment decisions which could complement the existing backward-looking PSE reviews.
35. We propose to engage with the Commission on these issues. However, we note that as an independent Crown Entity, the Commission's decisions on these matters are the Commission's to make.
36. If the Commission decided to increase regulatory oversight during times of major capital investment under information disclosure, guidance issued by the Commission could be used to inform stakeholders about thresholds that would trigger increased oversight and to explain the Commission's approach.



**Until further utilising information disclosure is better explored, there is not a strong case to progress legislative reform to airport services**

37. We have identified some potential legislative changes to the regime, which are outlined below.
38. Potential legislative changes to increase the Commission's oversight of major capital investment could include introducing an input methodology for capital expenditure proposals (**Capex IM**). Modelled off the Commission's powers to regulate Transpower, Capex IM requires the Commission to set requirements that must be met at times of major investment; including information required, independent verification and audit, and consultation and agreement with consumers.
39. Increasing flexibility to the regime could include exploring legislative changes to:
  - a. Allow additional forms of regulation and different scope of regulated services to apply to different regulated airports. Airports are currently regulated as a single unit to encourage a peer pressure effect and to promote regulatory cost efficiencies. Allowing for individual changes in the form and scope of the regulation (and the changes listed in b and c below) would increase the threat of further regulation.
  - b. Remove the requirement for the Commission to determine input methodologies before recommending whether to apply additional forms of regulation. This requirement is intended to promote certainty regarding any further regulatory action, which likely increases the time needed to complete an airports inquiry.
  - c. Amend the process for changing the scope of regulation. Currently, there is no statutory power for the Minister to ask the Commission to assess and recommend on whether the scope of regulated services should be changed. Furthermore, before making a recommendation the Commission must be satisfied that the services are supplied in a market where one or more of the regulated airports have a substantial degree of market power, which may be a barrier to implementing a single or dual till in the future.
  - d. Allow the Commission to recommend that other airports are regulated under the airport's inquiry provisions. Currently, general Part 4 inquiries can be used for this purpose. Extending the airports inquiry provisions for this purpose would streamline the process but create uncertainty for unregulated airports.
40. As discussed above, it would be sensible for officials to first engage with the Commission on how the existing information disclosure regime could be improved to increase the Commission's oversight of major capital expenditure before further exploring these potential legislative changes.
41. In the event you choose to progress legislative changes to Part 4 of the Commerce Act, Cabinet policy decisions could be sought as part of the wider review of the Commerce Act.

## Concerns raised regarding airline concentration

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42. Many airport stakeholders raised concerns regarding airline market concentration and the impact this is having on affordability and regional connectivity. These comments are made in the context of the following work:
- a. The Commission recently releasing an assessment of competition in the domestic airline sector, in which it concluded that a market study would not be an effective way to drive stronger competition in the sector. In this assessment, the Commission noted some areas that may benefit from further work, particularly regarding information disclosure.<sup>2</sup>
  - b. The Ministry of Transport and MBIE have recently provided advice to the Regional Development Ministerial Group<sup>3</sup> around options to support regional air connectivity to ensure key regional routes continue and are affordable to New Zealanders. Options that were considered include financial measures such as through the Regional Infrastructure Fund and non-financial measures such as engaging with airlines including Air New Zealand to understand long-term plans for regional services.
43. We intend to engage with the Commission, the Ministry of Transport and other relevant agencies to convey the feedback raised by stakeholders and identify whether further action is required.

## Annexes

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Annex 1: List of stakeholders that submitted

Annex 2: Overview of key themes raised on the effectiveness of the airport services Part 4 regime

Annex 3: Recent Commission views on the effectiveness of the regime

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<sup>2</sup> Commerce Commission (May 2025), *Assessment of whether to self-initiate competition study into the domestic air travel sector* [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0033/366099/Assessment-of-whether-to-self-initiate-competition-study-into-domestic-air-travel-sector-May-2025.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0033/366099/Assessment-of-whether-to-self-initiate-competition-study-into-domestic-air-travel-sector-May-2025.pdf)

<sup>3</sup> This includes the Minister of Finance, Minister for Māori Development, Minister of Local Government, Minister of Transport, and Minister for Regional Development.

## Annex 1: List of stakeholders that submitted

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#	Stakeholder
1	Air Chathams
2	Air New Zealand Limited
3	Airports Council International Limited
4	Auckland International Airport Limited
5	Airlines for Australia and New Zealand
6	Board of Airline Representatives New Zealand
7	Christchurch International Airport Limited
8	International Air Transport Association
9	Marlborough Airport Limited
10	Morrison <sup>4</sup>
11	New Zealand Airports Association
12	Qantas Group
13	Queenstown International Airport Limited
14	Waikato Regional Airport Limited
15	Wellington International Airport Limited

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<sup>4</sup> Morrison is the Manager of Infratil Limited, which owns 66% of Wellington International Airport Limited.

## Annex 2: Overview of key themes raised on the effectiveness of the airport services Part 4 regime

The regime is <u>not</u> effective	The regime <u>is</u> effective
<i>General comments</i>	
<ul style="list-style-type: none"> <li>• The pattern of airports initially targeting excess returns, the Commission finding that they have targeted excess returns, and then the airport adjusting pricing after the Commerce Commission (<b>the Commission</b>) indicates an acceptable range is evidence of regulatory failure.</li> <li>• Compared to comparators overseas, the regulatory approach to airports in New Zealand is the least interventionist.</li> <li>• Concerns with Auckland Airport's planned investment, including expectations that pricing will rise from \$6.73 in FY23 to \$34.74 in FY32 for domestic passengers and from \$23.39 in FY23 to \$91.66 in FY32 for international passengers.</li> </ul>	<ul style="list-style-type: none"> <li>• Investments by regulated airports are funded via debt and equity which will be recovered on a user pays basis overseen by the Commission. This model should be celebrated.</li> <li>• On most regional routes' airline route decisions, pricing, and service are determined with little or no competition. Airport pricing is subject to constraints in the Civil Aviation Act 2023 (<b>CAA</b>) and Part 4 of the Commerce Act 1986 (<b>Part 4</b>), but airlines have no scrutiny or reporting obligations for the airfares that are ultimately presented to consumers.</li> <li>• Assessment that the average airport charge per passenger is \$15, or \$30 across the journey of a departure and arrival, which equates to about 14% of ticket prices.</li> </ul>
<i>Oversight during times of major capital investment</i>	
<ul style="list-style-type: none"> <li>• The existing regulatory controls are applied too late, and capital decisions are increasingly made in advance of pricing decisions. This significantly reduces the effectiveness of pricing consultation.</li> <li>• The information disclosure regime should be updated to ensure capital investments are subject to capital governance and consultation quality measures and protections. Overseas jurisdictions can provide lessons for improved capital oversight.</li> <li>• Independent verifiers such as for the Transpower regime would provide further oversight. This model is used in Dublin and Heathrow.</li> </ul>	<ul style="list-style-type: none"> <li>• Airlines have incentives to oppose investments in airports to reduce operational cost and airport capacity, which in turn constrains airline competition. It would not be in the airports interest to set charges that disincentivise airlines from using the airport.</li> <li>• Greater oversight of capital investment could be further explored within the current framework, including amendments to the information disclosure requirements and a new requirement in the CAA to consult prior to approving spatial plans.</li> <li>• Under an ex-post review model airports need to anticipate how decisions will be viewed by the Commission and therefore influence investment choices. Inefficient investment can also be factored into the Commission's assessment of reasonable returns.</li> </ul>

The regime is <u>not</u> effective	The regime <u>is</u> effective
<i>'Hybrid till' alternatives to the current 'dual till' approach</i>	
<ul style="list-style-type: none"> <li>• A hybrid-till would result in better outcomes for passengers by encouraging efficient fit-for-purpose investment and a focus on affordability.</li> <li>• In a competitive environment, an airport would consider the profits it earns from non-aeronautical activities when determining investments and charges for aeronautical services.</li> </ul>	<ul style="list-style-type: none"> <li>• Departing from a dual till would weaken airport's ability to raise debt and equity, increase perceived regulatory risk, distort pricing signals, increase regulatory complexity and burdens, erode financial autonomy of all airports, and increase the commercial imbalance between airports and airlines.</li> <li>• Departing from a dual till would not address fleet and supply chain issues and would instead impact regional airport's ability to rely on diversified revenue streams to fund infrastructure investment.</li> <li>• Contestable services should not be regulated under Part 4.</li> </ul>
<i>Treating regulated airports differently</i>	
<ul style="list-style-type: none"> <li>• The regime does not provide a credible threat due to inability to further regulate one airport individually and the requirement for the Commission to determine or amend (and then apply) input methodologies during an airports inquiry.</li> <li>• Subjecting all three airports to further regulation would not necessarily be burdensome to all airports. Arbitration is generally only accessed when there is an intractable dispute between the parties.</li> </ul>	<ul style="list-style-type: none"> <li>• The regime was made more flexible in 2018 and since then no evidence has indicated the need for reform, including Commission findings and responses by regulated airports.</li> <li>• Current processes to change regulatory approach promote stability. Investors have raised concerns about the regulatory settings being revisited and are considering deploying capital elsewhere.</li> </ul>
<i>Whether regulatory oversight should be extended to other airports</i>	
<ul style="list-style-type: none"> <li>• Queenstown Airport has significant planned infrastructure development but, in the absence of information disclosure regulation, it is not clear what the total cost, impact on airline charges and demand will be.</li> <li>• Confidential information entrusted to the Government</li> </ul>	<ul style="list-style-type: none"> <li>• No formal complaints about Queenstown Airport have been made, nor has any review found behaviour that justifies intervention. Queenstown Airport is subject to significant transparency requirements through the Airport Authorities Act 1966, public ownership obligations, and existing consultation requirements with major users.</li> <li>• Unregulated airports apply Part 4 input methodologies when setting pricing. There is unlikely to be any benefit to consumers if further airports were regulated under Part 4, but there would be increased costs for airports, airlines and consumers.</li> </ul>

## Annex 3: Recent Commission views on the effectiveness of the regime

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### Wellington Airport Price Setting Event Five Consultation Paper

1. On 10 September 2024, the Commerce Commission (**the Commission**) published an open letter commencing its review of Wellington Airport's (**WIAL's**) Price Setting Event 5 (**PSE5**). In the letter, the Commission commented that the regulatory regime has worked well in the past where a robust consultation with the airports' stakeholders has occurred and that it understands that WIAL largely has support from its substantive customers.
2. On Thursday 5 June, the Commission released a consultation paper on WIAL's PSE5 which stated that:<sup>5</sup>
  - a. the targeted return of 8.61% appears reasonable,
  - b. it is unlikely to earn excess profits over PSE5 provided it applies a different credit rating when making a carry forward adjustment in PSE6, and
  - c. the capital investment programme appears to show appropriate timing of investment and responsiveness to demand.

### Auckland Airport Price Setting Event 4 Final Report

3. In the Auckland Airport's (**AIAL's**) PSE4 Final Report, the Commission commented that:<sup>6</sup>
  - a. In the past, airports have responded to the conclusions of its PSE reviews by reducing prices when the Commission have concluded they are too high. In that respect, the regime has worked.
  - b. The current information disclosure requirements and the Commission's review are ex-post (i.e. after PSE prices have been set). Reviews of major capital investment are less amenable to ex-post regulation because it can be difficult or costly to alter an investment once it is underway. The information disclosure requirements are also not designed to resolve disputes about significant investments or target service levels.
  - c. From the evidence the Commission saw, it is not clear that the current consultation requirements on airports are inadequate for delivering efficient levels of investment.
  - d. Reviewing the current information disclosure requirements would be relatively low cost, but there are limited options for change that are likely to have a significant effect on outcomes. Some options for change include adding disclosure obligations, for example relating to the service levels that underpin designs.
  - e. If a section 56G inquiry found that additional forms of regulation would be beneficial, negotiate/arbitrate or price-quality regulation would impose significant regulatory costs on all three airports and ultimately their customers.

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<sup>5</sup> For the period April 2024 to March 2029.

<sup>6</sup> Commerce Commission (31 March 2025), *Review of Auckland Airport Price Setting Event 4 Final Report* [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0028/365059/Review-of-Auckland-AirportE28099s-2022-2027-Price-Setting-Event-Final-report-31-March-2025.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0028/365059/Review-of-Auckland-AirportE28099s-2022-2027-Price-Setting-Event-Final-report-31-March-2025.pdf)

- f. For price setting purposes the current regime appears cost effective. However, a targeted review of Part 4 focused on the issue identified around significant capital investment decisions could add value. For example, enabling greater structure to and assurance of the capital investment decision-making process specifically, or potentially streamlining the inquiry process for moving to a different form of regulation potentially for a narrower range of services could be considered.