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MEDIA RELEASE

New era in airport information

A new era in transparency of airport performance is marked by today's release by the Commerce Commission of its report into information disclosure by Wellington International Airport said airports association chief executive Kevin Ward.

"Our major airports are excellent performers that do great work for their regional economies and New Zealand" Mr Ward said. "The critical thing is that they must be able to keep investing in airport infrastructure to keep up with growth in traveller numbers and airline expectations. This means they need a fair and reasonable return on investment."

Airports are key to tourism growth, major generators of employment, and essential to high value air freight. Information disclosure will show whether airport infrastructure and services are keeping up with demands, said Mr Ward.

The Commerce Commission's report today provides reassurance that Wellington Airport is performing well, and with more data building up regularly the future reports will provide a more complete picture, he said.

"Based on the Wellington example it is also fair to say that airports, airlines and the Commission are not yet seeing eye to eye on some aspects of the analysis. The Commission's financial conclusions show a small number of key financial criteria can have a significant and misleading effect on the estimates produced by the Commission's model, compared to the airport's actual business" said Mr Ward.

Airport charges in New Zealand compare very favourably on an international basis. Charges for domestic flights in New Zealand are generally between a third and a half of the Australian equivalents. Auckland, Wellington and Christchurch charges for international flights are in the mid to lower range of world-wide comparisons. These are the findings of an analysis of New Zealand airport charges provided to the New Zealand Commerce Commission.

Under the new Information Disclosure approach, Auckland, Wellington and Christchurch airports are required to release very full reports every year and each time airport charges are reviewed.

Annual disclosures include financial results and infrastructure investment, but also airport innovation, service quality measures, and passenger satisfaction Indicators from international surveys.

“The airports are putting considerable time and effort into the information disclosures to ensure there is transparency about the basis for charges and annual results, and whether airports are investing appropriately for the future,” he said. Mr Ward said the new Information Disclosure approach is providing more comprehensive information to all parties, including airline customers and the public. The consistent approach will enable meaningful trends to be identified over time.

The Commerce Commission’s report on Wellington Airport’s information disclosure released today is the first part of an overall assessment of information disclosure by airports. Auckland and Christchurch Airport reports will also be completed this year.

Mr Ward said the Wellington report is “the first piece in a jigsaw puzzle which will be filled out over time to give a very full picture”. He cautioned that airport performance cannot be meaningfully assessed on the basis of the first disclosures, and each airport is likely to be at a different stage in their investment and development cycles.

“Another missing part of the information picture is the analysis the Commission does each year on airport performance. None of those analyses and summaries has been done yet. That’s where you will see the trends and any opportunities for improvement,” Mr Ward added.

“It’s critical for New Zealand that airports can make a return sufficient to justify on-going investment in tourism infrastructure. If they couldn’t, airports would not be able to keep up with future growth in passenger numbers, larger aircraft coming on the scene, or new safety requirements,” he said.

Mr Ward said while they’re only a fraction of airline costs, airport charges help provide essential tourism and trade infrastructure for New Zealand.

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