

4 March 2022

Attn: Adam van Lohuizen
Head of Economic Regulation and Pricing
Auckland International Airport Limited

By email only: adam.vanlohuizen@aucklandairport.co.nz

Dear Adam,

Response to Auckland International Airport Limited's request for an exemption from disclosure requirements under the Airport Services Information Disclosure Determination 2010

1. We write in response to Auckland International Airport Limited's (**AIAL**) letter dated 8 November 2021 requesting the Commission provide an exemption from requirements under clause 2.4(2)(a) of the Airports Services Information Disclosure Determination 2010 (**ID Determination**).
2. We respond to your exemption request below. We outline the background and our decision in response to the current request.

Background

3. Under clause 2.4(1) of the ID determination, within five months after the end of each disclosure year, every airport regulated under Part 4 of the Commerce Act 1986 (**Act**) (**regulated airport**) is required to disclose information relating to the quality of its specified airport services.
4. Clause 2.4(1)(a)(iv) requires the disclosure of the *Report on Passenger Satisfaction Indicators* set out in Schedule 14, and clause 2.4(1)(b) requires the public disclosure of those reports.
5. Under clause 2.4(2) of the ID Determination, every three months, every regulated airport must complete a passenger satisfaction survey for:
 - 5.1 passengers about to board a domestic flight (**domestic surveying**); and
 - 5.2 passengers about to board an international flight (**international surveying**) (together **passenger surveying**).

Previous Exemption

6. On 4 October 2021, AIAL received an exemption from international surveying. Through our powers under clause 2.9(1)(a) of the ID Determination, the Commission granted AIAL an exemption from:
 - 6.1 the requirement to complete a passenger satisfaction survey in accordance with clause 2.4(2)(b) of the ID Determination for international surveying, for the quarters starting 1 July 2021 and ending 30 June 2022; and
 - 6.2 the requirement to complete and publicly disclose the associated Passenger Satisfaction Indicators for those quarters in Schedule 14 (Report on Passenger Satisfaction Indicators) of the ID Determination.

Current Exemption Request

7. On 8 November 2021, Commission staff received a letter from AIAL, outlining its request for a forward-looking exemption from the requirements under clause 2.4(2)(a) of the ID determination for the year ended 30 June 2022. It requested an exemption for the full reporting year given the uncertainty of when it will be practical to resume undertaking domestic surveying.¹
8. In the second half of 2021, Auckland was subject to unique Covid-19 (**Covid**) travel restrictions, which hamstrung AIAL's ability to carry out the surveying of passengers:²

Unfortunately, since the move to alert level 4 on 17 August 2021 health restrictions have remained in place for Auckland, and domestic passenger activity has fallen significantly as a result. In September 2021 there were a total of 14,500 domestic passengers for the month, a decline of 98% on the 707,000 domestic passengers two months earlier in July.
9. During this time, AIAL paused the required fieldwork for surveying to:
 - 9.1 minimise the risk of Covid transmission;
 - 9.2 reflect the difficulty of undertaking surveys with low passenger numbers; and
 - 9.3 minimise possible selection bias that may occur in the disturbed operating environment.

¹ *AIAL Domestic ASQ exemption request, 8 November 2021, Auckland Airport*

² *AIAL Domestic ASQ exemption request, 8 November 2021, Auckland Airport.*

Exemption Granted

10. Under clause 2.9(1)(a) of the ID determination, by this notice, the Commission grants AIAL an exemption from:
 - 10.1 the requirement to complete a passenger satisfaction survey in accordance with clause 2.4(2)(a) of the ID Determination, for the quarters starting 1 October 2021 and ending 30 June 2022; and
 - 10.2 the requirement to complete and publicly disclose the associated Passenger Satisfaction Indicators for those quarters in Schedule 14 (*Report on Passenger Satisfaction Indicators*) of the ID Determination.
11. We notified AIAL staff of the decision via e-mail on 22 December 2021.
12. In alignment with the reasoning provided for the international surveying exemption we issued to AIAL,³ we consider it appropriate to grant the exemption for the following reasons:
 - 12.1 the practical difficulties of delivering robust surveying and sampling in an environment with limited travel; and
 - 12.2 granting an exemption for surveying in this environment would not be contrary to the purpose of Information Disclosure.
13. We consider the exemption timeframe to be reasonable. The return to a baseline level of travel (in the context of ID regulation) for Auckland is still highly uncertain, especially given the recent outbreak of the Omicron variant in New Zealand. Further, the 30 June date aligns with the end of AIAL's regulatory year, financial year, and the international surveying exemption the Commission previously issued.
14. In granting this exemption, we have considered whether it is appropriate to request alternative disclosure in place of the exempted disclosure. However, we have concluded that this is not appropriate. The disproportionate impact of the Covid-19 restrictions on the Auckland region means that AIAL has faced, and is likely to face, the same obstacles in providing alternative disclosures as it would in providing the exempted disclosures.⁴
15. We expect that AIAL will monitor domestic travel volumes and inform the Commission of any change in circumstances that may allow it to re-instate domestic surveying when reasonably practicable.

³ *Exemption Response letter to AIAL*, 4 October 2021. Found on our website [here](#).

⁴ This is because the data supporting any amended or the exempted Information Disclosure would need to be sourced from the same class of respondents.

Further Information

16. This exemption may be revoked or further amended by the Commission at any time in accordance with clause 2.9(1)(b) of the ID determination.
17. A copy of this exemption response letter will be published on the Commission's website.
18. If you have any questions regarding this matter, please contact Rhys Williams at rhys.williams@comcom.govt.nz.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Sue Begg'.

Sue Begg
Deputy Chair