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20 December 2016	1178-2560	*Electricity Distribution Services Input Methodologies Amendments Determination 2016* [2016] NZCC 24
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20 December 2016	1178-2560	*Gas Transmission Services Input Methodologies Amendments Determination 2016* [2016] NZCC 26
20 December 2016	1178-2560	*Transpower Input Methodologies Amendments Determination 2016* [2016] NZCC 27
20 December 2016	1178-2560	*Airport Services Input Methodologies Amendments Determination 2016* [2016] NZCC 28
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Commerce Commission
Wellington, New Zealand

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Key decisions on the IM review

Changes since draft decision

- We have removed ACAM as a stand-alone option from the cost allocation IM for EDBs and GPBs. Our draft decision was to keep ACAM but tighten the threshold for using it.
- We have adopted an asset beta of 0.35 for EDBs and Transpower, 0.40 for GPBs, and 0.60 for airports. Our draft decision was to adopt an asset beta of 0.34 for EDBs, Transpower, and GPBs, and 0.58 for airports.
- We have moved to an historic averaging approach for the debt premium. Our draft decision was to retain a prevailing rate approach.

Other key decisions

- EDBs will move from a weighted average price cap to a 'pure' revenue cap.
- GTBs will move from a 'lagged' revenue cap to a 'pure' revenue cap.
- We will allow non-exempt EDBs to recover the cost of assets more quickly (ie, shorten average remaining asset lives by up to 15%).
- We have removed the separate WACC for CPPs; instead the DPP WACC will apply.
- We have reduced the allowance for debt issuance costs within the cost of debt from 0.35% to 0.20%.
- We have introduced greater flexibility in CPP information and verifier requirements.
- We have replaced the quality-only CPP with a quality reopener in the DPP.
- We will publish a mid-point WACC and standard error estimate for airports, rather than a WACC range.
- We now require that airports disclose target profitability when setting prices.
- We are providing airports with increased flexibility to disclose information in a way that best reflects their pricing approach.

Purpose of this paper

1. The purpose of this paper is to provide an overview of our findings on the input methodologies review (**IM review**) under Part 4 (**Part 4**) of the Commerce Act 1986 (the **Act**).

2. This paper begins by providing a general overview of our findings. The paper summarises our decisions by topic for emerging technology and cost of capital, and then by sector for electricity lines businesses, gas pipeline businesses, and regulated airports.

General overview of our findings

3. We have made only a small number of substantive changes to the input methodologies (**IM**s), along with a number of incremental improvements.

4. The Part 4 regime seeks to promote the long-term benefit of consumers of regulated services. These are electricity line services, gas pipelines services, and specified airport services at Auckland, Wellington and Christchurch international airports.

5. We promote the long-term benefit of those consumers by promoting the following outcomes consistent with the way they are promoted in workably competitive markets – namely that suppliers of regulated services:[1]

    5.1 have incentives to innovate and invest, including in replacement, upgraded, and new assets;

    5.2 have incentives to improve efficiency and provide services at a quality that reflects consumer demands;

    5.3 share with consumers the benefits of efficiency gains in the supply of the regulated services, including through lower prices; and

    5.4 are limited in their ability to extract excessive profits.

6. The IMs are an important input to regulation under Part 4. The purpose of IMs is to provide certainty to both regulated suppliers and consumers about the rules, requirements and processes applying to Part 4 regulation. A stable and predictable regime provides suppliers and investors in regulated firms with the confidence to invest in long-lived infrastructure that provides essential services to all New Zealanders.

[1] Commerce Act 1985, s 52A(1)(a)-(d).

7. We set the original IMs in December 2010 after extensive engagement with interested parties.[2] There was a subsequent merits appeal process that reviewed the majority of those IMs. The review resulted in specific aspects of a small number of IMs being amended. Some of the IMs have also been amended pursuant to s 52X.

8. We have conducted the IM review under s 52Y of the Act, which requires us to review the IMs within 7 years of setting them.

9. From the outset, we anticipated that substantial changes to the IMs would not be necessary.[3] Through the review, we have maintained our focus on only making changes likely to:

   9.1 promote the Part 4 purpose in s 52A more effectively;

   9.2 promote the IM purpose in s 52R more effectively (without detrimentally affecting the promotion of the s 52A purpose);[4] or

   9.3 significantly reduce compliance costs, other regulatory costs or complexity (without detrimentally affecting the promotion of the s 52A purpose).

10. The IM review is now complete for all areas within the scope of the notice of intention, except for the three areas where we have not yet reached decisions:[5]

    10.1 the Transpower Incremental Rolling Incentive Scheme (**IRIS**);

    10.2 the customised price-quality path (**CPP**) information requirements for gas; and

    10.3 related party transactions provisions.

11. These areas are still within the scope of the IM review, and our timeframes for reaching decisions on them are set out in the Introduction and process paper.[6] The Transpower Capex IM is the only IM outside the scope of this review; we expect to provide an update on the timing for commencing our review of the Transpower Capex IM in Q1 2017.

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[2] The input methodologies for Transpower's capital expenditure proposals were published on 9 February 2012, and are the only IMs outside the scope of the current review.

[3] Commerce Commission "Open letter on our proposed scope, timing and focus for the review of input methodologies" (27 February 2015) para 28.

[4] Section 52R sets out the purpose of the IMs, which is to promote certainty for suppliers and consumers in relation to the rules, requirements and processes applying to regulation.

[5] Commerce Commission "Notice of intention: Input methodologies review" (10 June 2015); subsequently amended by Commerce Commission "Amended notice of intention: Input methodologies review" (14 September 2016).

[6] Commerce Commission "Input methodologies review decisions: Introduction and process paper" (20 December 2016).

12. The IMs are an important input to the regulatory regime. But what ultimately delivers benefits to consumers is the application of the IMs through price-quality regulation or information disclosure (**ID**) regulation. The influence on the price and quality of services consumers receive will generally not be evident until the next price setting events. These are in:

    12.1 2017 for gas pipeline businesses (**GPB**s), Christchurch Airport, and Auckland Airport;

    12.2 2019 for Wellington Airport; and

    12.3 2020 for electricity distribution businesses (**EDB**s) and Transpower.

Overview of key findings relating to emerging technology

13. We are very aware of the potential for significant change to arise from the improving capabilities of new technology, new business models, and evolving consumer preferences. Together these offer significant opportunities, especially for consumers.

14. What this changing technology means for regulated suppliers is not currently clear, but it seems that it will blur the boundaries between participants in the electricity market, change the way that electricity networks are used, and create challenges for policy makers and regulatory agencies.

15. We have reviewed our IMs for EDBs and GPBs to test their fitness for purpose in this changing landscape. We consider that the IMs can deal appropriately with foreseeable developments and do not currently consider that major changes to IMs are needed at the present time. The changes that we consider are needed now are explained below.

16. We do not consider that the IMs should discourage suppliers (or others) from exploring opportunities to use new technology and new business models to benefit consumers. We will continue to engage with stakeholders on how the sector is developing to ensure we are ready to make any changes that may be required to IMs in the future.

17. Stakeholders have identified a number of possible concerns with emerging technology. In particular:

    17.1 if enough consumers elect to disconnect from electricity distribution networks, EDBs may not be able to fully recover their historic capital investment (we have termed this 'partial capital recovery'); and

    17.2 EDBs may have a significant competitive advantage in emerging energy-related markets.

18. In our judgement, the available evidence is inconclusive on whether the risk of partial capital recovery for EDBs regulated business has increased, and, if it has, by how much. We consider that partial capital recovery is unlikely to be a significant concern in the short term, but may be an issue over the longer term. The long-term view on how electricity networks might be used in the future has become more uncertain compared to 2010.

19. As a precautionary measure, consistent with our concern about increased uncertainty, we will allow EDBs to apply to recover the cost of assets more quickly by allowing up to a 15% reduction in the average remaining asset lives.

20. This measure has been designed so the total cost to consumers does not increase in net present value terms over the life of the assets, while reducing the possible need for subsequent ‘regulatory catch-up’ (ie, the need to shorten asset lives in future by a greater amount than if we take this precautionary measure now) resulting in price shocks in the future. We consider it should give suppliers confidence to invest in the face of emerging developments.

21. Our review of emerging technologies has highlighted concerns from some stakeholders (mainly energy retailers and the Electricity Authority) that EDBs may have a significant competitive advantage in emerging energy markets. Their key concern is that EDBs’ status as regulated monopoly providers may give them an undue competitive advantage in, or otherwise distort, competitive emerging energy-related markets (either existing or new), and that our cost allocation rules would not adequately deal with this.

22. The cost allocation IM is intended to ensure that consumers of regulated services benefit over time from any efficiency gains achieved by EDBs supplying regulated and unregulated services together. We consider the cost allocation IM is largely fit for purpose except that we have decided to remove the avoidable cost allocation methodology (**ACAM**) as a stand-alone option from the cost allocation IM for EDBs and GPBs. The potential benefits from sharing efficiency gains are just as relevant for any regulated and unregulated service. Therefore, our decision to remove ACAM applies to all regulated EDBs and GPBs, and makes no distinction in respect of certain types of unregulated services.[7]

[7] Under the cost allocation IMs for airports and Transpower, ACAM is not an available option.

23. This decision will ensure that consumers are not permanently precluded from sharing in efficiency gains from suppliers providing regulated and unregulated services together, consistent with s 52A(1)(b) and (c). We consider the additional benefits to consumers, from sharing in those efficiency gains over the long term, are likely to exceed any one-off or short-term costs incurred by suppliers in changing from ACAM to the other cost allocation options of:

    23.1 the accounting-based allocation approach (**ABAA**); or

    23.2 the optional variation to the accounting-based allocation approach (**OVABAA**).

24. The legislation requires us to ensure that our cost allocation rules do not unduly deter investment by EDBs in unregulated markets. We note that matters of industry structure raised by some stakeholders and the Electricity Authority may be more appropriately handled by policy makers than through adjustments to the IMs.

Overview of key findings relating to cost of capital

25. We have reviewed our cost of capital IM and consider it remains broadly fit for purpose. Our review included:

    25.1 reviewing key parameter estimates such as the tax-adjusted market risk premium (**TAMRP**);

    25.2 updating our estimates of beta and leverage to reflect more up-to-date information of the observed beta and leverage for comparable companies;

    25.3 considering whether any adjustment to beta is required in light of our changes to the form of control for EDBs (see paragraphs 40 to 42 below);

    25.4 re-examining the case for a trailing average cost of debt in response to the substantive stakeholder submissions on this;

    25.5 examining a proposal by Major Electricity Users' Group (**MEUG**) for a cross-check with the Black's Simple Discounting Rule (**BSDR**); and

    25.6 examining the issues raised by the High Court (ie, alternative models, split cost of capital, and the term credit spread differential (**TCSD**)).[8]

26. We have adopted an asset beta of 0.35 for EDBs and Transpower, and 0.40 for GPBs.

27. These asset beta estimates have been updated using more recent data. We estimate that the average unadjusted asset beta for the electricity and gas businesses is 0.35 (a 0.01 increase from our 2010 estimate, reflecting updated comparator sample analysis, including corrections since the draft decision). This estimate is based on a sample of 71 overseas electricity and gas companies and Vector.

8 *Wellington International Airport Ltd & others v Commerce Commission* [2013] NZHC 3289.

28. We have also reviewed the uplift to asset beta that we apply for GPBs, given questions raised as to its appropriateness. We consider that based on the available evidence, reducing the uplift from 0.10 to 0.05 would improve our asset beta and WACC estimates for gas businesses, better promoting the long-term benefit of consumers.

29. We already recognise the possibility of estimation error through our estimate of the standard error of the WACC, and use of the 67th percentile when setting price-quality paths. We consider that also applying a 0.10 uplift to the asset beta for GPBs largely based on precedent, without other robust supporting evidence, would be likely to over-compensate suppliers of gas pipeline services.

30. We considered the following evidence in reaching our decision to reduce the asset beta uplift for GPBs. We consider that, individually, these factors are insufficient to support an uplift, but when combined justify an upwards adjustment of 0.05 (but not the 0.10 we applied previously).

    30.1 Gas has a higher income elasticity of demand than electricity. Although higher income elasticity of demand typically is expected to lead to a higher asset beta, we consider that regulation is likely to dampen this effect. We also consider that there is no robust evidence regarding the materiality of differences in income elasticity on asset beta.

    30.2 Gas penetration is relatively low in New Zealand compared to other countries included in our comparator sample. This potentially increases the exposure of GPBs to systematic risk associated with economic network stranding (relative to EDBs/Transpower), and suggests that greater growth options will exist (although the value of these growth options will be significantly limited by regulation).

31. We also note that analysis of the comparator sample data supports a gas asset beta uplift over the most recent ten years (2006-2016), but not for the previous ten years (1996-2006).

32. In our view, there is no robust empirical evidence to support making an adjustment to the asset beta based on the form of control. Although, in principle, regulatory differences could potentially have an effect on asset beta, we consider there is insufficient evidence to make an adjustment.

33. Our asset beta estimate for airports remains at 0.60.[9] This reflects the continued application of a 0.05 downwards adjustment to the average asset beta of the comparator sample to reflect the lower risk of the regulated airport activities.

[9] Our draft decision was to adopt an asset beta of 0.58 for airports.

34. We have also introduced an historic averaging approach for the debt premium. The risk-free rate will continue to be estimated using the prevailing rate, but will now use a three-month determination window. However, the debt premium will be estimated using a five-year historical average.

35. Other changes to the cost of capital IM include:

35.1 removing the separate WACC for CPPs so we do not disincentivise CPPs where they are in the long-term benefit of consumers;

35.2 making minor changes to some aspects of the cost of debt, including simplifying the TCSD, to reduce complexity in light of experience and new information;

35.3 amending estimates of leverage slightly, taking into consideration changes in leverage for comparable companies; and

35.4 reducing the allowance for debt issuance costs within the cost of debt from 0.35% to 0.20%.

36. We also considered proposals regarding the use of a trailing average cost of debt, split cost of capital and BSDR, but have not made any changes in response, other than moving to a five-year historic average for the debt premium.

36.1 The High Court (in its judgment on the merits appeal of the original IMs) outlined that it expected us to consider a split cost of capital approach, whereby a higher WACC is applied to new investment, given its scepticism about the original IMs using a WACC substantially higher than the mid-point (ie, the 75th percentile). Submissions on the split cost of capital approach have not changed our view that there is unlikely to be any long-term benefit to consumers from introducing a split cost of capital.

36.2 We consider that BSDR is an intuitively appealing way of assessing the appropriate rate of return for a regulated business. However, there are a number of challenges that would need to be overcome before we could use it to provide material benefits in our regulatory regime. As a result, we will not use BSDR as a cross-check on the WACC until some of the identified issues have been resolved.

37. We also undertook reasonableness checks, to test whether the revised IMs will produce commercially realistic estimates of the cost of capital. Based on the analysis we have undertaken, we consider that our WACC estimates based on the amended cost of capital IMs are reasonable.[10] In particular:

    37.1 Our 67th percentile post-tax WACC estimate for EDBs and Transpower of 5.37% is within the range of independent post-tax WACC estimates for regulated energy businesses in New Zealand. This is similar to regulatory WACC estimates from Australia and above regulatory WACC estimates from the UK (after normalising for differences in risk-free rates).[11]

    37.2 Although limited evidence is available to test the reasonableness of our 67th percentile post-tax WACC estimate for GPBs of 5.76%, the observed RAB multiples for the recent sales of Vector and Maui's gas businesses to First State Funds suggest that the current regulatory settings are more than sufficient to compensate investors for putting their capital at risk (even after allowing for the expected impact of reducing the asset beta for GPBs).

    37.3 Our mid-point post-tax WACC for airports of 6.29% is within the range of alternative New Zealand sourced post-tax WACC estimates for airports, and within the range of overseas WACC estimates from the UK and Ireland (after normalising for differences in risk-free rates).

Overview of key findings for electricity line services

Our key findings for EDBs

38. We have made a number of improvements to the way we set default price-quality paths (**DPP**s), we have expanded the range of circumstances in which we can reopen price-quality paths, and we have reduced the cost and complexity of the CPP process. These changes are intended to ensure that the DPP/CPP regime as a whole for EDBs delivers greater long-term benefits to consumers.

39. For EDBs, we have made changes to the detailed CPP proposal requirements in the IMs to reduce complexity and compliance costs and improve effectiveness, such as:

    39.1 removing the separate WACC for CPPs so we do not disincentivise CPPs where they are in the long-term benefit of consumers, as mentioned above;

    39.2 removing the quality-only CPP and instead providing for a quality reopener in the DPP;

[10] Our WACC estimates referred to in this paragraph were calculated using a risk-free rate of 2.60%, estimated as at 1 April 2016.

[11] Our reasonableness checks analysis focusses on the 67th percentile WACC estimates for EDBs, Transpower and GPBs, given that this is the percentile used for price-quality path regulation of these businesses. However, we note that our mid-point post-tax WACC estimates of 4.92% and 5.30% respectively, are also within the range of comparative information considered.

39.3 introducing greater flexibility in the CPP information and verifier requirements (eg, provision for the verifier to select the number of projects it is required to assess);

39.4 better aligning information requirements for a CPP to information already disclosed under ID;

39.5 clarifying expectations around consumer consultation (eg, require CPP applicants to notify consumers of the price and quality impact of key alternative investment options in their CPP proposal); and

39.6 clarifying the role and purpose of the verifier.

40. The next price-quality path that we set for EDBs will be regulated under a 'pure' revenue cap (a revenue cap that does not use lagged quantities) rather than a weighted average price cap (**WAPC**). This will remove:

40.1 the quantity forecasting risk, which may create disincentives to efficient expenditure;

40.2 potential disincentives on EDBs to shift to more efficient pricing, resulting from the current WAPC and associated compliance requirements; and

40.3 potential disincentives on EDBs to pursue energy efficiency and demand-side management initiatives.[12]

41. Both we and the Electricity Authority consider that there are significant long-term benefits to consumers from reforming the pricing of the services that EDBs deliver. Given the Electricity Authority's responsibility for EDB pricing, the IMs do not contain specific requirements relating to pricing.

42. However, our change to the form of control for EDBs was adopted partly because we consider this may remove a potential barrier to EDBs reforming their tariffs.

43. There were other areas where, having considered proposals suggested by stakeholders or raised in our emerging views papers, we have decided against making a change, such as:

43.1 introducing a DPP reopener for constant price revenue growth (**CPRG**), where the supplier is on a WAPC;

43.2 introducing a DPP reopener for contingent projects, or other adjustments to a supplier's capital expenditure (**capex**) forecasts (we consider a CPP remains appropriate for significant increases in capex above previous levels);

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12 For this reason we consider that moving EDBs from a weighted average price cap to a revenue cap will help to better promote s 54Q of the Act.

43.3 allowing expenditure, above what is allowed for in a DPP, incurred prior to the submission of a CPP to be recovered; and

43.4 amending the quality-standard or change event reopeners to apply in the current regulatory period, which would allow us to reopen the DPP for all EDBs to account for changes to the industry's health and safety policy.[13]

Our key findings for Transpower

44. We have not made significant changes to the IMs for Transpower.[14]

45. In our draft decision we suggested the possible introduction of a mechanism to protect Transpower and its consumers from inflation risk. However, following further consideration and submissions from stakeholders, we consider that the benefits are not sufficiently large to justify the costs of introducing this type of mechanism.

Overview of key findings for gas pipeline services

46. One factor influencing our decision to undertake the current statutory review of the IMs at this time was to allow any IM changes to be implemented as part of the 2017 gas DPP reset. Accordingly, the processes of reviewing the IMs and resetting the DPPs for GPBs have been running in parallel. In February 2017, we expect to publish our draft decisions on the 2017 gas DPP reset which will take into account these IM review decisions.

47. We have adopted a 'pure' revenue cap for gas transmission businesses (**GTB**s), which will adjust for previous under- or over- recovery of revenue. We consider that changing from a lagged revenue cap to a pure revenue cap will:

47.1 avoid any windfall gains and losses due to the lagging mechanism; and

47.2 remove compliance barriers for GTBs to offer more innovative tariffs, and in particular it should allow for capacity auction-based pricing to be more readily introduced.

48. We have maintained the WAPC for gas distribution businesses (**GDB**s). Our reasons for maintaining a WAPC for GDBs while moving EDBs to a revenue cap are:

48.1 the WAPC provides incentives for GDBs to pursue new gas connections and we consider this to be a more important factor for GDBs than EDBs;

48.2 unlike for EDBs, we do not have significant concerns about continuing to use CPRG forecasting for GDBs; and

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[13] We consider that s 53ZB of the Act prevents any amendments made to re-opener provisions from taking effect during the current regulatory period.

[14] As noted above, our review of the Transpower IRIS IM is ongoing and the Transpower Capex IM is outside the scope of the current IM review. We expect to reach a draft decision on whether changes to the Transpower IRIS IM are required in Q1 2017, and a final decision in Q2: Commerce Commission "Input methodologies review decisions: Introduction and process paper" (20 December 2016).

48.3 unlike for EDBs, we do not consider the WAPC creates the same level of concern about tariff restructuring or efficient pricing for GDBs (eg, GDBs have the ability to store gas through the line pack of distribution networks, meaning that introducing peak charging signals is less valuable for gas than for electricity. We also consider that it is unlikely that GDBs might restructure tariffs to the same extent that EDBs may want to).

49. Regarding the CPP requirements for gas, we have made some changes to improve the roles of the independent verifier and auditor, and to clarify our consumer consultation expectations.[15] However, as noted above, we have not yet completed our review of the CPP information requirements for GPBs. While we consider that there are areas of the CPP information requirements for GPBs that could be improved, at this stage we consider that we will be in a better position to determine specific amendments after we have set the DPP for gas pipeline services by 31 May 2017.

50. We continue to consider that a CPP is the appropriate tool for addressing major, one-off, capital investments, such as that proposed for the realignment of the transmission network at White Cliffs.

51. We have decided not to implement an IRIS for opex or capex for GTBs or GDBs under a DPP, and we have removed the existing opex IRIS applying to CPPs in relation to GPBs. We consider that the benefits from implementing a capex and opex IRIS for gas pipeline services are unlikely to outweigh the costs at this time.

Overview of key findings for regulated airports

52. We have made a number of changes to the disclosure requirements and associated IMs for airports that will improve the transparency and timeliness of the information disclosed about airport charging.

53. These changes will apply for the next airport price setting events, which will be in 2017 for Auckland and Christchurch Airports and 2019 for Wellington Airport.

54. We have made changes to disclosure requirements and associated IMs to help improve stakeholder understanding of the profitability being targeted by major international airports at periodic price setting events.

55. When airports release information following a price setting event, we now require that they disclose a forward-looking profitability indicator (for the regulated assets, and for the pricing asset base). We have set a number of requirements to operationalise this decision.

[15] These changes were made because these aspects of the CPP process are equally applicable to EDBs and GPBs.

56. The disclosure of an airport's pricing intentions in the manner we have specified reveals the airport's target profitability which was not previously made clear. It will also expedite our own analysis of disclosed information. Requiring airports to disclose such an indicator may influence them to set prices that do not target excessive profits.

57. We have also made changes to provide airports greater flexibility to disclose information in a way that best reflects their pricing approach. This includes:

    57.1 allowing airports to disclose land revaluation information on the basis of an un-indexed approach, which is Auckland Airport's current approach; and

    57.2 allowing airports to apply either a CPI-indexation or an un-indexed approach to parts of the asset base separately.

58. We now require that airports disclose additional information to facilitate stakeholder understanding. For example, we require airports to disclose additional information:

    58.1 when they adopt a non-standard approach to depreciation (eg, as happened when Christchurch Airport changed its depreciation to reflect the forecast utilisation of existing assets in its proposed depreciation profile); and

    58.2 explaining how any revaluation gains/losses will be treated in the next pricing period.

59. We will no longer publish the 25^{th} and 75^{th} percentile of our WACC estimate. Instead we will publish our mid-point estimate of WACC along with an estimate of the standard error.

60. Airports are free to set their own WACC and target return. However, we now require them to explain why their target return differs from their WACC estimate, and to explain and provide evidence why their WACC estimate should differ from our WACC estimate to the extent it does.

61. We have also decided to adopt a pragmatic approach to establishing regulatory values for land as at 2010 (as required by the High Court) through interpolation of previously disclosed values. In order to reduce complexity and compliance costs, we allow airports to set the initial RAB value of land using a pragmatic proxy of land as at 2010 by interpolating existing 2009 and 2011 market value alternative use (**MVAU**) land valuations.

62. These changes, in combination with amendments we have made to the Airports ID Determination, are intended to:

    62.1 ensure stakeholders have access to the information they require about the airport's target returns; and

    62.2 increase the likelihood that airports will provide additional information to assess whether those target returns are acceptable.

Our decisions package

63. Our decisions package comprises a number of papers, which are listed in the associated documents page at the beginning of this paper.

64. This paper provides a summary of our key findings. Alongside this paper, we have also published the papers listed below.

    64.1 An introduction and process paper, which describes the IM review process and explains the structure of the package of decisions papers.

    64.2 A framework paper, which describes the decision-making framework and key economic principles we applied in reaching our decisions.

    64.3 Six topic papers which, for each of the key topics for the review,[16] explain the problems we have identified and our solutions for addressing those problems. Each topic paper begins with an executive summary, which includes a table summarising the changes in that topic area.

    64.4 The Report on the IM review, which records our decisions on whether and how to change the IMs as a result of the IM review, and explains when the IM changes come into effect. Our IM review decisions, as presented in the Report on the IM review, reflect both our findings in the key topic areas and the findings of our wider effectiveness review of the IMs.[17]

    64.5 IM (and airports ID) amendment determinations, which give effect to our decisions on the IM review.

[16] Except for the related party transactions topic; as noted at paragraph 10, our review of the related party transactions provisions is ongoing.

[17] Our effectiveness review is explained in the Introduction and process paper.