EXECUTIVE SUMMARY

1. Introduction

This is the fourth annual disclosure by Christchurch International Airport Limited ("CIAL") under Part 4 of the Commerce Act. The disclosure report is for the year ending 30 June 2014 ("2014 Disclosure"). This executive summary gives an overview of the information the 2014 Disclosure provides on the performance of the company for this period.

Our current aeronautical charges came into effect on 1 December 2012. These charges are based on a long-term levelised price path. This is the most efficient pricing approach to recovering the very large investment we made in our new Integrated Terminal. Large infrastructure investments like our Integrated Terminal must be recovered over several pricing cycles, and a long-term price path is an efficient way to do that.

We reported on these prices in two earlier disclosures (the 2012 Price Setting Event disclosure and our annual disclosure for the year ended 30 June 2013). After feedback from the Commerce Commission that greater transparency of returns was needed, which we accept, CIAL committed to addressing the Commission's transparency concerns.

As a result, we sought expert advice on how to report on our long-term levelised prices in a way that makes transparent the return of our investment over the pricing period and for each year of the pricing period. A report on the appropriate methodology was prepared by Incenta Economic Consulting (Incenta) and can be found on our website at www.christchurchairport.co.nz/en/about-us/corporate-information/regulatory-disclosures.
The key element of our revised disclosure methodology is a change from using a standard straight line depreciation method, to using a method that calculates the depreciation implied by the long-run price path. We have also adopted a post-tax approach.

We have used this methodology in preparing the 2014 Disclosure. We have also re-issued the two previous disclosures relating to our current aeronautical charges using the methodology advised by Incenta. These re-issued disclosures are available on our website at www.christchurchairport.co.nz/en/about-us/corporate-information/regulatory-disclosures.

This 2014 Disclosure should be compared to the re-issued disclosures (the Price Setting Event disclosure for the period to 30 June 2017 and the annual disclosure for the year ended 30 June 2013) to get a picture of the performance of CIAL's regulated activities over time.

2. Information provided in this disclosure

The disclosure regime under Part 4 of the Commerce Act requires us to make a significant amount of detailed information available to our stakeholders on an annual basis. In overview, the disclosure report contains the following financial information and quality and statistical information:

Financial information

In this disclosure report we report on:

- Our asset base and how it is rolled forward during the year (e.g. depreciation, additions, disposals, revaluations);
- A detailed break-down of our expenditure and how it compares to our price reset forecasts;

- A break-down of our revenue across regulated and unregulated activities;
- A summary of the allocation methodology used to allocate assets and costs to regulated activities;
- A reconciliation to our published financial statements; and
- A detailed analysis of our regulatory profit and return on investment.

Quality, innovation and service performance information

The provision of quality, innovation and service performance information has been a major change under the new information disclosure regulation. Such information includes:

- Reliability measures across the range of airfield and terminal activities;
- Capacity utilisation indicators for specified airfield, aircraft and freight and terminal activities;
- Passenger satisfaction and perception of customer experience;
- Operational Improvements, stakeholder forums and innovation activities and outcomes;
- Initiatives implemented to improve the service experience for all users of Christchurch airport and to improve the cost efficiency of business operations and asset investment programmes; and
- Statistical analysis of aircraft and passenger movements and pricing efficiency outcomes.

This increased level of transparency for both our financial and non-financial performance is designed to increase the pressure on CIAL to maintain good performance across all facets of its operations. CIAL is comfortable with that regulatory objective. We are committed to operating an airport that provides high quality, innovative, safe and efficient services for an appropriate price, and we welcome the additional scrutiny knowing it will help us perform to the highest standard.

These disclosures may prompt questions from our customers or other stakeholders, and we welcome your enquiries. Our objective is to ensure that all of our stakeholders have a good understanding of all facets of our operations, the market we operate in and our long-term objectives.

3. What does this 2014 Disclosure show?

Information disclosure has a purpose. It allows our stakeholders to assess our financial and non-financial performance at a point in time and, more informatively, it allows our stakeholders to build up a picture of our performance over time.

This is our fourth annual disclosure. In the following sections we discuss what can readers take from the picture it presents, both on a stand-alone basis and when read with our previous annual disclosures and our 2012 price setting event disclosure.

3.1 Financial information

Impact of our price reset

Our new aeronautical charges took effect on 1 December 2012, part way through the 2013 disclosure year. This 2014 Disclosure is the first full year under our new aeronautical charges.

The new aeronautical charges were described in detail in our price setting event disclosure report (dated 19 December 2012). Our prices are based on a transition up to the long-run levelised price level by June 2017. The overall impact is a significant price increase (reflecting both the fact that our previous prices were low and the need to recover the major investment in the new Integrated Terminal).

However in practice the value impact of the price increase has been countered by the shortfall in actual demand compared to that forecast, as discussed below.

Impact of market conditions

In setting the new aeronautical charges in 2012 it was necessary for CIAL to make a number of judgements including, importantly, the forecast demand for the pricing period through to June 2017. The forecast demand is an important factor in converting the estimated required revenue into unit prices. In developing our demand forecast it was necessary for CIAL to consider:

- The impacts of the Canterbury earthquakes and the uncertainties they created for international leisure travel;
- The likely extent and timing of the Christchurch rebuild programme and how long it would take before critical infrastructure, particularly hotel accommodation, was available; and
- The reduced passenger demands post-earthquakes have seen a reduction in airline capacity and services to the South Island.

In addition, an assessment was made of the likely profile of aircraft movements and the mix between jet and turboprop aircraft. This assessment of aircraft movements and aircraft mix then drives the forecast of the capacity of seats that would likely fly into and out of Christchurch, together with the volume of MCTOW in aircraft weight that would be utilising the airfield services.

The market experience has been quite different to that forecast in the pricing consultation in that:

- recovery of passenger movements and aircraft capacity servicing Christchurch post-earthquakes is taking longer than originally forecast;
- the mix of aircraft between turboprop and jet has been quite different to that forecast. Air New Zealand has used a higher proportion of turboprop aircraft compared with jet aircraft to that originally forecast for the domestic markets; and
- airlines have been achieving improved load factors, thereby reducing the number of aircraft movements compared to that forecast.

The combination of all these factors has resulted in CIAL not recovering its forecast revenue for the first 19 months of the current pricing period (i.e. the period from the price reset in 1 December 2012 to 30 June 2014).

The following table compares the revenue forecast we made when setting our 1 December 2012 prices with the actual revenue based on actual aircraft movements that have eventuated.

Revenue Gap Analysis - Dec-2012 to June 2014 - Including PSC

Type	Aircraft Type	2013	2014	Grand Total
Pricing Forecast	Dom Jet Total	13.2	26.1	39.3
	Dom Turbo Prop Total	4.5	8.5	13.0
	Int Jet Total	15.1	27.7	42.8
Pricing Total		32.8	62.3	95.1
Actual Results	Dom Jet Total	11.5	22.6	34.1
	Dom Turbo Prop Total	4.0	7.6	11.7
	Int Jet Total	13.9	25.8	39.6
FY14 Results Total		29.4	56.0	85.4
Revenue Gap	Dom Jet Total	-1.7	-3.5	-5.2
	Dom Turbo Prop Total	-.5	-.9	-1.4
	Int Jet Total	-1.2	-1.9	-3.1
Revenue Gap Total		-3.4	-6.3	-9.7

A more detailed analysis of the demand variances is included in Schedule 16. For the first 19 months of the current pricing period the negative variance to that forecast when setting prices (including the lower Passenger Service Charges revenue from lower international passenger volumes), has remained relatively consistent at approximately 10% less than forecast.

Looking forward, airlines are adding capacity into Christchurch during the 2014/15 year. We expect a 392,000, or 5.5%, seat increase in the year to 30 June 2015. The bulk of these additional seats will be on domestic services, and about 80,000 seats will come from international destinations, including Asia.

Operating efficiency

CIAL is continually seeking to improve its operating efficiency. We are very aware that our investment in the new Integrated Terminal, while an efficient investment decision and somewhat overdue, nevertheless has resulted in our customers facing increasing charges. We need to show that we are operating the new facility efficiently, and are conscious that our operational performance will be transparent under the information disclosure regime.

Accordingly this is a particular area of focus for CIAL. It is a specific area of attention in the current planning process to maximise the productivity and operating cost of our new infrastructure.

A number of initiatives have been progressed over the 2014 year designed to improve service performance and ensure a safe and secure operating environment is maintained. These are detailed in schedule 15 of this disclosure report. In progressing these initiatives, CIAL has actively consulted with customers and/or border agencies on a regular basis.

Efficiency initiatives have included:

- ***Improve airport operations*** – these have included the introduction of signage in support of airline carry-on luggage restrictions, together with the facilitation of changes to the opening times for the international departure process, to better align with the airline check-in operations. Improvements in operating procedures to introduce foreign language information to existing security screens and to facilitate easier access by check-in and gate staff to the FIDS system have also been examples of such improvements.

- ***Improvements in safety*** –maintaining a safe and secure airport environment is a critical objective for CIAL. Initiatives progressed during the year include a significant investment in the training of stakeholder users of compactors together with the introduction of new signage on the apron in relation to the use of electronic devices. CIAL has also provided a new purpose built, state-of-the-art Emergency Operations Centre facility to improve the management and co-ordination of airport related emergencies.

Annual disclosure reports under the new information disclosure regime require us to report our actual operational expenditure for the current disclosure year against that forecast for that year back in 2012. This provides our stakeholders with a measure of our efficiency, and prompts more informed discussions about what is causing departures from our forecasts made in 2012.

In this 2014 Disclosure we discuss our operating expenditure variances in Schedule 6. As explained in Schedule 6 the operating costs for both the current 2014 Disclosure and the period to date are above that forecast when setting prices. In summary the key causes are:

- Promotions and incentives to specific airlines or route destinations that were excluded from the forecast used for pricing after consultation with our airline customers;

- Insurance and rates were greater than we forecast;

- Other costs including maintenance, cleaning, aviation security and personnel costs that have been higher than forecast and to some degree reflect the difficulty of forecasting operating costs for a significantly larger and different terminal;

- A difference in approach for how a lease termination cost should be recovered; annual disclosure requirements treat this as an operating cost whereas our pricing forecasts treated it as an asset addition to be amortised over the residual lease term.

The general picture that emerges from this disclosure is CIAL gaining operating experience with the new terminal and investing in future growth. This fairly reflects our priorities. Going forward we will continue to target improved operating efficiencies and growth, and we expect our further information disclosure reports to make transparent to our stakeholders our investments in those areas.

Capital expenditure

When consulting on and setting our aeronautical charges in 2012, we consulted on the capital expenditure we had planned for the period to June 2017. Changes were made to our planned capital expenditure during the consultation process, and the finalised capital expenditure plan is presented in our price setting event disclosure report (dated 19 December 2012).

Annual disclosure reports are an opportunity to report on how our planned capital investments are progressing. We discuss our activities this year in Schedule 6.

In aggregate we have spent $1.95m less than we forecast (-16%) for 2014. We spent $1.21m (-18%) less than we forecast in the area of airfield pavement maintenance works, after a specific review of maintenance this year. We also deferred the removal of Regional Stands and Hangar 4 in response to the longer than expected use of this facility by Air New Zealand. This removal expenditure is now expected to be incurred in a later period once Air New Zealand's need for the facility has ceased. The only area in 2014 where we have invested more capital than we forecast was in the completion of the terminal and this is merely a timing difference.

We believe this shows that CIAL is investing efficiently and only incurs expenditure where required, while at the same time responding to the changing needs of our airline customers. There will always be a variation between actual and forecast expenditure and the new information disclosure regime will ensure that such variations are transparent.

Earnings performance

The impact of the slower than anticipated recovery post the Canterbury earthquakes together with the increase in assets values and operating costs, following the commissioning of the new terminal, continues to have an impact on CIAL's returns for the financial year ending 30 June 2014. The regulatory earnings performance post tax was $13.497 million, resulting in a 2.76% return on Regulatory Investment Value (compared with the Commerce Commission post-tax benchmark range of 5.79% to 7.75%).

The following table outlines the trend of performance for the periods 2011 to 2014:

	$'000			
Item	**2011**	**2012**	**2013**	**2014**
Regulatory Profit	18,884	7,517	7,213	14,591
Adjusted Regulatory Profit	17,873	6,385	6,247	13,497
Regulatory Investment value	315,328	404,058	428,960	489,229
ROI - comparable to post tax WACC	***5.67%***	***1.58%***	***1.46%***	***2.76%***
Post Tax WACC *1	*8.06%*	*7.56%*	*6.49%*	*6.77%*

*1 this is the Commission's post tax mid-point benchmark WACC

This identifies that the return of regulatory profit on regulatory investment value has reduced from 5.67% in 2011 to 2.76% in 2014. These rates of return are significantly below the Commerce Commission post-tax WACC benchmark used to monitor performance, and reflect the extended risk CIAL has been exposed to post the Canterbury earthquakes in 2010/11.

This table demonstrates the utility of information disclosure accounts as they reveal trend information over time. Differences and trends revealed by the information disclosure accounts will demand an explanation by reference to the market the airport is operating in. CIAL views this as a healthy addition to the wider governance of airports.

3.2 Quality and statistics

The quality of our services

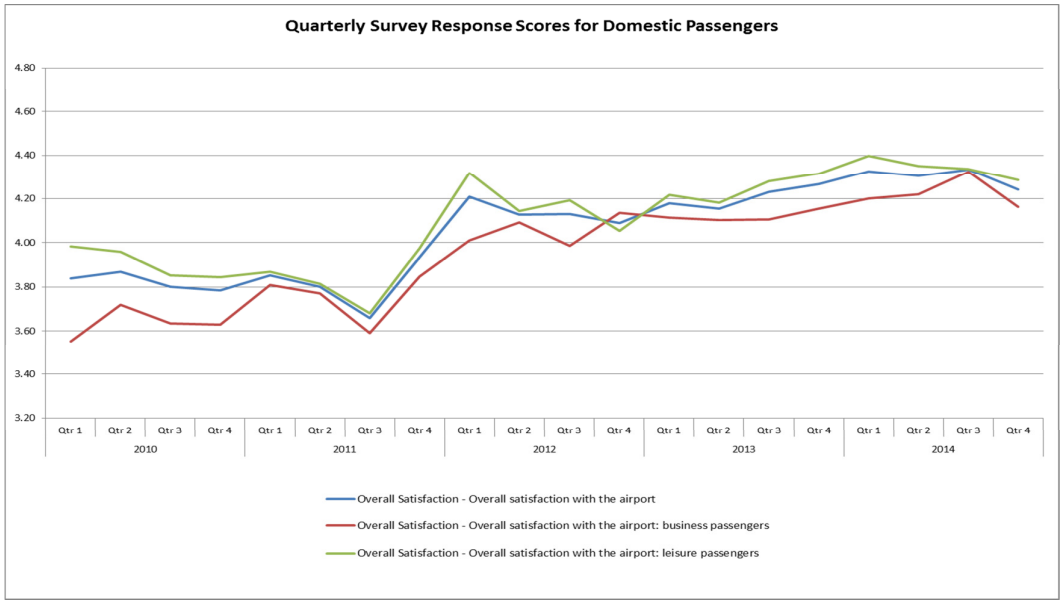
Passenger satisfaction levels at CIAL continue to be high, and the feedback from CIAL's customers is that the quality of CIAL's services meets their demands and CIAL appropriately facilitates service improvements by its customers.

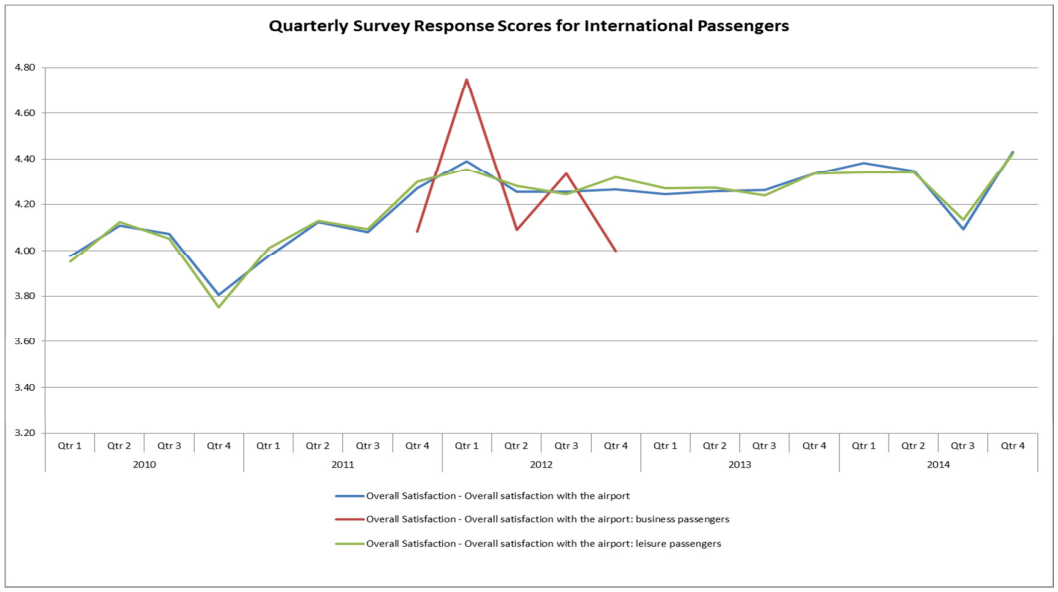
We remain pleased with this feedback. Excellence in customer service delivery is an imperative for CIAL. To this end the ethos of "one team best airport" has continued to be implemented and expanded across the Christchurch airport campus. This is designed to provide a focus on the customer experience and how all parties on the airport can contribute to this outcome.

Many instances of great passenger experience has been communicated to CIAL and these are regularly published to all staff across the campus - including CIAL, our airline customers and border agencies, through a number of avenues, including Airport Voice and the 2014 Annual Report, both of which are designed to share an integrated message of the total airport and its many contributors. Positive comments continue to be made by many parties, including the airlines, on the benefits this approach is providing to customer service being provided at Christchurch airport.

Another source of information on service quality is the ASQ customer satisfaction surveys. CIAL has, post the commissioning of the new integrated terminal, been at the forefront of service performance for airports throughout Australasia. The survey data detailed in Schedule 14 demonstrates a continuing high level of passenger satisfaction for both the domestic and international terminal.

The following charts demonstrate the trends in passenger satisfaction over the past 5 years.





- Whilst the level of passenger satisfaction remains high overall for domestic passengers, a slight decrease in survey results has been noted for domestic passengers in the fourth quarter of 2014. This decrease in satisfaction was in a number of areas as highlighted in Schedule 14.

- Given this, CIAL is now placing particular focus on ways of improving the customer experience for domestic passengers in areas where our survey response scores have deteriorated in recent periods. Current customer experience initiatives include the trial of an alternate exit from the domestic Jet departure lounge in support of reduction in travel time for some regional passengers, continued upgrade of seating, the replacement of carpet and on-going upgrading of washrooms.

- When reviewing the response scores for international passengers, it should be noted that there is limited survey data for international business passengers. Wherever there are less than 10 respondents then the ASQ does not average them and leaves them blank as they are statistically weak. Notwithstanding this, overall satisfaction rates amongst our international passengers improved significantly in the fourth quarter of 2014.

We know from experience that in the drive to maintain and improve quality standards, information matters. It is a truism that we manage what we measure. For that reason, CIAL embraces the new reporting of quality measures in the information disclosure regime.

In this 2014 Disclosure we continue with our annual reporting of reliability, capacity utilisation and passenger satisfaction statistics (including statistics on time departure delay, as provided by our airline customers). Considering the trend in measures over the last year, this identifies that:

- Reliability continues to trend positively, including on time departure performance;
- Utilisation remains appropriate; and
- Passenger satisfaction continues to rate highly.

Innovation

The Commerce Commission and our airline customers have confirmed that CIAL has innovated appropriately in the past and continues to innovate appropriately, and that CIAL is also receptive to airline-led innovation.

Similar to our attitude to quality, discussed above, we are pleased with this feedback. This year CIAL has continued its emphasis on improving the airport experience and efficiencies in operations.

Particular initiatives that have occurred during this disclosure year to improve performance have included the facilitation of changes to the opening times for the international departure process to better align with airline check-in operations, the facilitation of easier access for check-in and gate staff to operate FIDS, and the trial of an alternate exit from the domestic Jet departure lounge in support of reduction in travel time for some regional passengers. These are disclosed in Schedule 15.

Again, we believe that information will fuel the drive for innovation. This information disclosure report provides us with an opportunity to report on our innovation initiatives, and generate feedback from stakeholders on both our specific activities and our level of innovation from year to year.

Overall comment

It is clear that the new Integrated Terminal has and will continue to deliver an enhanced passenger and airline experience and generate economic benefits not only to Christchurch but also to the South Island as a whole.

In developing and growing services to Christchurch and the South Island our starting point is that we are predominantly a leisure based airport, with a particular focus on passengers travelling to and from Australia, and long haul services to Asian destinations. We will continue to take a lead role in stimulating tourism traffic to Christchurch and the wider South Island.

CIAL is working with its airline customers and other tourism partners to develop new routes and services across the Australian market and also to new long-haul destinations in Asia, particularly China. Our longer-term growth plan is to build from the position reported in this 2014 Disclosure of 5.69 million passengers to 8.5 million passengers annually by 2025. There are no easy fixes. Growth requires significant and at times lengthy investment with our tourism partners, but the goal is and must be achieved to the benefit of all stakeholders.

Tidy cursor position and sheet scaling

Set sheet protection

Remove sheet protection

Specified Airport Services Information Disclosure Requirements
Information Templates
for
Schedules 1–17

Company Name	Christchurch International Airport Ltd
Disclosure Date	30 November 2014
Disclosure Year (year ended)	30 June 2014
Pricing period starting year (year ended) [1]	30 June 2013

[1] *Pricing period starting year of the pricing period in place at the end of the disclosure year. Is used in clause b schedule 6.*

Templates for schedules 1–17 (Annual Disclosure)
Version 2.0. Prepared 25 January 2012

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Disclosure Template Guidelines for Information Entry

Internal consistency check | OK

Templates
The templates contained in this workbook are intended to reflect the specified airport disclosure requirements set out in Schedules 1–17 inclusive and Schedule 23 of Commerce Commission decision 715 (Commerce Act (Specified Airport Services Information Disclosure) Determination 2010).

Data entry cells and calculated cells
Data entered into this workbook may be entered only into the data entry cells. Data entry cells are the bordered, unshaded areas in each template. Under no circumstances should data be entered into the workbook outside a data entry cell.
In some cases, where the information for disclosure is able to be ascertained from disclosures elsewhere in the workbook, such information is disclosed in a calculated cell. Under no circumstances should the formulas in a calculated cell be overwritten. All cells that are not data entry cells may be locked using worksheet protection to ensure they are not overwritten.

Validation settings on data entry cells
To maintain a consistency of format and to guard against errors in data entry, some data entry cells test entries for validity and accept only a limited range of values. For example, entries may be limited to a list of category names or to values between 0% and 100%.

Data entry cells for text entries
Data input cells that display the data validation input message "Short text entry cell" have a maximum text length of 253 characters. Because of page layout constraints, this text length is unlikely to be approached . The amount of text that may be entered in the comment boxes is restricted only by the capacity of the spreadsheet program and page layout constraints. Should a comment box within a template be inadequate to fully present the disclosed comments, comments may be continued outside the template. The comment box must then contain a reference to identify where in the disclosure the comment is continued.
Row widths can be adjusted to increase the viewable size of text entries.
A paragraph feed may be inserted in an entry cell by holding down both the {alt} and the {shift} keys.

Data entry cells that contain conditional formatting
A limited number of data entry cells may change colour or disappear from view in response to data entries (including date entries) made in the workbook. This feature has been implemented to highlight data being entered that is not internally consistent with other data currently entered, and to hide data entry cells for conditionally disclosed information when the determination does not require the data be disclosed.
a) Internal consistency checks
To assist with data entry, the shading of the following data entry cells will change if the cell content becomes inconsistent with data elsewhere in the template:
Schedule 4, cells N110:N118, J30;
Schedule 7, cells K8:K14, K16:K18, K20, K22, K24, K26, K28, K30, K32.
Should such inconsistency be identified, the shading of the internal consistency check cell C4 at the top of the Guidelines worksheet will also change and the check cell will show "Error" instead of "OK".
b) Conditionally disclosed information
The determination allows in some circumstances that data do not need to be disclosed. Accordingly, the following cells are conditionally formatted to disappear from view (the borders are removed and the interior of the cells takes on the colour of the template background) in some circumstances:
Schedule 1, cells F9:F12, F14:F15, F17:F18, G9:G12, G14:G15, G17:G18;
In schedule 1, the column F cells listed above disappear if the determination does not require Part 4 disclosure in respect of year CY – 2 (CY is the current disclosure year). Similarly, the column G cells disappear if disclosure in not required in respect of year CY – 1.

Schedule 6 comparison of actual and forecast expenditures
Clause 6a of schedule 6 compares actual expenditures with expenditures forecast in respect of the most recent price setting event.
The calculated cells G10:G11, G14:G16, G19:G28 determine, from clause 6b, the forecast expenditure for the current disclosure year.
The calculated cells M10:M11, M14:M16, M19:M28 determine, from clause 6b, the forecast expenditure to date.
The formulas in the calculated cells assume that the current disclosure falls within the five year pricing period. Cell C65 notes which of the pricing period years disclosed in clause 6b coincides with the current disclosure year.

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2014**

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

ref *Version 2.0*

($000 unless otherwise specified)

1a: Return on Investment

			CY-2 *	CY-1 *	Current Year CY
	Return on Investment (ROI)	*for year ended*	**30 Jun 12**	**30 Jun 13**	**30 Jun 14**
	Regulatory profit / (loss)		7,517	7,213	14,591
less	Notional interest tax shield		1,131	966	1,093
	Adjusted regulatory profit		6,385	6,247	13,497
	Regulatory investment value		404,058	428,960	489,229
	ROI—comparable to a post tax WACC (%)		1.58%	1.46%	2.76%
	Post tax WACC (%)		7.56%	6.49%	6.77%
	ROI—comparable to a vanilla WACC (%)		1.86%	1.68%	2.98%
	Vanilla WACC (%)		7.86%	6.75%	7.01%

Commentary on Return on Investment

These Disclosure statements have incorporated the value of implied depreciation as contained in the Supplementary Price Reset disclosure to reflect the "return of capital" implicit in the levelised price path. As noted in the Executive Summary we have also reissued our 2013 Annual Disclosure using the same revised methodology. Consequently we have restated the 2013 comparatives to the reissused disclosure amounts to ensure appropriate comparability.

The adjusted regulatory profit (which incorporates the implied depreciation value disclosed in the supplementary PSE2 price reset), is up by $7.252m or 116.1% in comparison to 2013. This results in a return of 2.76% on the Regulatory Investment Value of $489.229m for 2014. This result is well below the Commerce Commission benchmark of 6.77% and above the 2013 return of 1.46%.

Item	2012	2013	2014
		$'000	
Regulatory Profit	$7,517	$7,213	$14,591
Adjusted Regulatory Profit	$6,385	$6,247	$13,497
Regulatory Investment value	$404,058	$428,960	$489,229
ROI – comparable to a post tax WACC	1.58%	1.46%	2.76%
Post tax WACC	7.56%	6.49%	6.77%

There are a number of reasons for this level of return and these are highlighted in the following schedules and explained further in the executive summary preceding these schedules.

When comparing the 2014 return to that achieved in the prior year, the main point to note is that the "implied depreciation" charge was particularly high in 2013, hence reducing the return achieved This relates to the fact that the airfield land assets were revalued for PSE2, with the revaluation amount to be rebated to customers over PSE2. In 2013, a whole year of revaluation rebate was provided over the 7 months for which the new prices were in operation. Hence a much higher rebate per month over that period, and commensurately higher "implied depreciation"

Regulatory Investment Value at $489.229m has increased over 2013 by $60.269m (14.05%). This is primarily due to the completion of the integrated terminal and related airside works (March 2013). These assets had only been included at 25% of full value for the 2013 year, reflecting the part period use. The full value being added to the regulatory Investment value in 2014.

* *Return on Investment disclosure is not required for years ended prior to 2011.*

	Regulated Airport	**Christchurch International Airport Ltd**
	For Year Ended	**30 June 2014**

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)

ref *Version 2.0*

($000 unless otherwise specified)

1b: Notes to the Report

1b(i): Deductible Interest and Interest Tax Shield

RAB value - previous year		484,611
Debt leverage assumption (%)		17%
Cost of debt assumption (%)		4.74%
Notional deductible interest		3,905
Tax rate (%)		28.0%
Notional interest tax shield		1,093

1b(ii): Regulatory Investment Value

Regulatory asset base value - previous year		484,611

	Commissioned Projects	Assets Commissioned—RAB Value ($000)	Proportion of Year Available (%)	Proportionate Regulatory Value
	Terminal Project	2,197	100%	2,197
	Runway Maintenance	5,486	25%	1,372
				–
				–
				–
				–
				–
				–
				–
plus	Other assets commissioned	2,518	50%	1,259
plus	Adjustment for merger, acquisition or sale activity			–
less	Asset disposals	420	50%	210
	RAB investment	9,781		
	RAB proportionate investment			4,618
	Regulatory investment value			489,229

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

Version 2.0

2a: Regulatory Profit

			($000)
Income			
	Airfield Charges	23,033	
	Terminal Charges	7,633	
	Counter Charges	2,184	
	Passenger Service Charges	14,826	
	Lease, rental and concession income	7,853	
	Other operating revenue	1,754	
	Net operating revenue		57,283
	Gains / (losses) on sale of assets	(50)	
	Other income	–	
	Total regulatory income		57,233
Expenses			
	Operational expenditure:		
	Corporate overheads	10,033	
	Asset management and airport operations	19,807	
	Asset maintenance	2,913	
	Total operational expenditure		32,753
Operating surplus / (deficit)			24,480
	Regulatory depreciation		17,587
plus	Indexed revaluation	7,819	
plus	Non-indexed revaluation	–	
	Total revaluations		7,819
Regulatory Profit / (Loss) before tax & allowance for long term credit spread			14,712
less	Allowance for long term credit spread		25
Regulatory Profit / (Loss) before tax			14,687
less	Regulatory tax allowance		96
Regulatory Profit / (Loss)			14,591

Commentary on Regulatory Profit

Item	2012	2013	2014
	$'000		
Total Regulatory Income	$52,726	$52,275	$57,233
Total Operational Expenditure	$28,315	$30,461	$32,753
Regulatory Depreciation	$18,967	$21,138	$17,587
Total Revaluations	$3,739	$6,611	$7,819
Regulatory Tax Allowance	$1,665	$56	$96
Regulatory Profit	$7,517	$7,213	$14,591

- These Disclosure statements have incorporated the value of implied depreciation as contained in the Supplementary Price Reset disclosure to reflect the "return of capital" implicit in the levelised price path. As noted in the Executive Summary we have also reissued our 2013 Annual Disclosure using the same revised methodology. Consequently we have restated the 2013 comparatives to the reissued disclosure amounts to ensure appropriate comparability.
- Regulatory Profit for 2014 was $14.591m
- Net operating revenue from specified airport activities was $57.283m (2013 $52.130m, +9.88%). This included the benefit of a full year of the new aeronautical charges implemented in December 2012 (as compared to only 7 months in 2013). In addition the airport has seen a growth in aircraft movements and passenger numbers in 2014, compared to the prior year (albeit still some way short of what was forecast in the original pricing reset).
- Operating expenses for the period were $32.753m (2013 $30.461m, +7.52%). These have increased due to the inclusion of a full year of ITP operating costs.
- Regulatory depreciation at $17.587m decreased by $3.551m due to a full year of the "Implied Depreciation" methodology being applied for the Airfield and Terminal activities covered by the PSE2 Price reset.
- "Implied Depreciation" was unusually high in 2013 as explained in the commentary to Schedule 1.
- Revaluations for 2014 were $7.819m (2013 $6.661m). This revaluation relates to the annual revaluation of assets (indexed at CPI 1.62%)

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref *Version 2.0*

($000 unless otherwise specified)

2b: Notes to the Report

2b(i): Allowance for Long Term Credit Spread

Schedule 2b(i) is only to be completed if at the end of the disclosure year the weighted average original tenor of the airport's qualifying debt and non-qualifying debt is greater than five years.

Qualifying debt	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value	Term Credit Spread Difference	Execution cost of an interest rate swap	Notional debt issue cost readjustment
Wholesale Bond Issue	6/12/2012	6/12/2012	7.0	5.15%	75,000	113	30.00	(75)
Subordinated Wholesale Bond	18/10/2009	18/10/2009	7.0	–	25,000	38	–	(25)
Wholesale Bond Issue	4/10/2013	4/10/2013	8.0	6.25%	50,000	75	–	(66)
						225	30	(166)

	89
Attribution Rate (%)	28.00%
Allowance for long term credit spread	25

2b(ii): Financial Incentives

		($000)
Pricing incentives	12,569	
Other incentives	753	
Total financial incentives		13,321

2b(iii): Rates and Levy Costs

	($000)
Rates and levy costs	924

2b(iv): Merger and Acquisition Expenses

	($000)
Merger and acquisition expenses	–

Justification for Merger and Acquisition Expenses

There were no merger and acquisition expenses.

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2014**

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref *Version 2.0*

3a: Regulatory Tax Allowance

ref			($000)		($000)
7		Regulatory profit / (loss) before tax			14,687
8					
9	*plus*	Regulatory depreciation	17,587		
10		Other permanent differences—not deductible	40	*	
11		Other temporary adjustments—current period	956	*	
12					18,583
13					
14	*less*	Total revaluations	7,819		
15		Tax depreciation	20,607		
16		Notional deductible interest	3,905		
17		Other permanent differences—non taxable	–	*	
18		Other temporary adjustments—prior period	595	*	
19					32,926
20					
21		Regulatory taxable income (loss)			344
22					
23	*less*	Tax losses used	–		
24		Net taxable income			344
25					
26		Statutory tax rate (%)	28.0%		
27		Regulatory tax allowance			96
28	** Workings to be provided*				

3b: Notes to the Report

3b(i): Disclosure of Permanent Differences and Temporary Adjustments

The Airport Business is to provide descriptions and workings of items recorded in the four "other" categories above (explanatory notes can be provided in a separate note if necessary).

Details of the tax differences are as follows;

- Permanent Differences ($0.04m) represents 50% of entertainment expenses which are not deductible for tax purposes.
- Other Temporary differences - current period consist of personnel accruals that are not deductible in the year they are accrued ($.880m), the cost of uniforms capitalised for tax purposes of ($.064m) and the difference between tax and accounting gain on asset disposal of ($0.012m)
- Other Temporary adjustments - prior period ($0.595m) are the reversal of the previous year's accruals.

3b(ii): Tax Depreciation Roll-Forward

ref			($000)	($000)
45		Opening RAB (Tax Value)	214,252	
46	*plus*	Regulatory tax asset value of additions	9,823	
47	*less*	Regulatory tax asset value of disposals	6,407	
48	*plus*	Regulatory tax asset value of assets transferred from/(to) unregulated asset base	(79)	
49	*less*	Tax depreciation	20,607	
50	*plus*	Other adjustments to the RAB tax value	3,273	
51		Closing RAB (tax value)		200,255

3b(iii): Reconciliation of Tax Losses (Airport Business)

ref			($000)	($000)
54		Tax losses (regulated business)—prior period	–	
55	*plus*	Current year tax losses	–	
56	*less*	Tax losses used	–	
57				
58		Tax losses (regulated business)		–

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

Version 2.0

ref		Unallocated RAB * ($000)	Unallocated RAB * ($000)	RAB ($000)	RAB ($000)
8	**RAB value—previous disclosure year**		554,410		484,611
9	*less*				
10	**Regulatory depreciation**		21,880		17,587
11	*plus*				
12	Indexed revaluations	8,943		7,819	
13	Non-indexed revaluations	–		–	
14	**Total revaluations**		8,943		7,819
15	*plus*				
16	Assets commissioned (other than below)	12,649		10,201	
17	Assets acquired from a regulated supplier	–		–	
18	Assets acquired from a related party	–		–	
19	**Assets commissioned**		12,649		10,201
20	*less*				
21	Asset disposals (other)	405		346	
22	Asset disposals to a regulated supplier	–		–	
23	Asset disposals to a related party	140		75	
24	**Asset disposals**		544		420
25					
26	*plus* **Lost and found assets adjustment**		–		–
27					
28	**Adjustment resulting from cost allocation**				1,202
29					
30	**RAB value** †		553,578		485,826

31 **Commentary**

These Disclosure statements have incorporated the value of implied depreciation as contained in the Supplementary Price Reset disclosure to reflect the "return of capital" implicit in the levelised price path. As noted in the Executive Summary we have also reissued our 2013 Annual Disclosure using the same revised methodology. Consequently we have restated the 2013 comparatives to the reissued disclosure amounts to ensure appropriate comparability.

Assets were revalued using the CPI index of 1.62% which resulted in an increase to the RAB of $7.819m.

Regulatory depreciation has decreased from the prior year, due to a full year of the "Implied Depreciation" methodology being applied. "Implied Depreciation" was unusually high in 2013 as explained in the commentary to Schedule 1.

The Assets commissioned include additions to the terminal and replacement assets for the runway.

The adjustment resulting from cost allocation of ($1.202m) is the result of changes in the allocation of certain assets within the terminal. These assets had previously been only partially allocated to the specified terminal but have now been found to be 100% used in the specified terminal.

** The 'unallocated RAB' is the total value of those assets used wholly or partially to provide specified services without any allowance being made for the allocation of costs to non-specified services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes land held for future use or works under construction.*

† RAB to correspond with the total assets value disclosed in schedule 9 Asset Allocations.

4b: Notes to the Report

4b(i): Regulatory Depreciation

		Unallocated RAB ($000)	RAB ($000)
56	Standard depreciation	3,927	3,323
57	Non-standard depreciation	17,953	14,264
58	**Regulatory depreciation**	21,880	17,587

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD (cont)

ref *Version 2.0*

($000 unless otherwise specified)

4b(ii): Non-Standard Depreciation Disclosure

Non-standard Depreciation Methodology	Depreciation charge for the period (RAB)	Year change made (year ended)	RAB value under 'non-standard' depreciation	RAB value under 'standard' depreciation
Calculation of Depreciation to a method that calculates the depreciation implied by the long-run price path.	14,264	2013	485,826	481,087

4b(iii): Non-Standard Depreciation Disclosure for Year of Change

Summary of Change	Justification for change in depreciation methodology	Extent of customer disagreement and supplier response
Change from using a standard "straight-line" depreciation method, to using a method that calculates the depreciation implied by the long-run price path.	In reporting on the effectiveness of information disclosure regulation in relation to Christchurch Airport, the Commission raised some concerns about the transparency of how we reported in our disclosures. To address the Commission's transparency concerns, we have committed to using the revised methodology for the remainder of PSE2.	CIAL has sought expert advice from Incenta Economic Consulting (Incenta) to advise on a methodology that responded to the Commission's transparency concerns. A report on the appropriate methodology was prepared by Incenta. A copy of that report has been provided to our stakeholders together with a workshop being held. Feedback was received from our key customers (including a report from their expert advisor, Covec), and has been considered in the finalisation of our revised methodology. Copies of our expert's report, including analysis of the feedback from our stakeholders expert adviser, can be found on our website at www.christchurchairport.co.nz .

4b(iv): Calculation of Revaluation Rate and Indexed Revaluation of Fixed Assets

CPI at CPI reference date—previous year (index value)		1,176
CPI at CPI reference date—current year (index value)		1,195
Revaluation rate (%)		1.62%

		Unallocated RAB		RAB	
RAB value—previous disclosure year			554,410		484,611
less	Revalued land	–		–	
less	Assets with nil physical asset life	354		229	
less	Asset disposals	544		420	
less	Lost asset adjustment	–		–	
Indexed revaluation			8,943		7,819

4b(v): Works Under Construction

		Unallocated works under construction		Allocated works under construction	
Works under construction—previous disclosure year			2,318		1,202
plus	Capital expenditure	14,867		10,189	
less	Asset commissioned	12,649		10,201	
less	Offsetting revenue	–		–	
plus	Adjustment resulting from cost allocation				1,862
Works under construction			4,536		3,052

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD (cont)

Version 2.0

4b(vi): Capital Expenditure by Primary Purpose

		Capacity growth	2,525	
	plus	Asset replacement and renewal	7,664	
		Total capital expenditure		10,189

4b(vii): Asset Classes

			Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
		RAB value—previous disclosure year	93,934	107,972	274,191	8,514	484,611
	less	Regulatory depreciation	–	9,002	7,196	1,389	17,587
	plus	Indexed revaluations	1,518	1,961	4,211	129	7,819
	plus	Non-indexed revaluations	–				–
	plus	Assets commissioned	–	4,414	4,869	919	10,201
	less	Asset disposals	–	–	406	15	420
	plus	Lost and found assets adjustment	–	–	–	–	–
	plus	Adjustment resulting from cost allocation	–	–	1,161	41	1,202
		RAB value	95,452	105,345	276,830	8,199	485,826

** Corresponds to values in RAB roll forward calculation.*

4b(viii): Assets Held for Future Use

			Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total
		Assets held for future use—previous disclosure year	41,578	15,655	56	4,635	61,812
	plus	Assets held for future use—additions[1]	–	–	–	747	747
	less	Transfer to works under construction	–	–	–	–	–
	less	Assets held for future use—disposals	–	–	–	–	–
		Assets held for future use[2]	41,578	15,655	56	5,382	62,559

[1] Holding Costs, Net Revenues, and Tracking Revaluations entries in the 'Assets held for future use—additions' line relate to the value incurred during the disclosure year.

[2] Each category value shown in the 'Assets held for future use' line (Base Value, Holding Costs, Net Revenues, and Tracking Revaluations) is carried forward into the following year's disclosure as 'Assets held for future use—previous disclosure year' .

	Highest rate of finance applied (%)	–

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref *Version 2.0*

5(i): Related Party Transactions

	($000)
Net operating revenue	110
Operational expenditure	3,546
Related party capital expenditure	2,811
Market value of asset disposals	–
Other related party transactions	58,989

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
Christchurch City Holdings Limited	Majority Shareholder
Christchurch City Council	Owner of Majority Shareholder
Connectics	Subsidiary of Majority Shareholder
Red Bus Limited	Subsidiary of Majority Shareholder
Eco Central Ltd	Subsidiary of Majority Shareholder
Enable Services Ltd	Subsidiary of Majority Shareholder
City Care Limited	Subsidiary of Majority Shareholder
Vbase Limited	Subsidiary of Majority Shareholder
Tuam Limited	Subsidiary of Majority Shareholder
BECA Group Limited	Common Directors
NZ Institute of Chartered Accountants	Common Directors
PGG Wrightson Limited	Common Directors
House of Travel Holdings Limited	Common Directors

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price ($)	Value ($000)
Christchurch City Holdings Limited (CCHL)	Subordinated Loan balance payable	–	50,000
Christchurch City Holdings Limited (CCHL)	Interest paid	–	2,795
Christchurch City Holdings Limited (CCHL)	Group Loss offset	–	1,433
Christchurch City Council (CCC)	Rates	–	3,371
Christchurch City Council (CCC)	Operational Expenses	–	108
Christchurch City Council (CCC)	Subvention payment/Losses	–	713
City Care Limited	Operational Expenses	–	2,313
Connectics	Operational Expenses	–	523
Red Bus Limited	Revenue	–	102
Vbase Limited	Operational Expenses	–	32
Enable Services Ltd	Revenue	–	1
Tuam Limited	Group Loss offset	–	400
BECA Group Limited	Structural Engineering Services	–	282
PGG Wrightson Limited	Agricultural and landscaping supplies	–	163
House of Travel Holdings Limited	Travel. Accomodation, lease tenancy	–	607
Other related party transactions	Various	–	11
Christchurch International Airport Limited	Management compensation of key personnel including Directors and Executive Management, incorporating salaries and other short term employee benefits		
	- Directors fees	–	275
	- Executive management	–	2,313

Commentary on Related Party Transactions

Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Christchurch City Council (CCC), owns 75% and the New Zealand Government owns 25% respectively of the issued share capital of the company.

Christchurch International Airport Limited enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. These transactions are not separately disclosed where they:

- are conducted on an arm's length basis;
- result from the normal dealings of the parties; and
- meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

The major elements are loans, interest on loans and subvention payments, These transactions relate to the full company, and are not able to be allocated to specific activities. The Company considers that the remaining transactions cannot reasonably be allocated to specified airport activities without considerable and disproportionate effort and expense.

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST EXPENDITURE

ref *Version 2.0*

6a: Actual to Forecast Expenditure

($000)

Expenditure by Category	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1
Capacity growth	2,525	–	–	8,485	–	–
Asset replacement and renewal	7,664	12,137	(36.9%)	37,390	45,694	(18.2%)
Total capital expenditure	10,189	12,137	(16.1%)	45,875	45,694	0.4%
Corporate overheads	10,033	8,691	15.4%	19,626	16,823	16.7%
Asset management and airport operations	19,807	17,817	11.2%	38,096	34,489	10.5%
Asset maintenance	2,913	2,195	32.7%	5,492	4,249	29.3%
Total operational expenditure	32,753	28,703	14.1%	63,214	55,561	13.8%
Key Capital Expenditure Projects						
Airfield Pavement Maintenance works	5,486	6,700	(18.1%)	9,880	13,100	(24.6%)
Terminal Project	2,197	–	100.0%	5,795		100.0%
Pound road realignment and RESA	–	–	100.0%	–	4,890	(100.0%)
Phase 3a - regional Stands, Hangar 4 removed	–	3,130	(100.0%)	41	3,130	(98.7%)
Terminal Lighting Upgrade	–	–	–	–	500	(100.0%)
Disaster recovery and high availability	–	–	–	–	–	–
International Stand Optimisation	–	–	–	–	–	–
Apron/taxiway Remediation	–	–	–	18,060	18,675	–
Land transfers into Specified Airport activities	–	–	–	5,527	–	–
Other capital expenditure	2,506	2,307	8.6%	6,571	5,399	21.7%
Total capital expenditure	10,189	12,137	(16.1%)	45,874	45,694	0.4%

Explanation of Variances

Operational Expenditure

Total operational expenditure was $4.050m above the forecast of $28.703m. The following analysis identifies the key items of variance making up this total.

Cost item	Variance	Reason for variance	Actual Cost Category
Promotions & Airline incentives	+$0.921m	Costs directly attributable to specific airlines or route destinations were specifically excluded from pricing as a consequence of consultation	Asset Management & Airport Operations
Insurance	+$ 0.340m	Increased costs of renewal attributed to total specified airport activities	Corporate Overheads
Rates	+$ 0.040m	Cost overrun owing to dispute on rating methodology applied to certain sections of the new integrated terminal.	Asset Management & Airport Operations
Maintenance	+$ 0.323m	Actual costs exceeded forecast due to higher than expected costs relating to the Terminal. In addition there was a variation between forecast and final footprint allocation to specified terminal activities.	Asset Maintenance
Aviation Security charge	+$ 0.153m	A cost that commenced in 2013 and was not included in the forecast.	Asset Management & Airport Operations
Other operating costs	+$ 0.876m	Primarily due to amortisation of lease cost (+$0.589m). This item was included as a capital cost and recovered through return of and on capital components.	Asset Management & Airport Operations
Payroll	+$0.781m	Higher than forecast personnel needs to service the new terminal footprint and maintain customer service	Corporate Overheads

Note - When preparing the 2012 forecast, forecasts of these costs items were allocated to Corporate overheads, Asset management & airport operations, and Asset maintenance based on the actual proportions in 2012. The variance above will similarly impact on those cost categories in the same ratios.

Total Capital Expenditure (-$1.948m)

Airfield pavement maintenance works (-$1.214m)

When estimating our forecast capital expenditure to be used in setting our 1 December 2012 prices, we based our estimate of airfield pavement maintenance works during the period December 2012 to June 2017 on our 20 year asset management plan. The asset management plan is used for commercial purposes at the airport and reflects our best estimate of future capital expenditure needs. In each year, we make an assessment of the specific maintenance required on our airfield pavement. In this disclosure year less capital expenditure was required than forecast. In other years more capital expenditure than forecast may be required.

Terminal Project ($2.197m)

This variance is due to recording additional capital expenditure in completing the terminal development. We treated the terminal as completed in July 2012 for the purposes of calculating our costs when consulting on and setting our 1 December 2012 prices. This was a pragmatic line in the sand - prior to 1 December 2012 our customers were using a nearly completed terminal at no extra charge, after 1 December 2012 our prices assumed the terminal was complete when in fact it was fully commissioned in March 2013. The consequence of this approach is that capital expenditure required to complete the terminal in 2014 shows up in the disclosure accounts as capital expenditure in excess of forecast.

Regional Stands (-$3.130m)

This variance is the result of a delay in the timing of the project. This is now expected to be incurred in a later period.

Airport Companies must provide a brief explanation for any line item variance of more than 10%

** Disclosure year coincides with Pricing Period Starting Year + 1.*

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST EXPENDITURE (cont)

ref *Version 2.0*

6b: Forecast Expenditure

From most recent disclosure following a price setting event

Starting year of current pricing period (year ended): 30 June 2013

	Expenditure by Category	for year ended	Pricing Period Starting Year 30 Jun 13	Pricing Period Starting Year + 1 30 Jun 14	Pricing Period Starting Year + 2 30 Jun 15	Pricing Period Starting Year + 3 30 Jun 16	Pricing Period Starting Year + 4 30 Jun 17
84	Capacity growth		–	–	–	5,916	–
85	Asset replacement and renewal		33,557	12,137	7,366	7,415	9,083
86	Total forecast capital expenditure		33,557	12,137	7,366	13,331	9,083
87							
88	Corporate overheads		8,132	8,691	8,864	9,076	9,272
89	Asset management and airport operations		16,672	17,817	18,171	18,607	19,009
90	Asset maintenance		2,054	2,195	2,239	2,293	2,342
91	Total forecast operational expenditure		26,858	28,703	29,274	29,976	30,623

	Key Capital Expenditure Projects	for year ended	Pricing Period Starting Year 30 Jun 13	Pricing Period Starting Year + 1 30 Jun 13	Pricing Period Starting Year + 2 30 Jun 13	Pricing Period Starting Year + 3 30 Jun 16	Pricing Period Starting Year + 4 30 Jun 17
94	Airfield Pavement Maintenance works		6,400	6,700	5,400	5,000	6,300
95	Apron/taxiway Remediation		18,675	–	–	–	–
96	Pound road realignment and RESA		4,890	–	–	–	–
97	Phase 3a - regional Stands, Hangar 4 removed		–	3,130	–	–	–
98	Terminal Lighting Upgrade		500	–	–	–	–
99	Disaster recovery and high availability		–	–	–	–	500
100	International Stand Optimisation		–	–	–	5,916	–
101							
102							
103	Other capital expenditure		3,092	2,307	1,966	2,415	2,283
104	Total forecast capital expenditure		33,557	12,137	7,366	13,331	9,083

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref *Version 2.0*

($000)

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*
Airfield Charges	–	23,033	–	23,033
Terminal Charges	7,633	–	–	7,633
Counter Charges	2,184	–	–	2,184
Passenger Service Charges	14,826	–	–	14,826
Lease, rental and concession income	3,827	284	3,743	7,853
Other operating revenue	1,300	343	111	1,754
Net operating revenue	29,770	23,660	3,854	57,283
Gains / (losses) on asset sales	(30)	(19)	(1)	(50)
Other income	–	–	–	–
Total regulatory income	29,740	23,641	3,853	57,233
Total operational expenditure	19,998	11,964	792	32,753
Regulatory depreciation	6,857	10,287	443	17,587
Total revaluations	4,201	3,380	238	7,819
Allowance for long term credit spread	13	11	1	25
Regulatory tax allowance	(1,348)	702	742	96
Regulatory profit/ loss	8,421	4,057	2,113	14,591
Regulatory investment value	262,645	210,588	15,996	489,229

** Corresponds to values reported in the Report on Regulatory Profit and the Report on Return on Investment.*

Commentary on Segmented Information

The regulatory profit for the year ending 30 June 2014, prior to the inclusion of the interest rate shield, is $14.591m.

These Disclosure statements have incorporated the value of implied depreciation as contained in the Supplementary Price Reset disclosure to reflect the "return of capital" implicit in the levelised price path. As noted in the Executive Summary we have also reissued our 2013 Annual Disclosure using the same revised methodology. Consequently we have restated the 2013 comparatives to the reissued disclosure amounts to ensure appropriate comparability.

Regulatory investment value for the year ending 30 June 2014 was $489.229m compared to $428,960m at 30 June 2013 ($60.269m/+14.05%).

This increase is due to 100% of the value of the commissioning of the ITP development being added in 2014.

The returns on investment for the respective specified airport activity categories is detailed below, with the 2013 comparative performance included in brackets.

Specified Terminal	Specified Airfield	Specified Aircraft & Freight
3.2% (1.42%)	1.9% (1.19%)	13.2% (10.22%)

Considering each of these segments in turn;

Specified Passenger Terminal Activities
The increase in return is due to a combination of impacts on earnings including:

- A full years Revenue at the new aeronautical charges set in 1 December 2012, coupled with aircraft movement and passenger growth.
- A full year depreciation as calculated by the "Implied Depreciation" methodology (as compared to 7 months in 2013 – noting "implied depreciation": is lower than standard "straight-line" depreciation)
- Revaluations at CPI are higher due to increased regulatory asset base.

Specified Airfield Activities
The return on airfield activities has increased due to:

- A full year Revenue at the new aeronautical charges set in 1 December 2012.
- A full year deprecation as calculated by the "Implied Deprecation" methodology (see above).

Specified Aircraft and Freight
The return on aircraft and freight has increased due to:

- Increased revenue from leased and rental income.

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2014**

SCHEDULE 8: CONSOLIDATION STATEMENT

Version 2.0

8a: CONSOLIDATION STATEMENT

($000)

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business– GAAP	Unregulated Activities– GAAP	Airport Company– GAAP
Net income	57,233	(12)	57,221	82,659	139,880
Total operational expenditure	32,753	–	32,753	27,882	60,635
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	24,480	(12)	24,468	54,777	79,245
Depreciation	17,587	8,849	26,436	7,902	34,338
Revaluations	7,819	44,095	51,914	15,640	67,554
Tax expense	96	(7,618)	(7,522)	15,349	7,827
Net operating surplus / (deficit) before interest	14,616	42,852	57,468	47,166	104,634
Property plant and equipment	485,826	119,717	605,543	351,409	956,952

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

Description of Regulatory / GAAP Adjustment	Affected Line Item	($000) Regulatory / GAAP Adjustments *
Depreciation methodology - on additions and disposals under GAAP	Depreciation	8,849
Sale of assets - depreciation on disposal increases the gain on sale	Net income	(12)
CPI index revaluation - excluded under GAAP	Revaluations	(7,819)
Revaluation of Assets - included under GAAP	Revaluations	51,914
Tax expense adjustment due to different calculation of surplus as well as per/temp diffs	Tax expense	(7,618)
Land held for development and Work in Progress - excluded from RAB	Property plant & equipment	26,251
Revaluation variance due to different methods for years 2009-2014	Property plant & equipment	102,273
Depreciation differences to date plus changes in allocation %	Property plant & equipment	(8,807)

** To correspond with the clause 8a column Regulatory/GAAP adjustments*

Commentary on the Consolidation Statement

Regulatory/GAAP Adjustments

Depreciation ($8,849) - under the implied depreciation regime the depreciation for the pricing assets for the 2014 year was $6.037m less than the GAAP depreciation for those assets. GAAP also allows for depreciation to be calculated on additions and disposals in the year they occur.

Revaluations ($44,095) - under GAAP, assets revalued to market value is allowed under NZ IAS16 and requires the determination of market values for each class of asset. Under regulatory rules, all assets are initially established at values in the 2009 base year and then revalued annually using the change in the CPI index. Land is the only exception to this rule and can be valued using the MVAU method or CPI. Land was revalued by independent valuers as at 30 June 2013.

The difference in such values and prior CPI valuation indexation are treated as revenue in the year such CPI or MVAU revaluation occurs.

Tax expense (-$7.618m) - reasons for this adjustment are the variances in depreciation and revaluations under disclosure rules alter the regulatory tax expense compared with the GAAP tax expense.

Property plant and equipment ($119,717m) - asset values under GAAP compared with Information Disclosure values are the result of differing methodologies for asset valuations and depreciation. The adjustment value shown is a summation of variances from 2009 through to 2014.

Finally, neither Work in Progress nor land held for future development is included in the initial RAB calculation whilst it is included in asset values under GAAP. This amounted to a GAAP value of $23.2m (Land) and $3.0m (WIP) at 30 June 2014.

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

ref *Version 2.0*

9a: Asset Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	–	88,852	5,016	93,868		93,868
Assets not directly attributable	1,212	347	24	1,583	1,010	2,593
Total value land				95,451		
Sealed Surfaces						
Directly attributable assets	–	105,346	–	105,346		105,346
Assets not directly attributable	–	–	–	–	–	–
Total value sealed surfaces				105,346		
Infrastructure and Buildings						
Directly attributable assets	44,685	4,442	8,164	57,291		57,291
Assets not directly attributable	213,686	4,511	1,342	219,538	64,205	283,743
Total value infrastructure and buildings				276,830		
Vehicles, Plant and Equipment						
Directly attributable assets	910	4,161	29	5,101		5,101
Assets not directly attributable	2,169	790	141	3,099	2,537	5,636
Total value vehicles, plant and equipment				8,199		
Total directly attributable assets	45,595	202,801	13,209	261,606		261,606
Total assets not directly attributable	217,067	5,647	1,506	224,220	67,752	291,972
Total assets	262,662	208,449	14,715	485,826	67,752	553,578

Asset Allocators

Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
Administration Assets	Management and administration payroll $	Proxy Cost Allocator	Administration assets are predominantly utilised by management and administration staff	Infrastructure & Buildings, Vehicles, Plant & Equipment
Maintenance Assets	Company asset values	Proxy Cost Allocator	Maintenance assets are used to maintain the existing company assets	Land, Infrastructure & Buildings, Vehicles, Plant & Equipment
Terminal - Total	Floor area	Proxy Cost Allocator	Assets that service all of the terminal are to be allocated over the total terminal area. Analysis of the terminal floor space into aeronautical areas is deemed to be a fair allocator of terminal assets that relate to the total terminal	Land, Infrastructure & Buildings, Vehicles, Plant & Equipment
Regional Lounge - Total	Floor area	Proxy Cost Allocator	Assets that service all of the regional lounge are to be allocated over the total regional lounge area. Analysis of the regional lounge floor space into aeronautical areas is deemed to be a fair allocator of terminal assets that relate to the regional lounge	Land, Infrastructure & Buildings
International Terminal - Total	Floor area	Proxy Cost Allocator	Assets that service all of the international terminal are to be allocated over the total international terminal area. Analysis of the international terminal floor space into aeronautical areas is deemed to be a fair allocator of terminal assets that relate to the international terminal	Land, Infrastructure & Buildings, Plant & Equipment
Terminal - International Basement	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the international basement are allocated acccordingly to international basement floor space split into aeronautical / non aeronautical	Land, Infrastructure & Buildings, Plant & Equipment
Terminal - International Ground Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the international ground floor are allocated acccordingly to international ground floor space split into aeronautical / non aeronautical	Land, Infrastructure & Buildings, Plant & Equipment
Terminal - International First Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the international first floor are allocated acccordingly to international first floor space split into aeronautical / non aeronautical	Land, Infrastructure & Buildings, Plant & Equipment
Terminal - International Second Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the international second floor are allocated acccordingly to international second floor space split into aeronautical / non aeronautical	Land, Infrastructure & Buildings, Plant & Equipment
Terminal - Integrated total	Floor area	Proxy Cost Allocator	Assets that service all of the integrated terminal are to be allocated over the total integrated terminal area. Analysis of the integrated terminal floor space into aeronautical areas is deemed to be a fair allocator of terminal assets that relate to the integrated terminal	Land, Infrastructure & Buildings
Terminal - Integrated Basement	Floor area	Proxy Cost Allo	Specific terminal assets that are located in the integrated terminal in the basement are allocated according to integrated terminal floor space split into aeronautical / non-aeronautical	Land, Infrastructure & Buildings
Terminal - Integrated Ground Floor	Floor area	Proxy Cost Allo	Specific terminal assets that are located in the integrated terminal on the ground floor are allocated according to integrated terminal floor space split into aeronautical / non-aeronautical	Land, Infrastructure & Buildings

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 2.0*

Asset Allocators (cont)

ref	Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
51	Terminal - Integrated Mezzanine Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the integrated terminal on the mezzanine floor are allocated according to integrated terminal floor space split into aeronautical / non-aeronautical	Land, Infrastructure & Buildings
52	Terminal - Integrated First Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the integrated terminal on the first floor are allocated according to integrated terminal floor space split into aeronautical / non-aeronautical	Land, Infrastructure & Buildings
53	Terminal - Integrated Second Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the integrated terminal on the second floor are allocated according to integrated terminal floor space split into aeronautical / non-aeronautical	Land, Infrastructure & Buildings
54	Terminal - Non-contestable	Direct cost	Causal Relationship	Assets that are used solely for specified terminal acitivites are allocated 100% to this segment	Land, Infrastructure & Buildings, Vehicles, Plant & Equipment
55	Airfield - Non-contestable	Direct cost	Causal Relationship	Assets that are used solely for specified airfield activities are allocated 100% to this segment	Land, Sealed Surfaces, Infrastructure & Buildings, Vehicles, Plant & Equipment
56	Aircraft & Freight - Non-contestable	Direct cost	Causal Relationship	Assets that are used solely for Aircraft and Freight activities are allocated 100% to this segment	Land, Infrastructure & Buildings, Vehicles, Plant & Equipment
57			[Select one]		
58			[Select one]		
59			[Select one]		
60			[Select one]		
61			[Select one]		
62			[Select one]		
63			[Select one]		
64			[Select one]		
65			[Select one]		
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89			[Select one]		
90			[Select one]		
91			[Select one]		
92			[Select one]		
93			[Select one]		
94			[Select one]		
95			[Select one]		
96			[Select one]		

97 ** A description of the metric used for allocation, e.g. floor space.*

98

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2014**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 2.0*

9b: Notes to the Report

9b(i): Changes in Asset Allocators

			Effect of Change		($000)
			CY-1 30 Jun 13	Current Year (CY) 30 Jun 14	CY+1 30 Jun 15
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–

Commentary on Asset Allocations

Changes in Asset Allocators

CIAL has used the same asset allocators for the years ended 2011, 2012, 2013 and 2014. Accordingly schedule 9b(i) has not been completed.

Overview

Where possible, assets are attributed to the relevant specified airport activities based on direct attribution of activity to each segment.

There are a number of assets however that do not directly relate to one individual segment and may overlap several segments. e.g. Infrastructure assets. These asset values have been allocated to the regulatory asset segment according to the relevant asset allocation drivers.

The various asset allocation drivers have been determined based on the use of the asset, with the causal allocators and the rationale for calculation described in the schedule above. The integrated terminal assets have been allocated on the same basis as outlined in last years schedule.

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 10: REPORT ON COST ALLOCATIONS

Version 2.0

10a: Cost Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Corporate Overheads						
Directly attributable operating costs	313	1,786	90	2,189		2,189
Costs not directly attributable	6,481	1,278	84	7,844	12,742	20,586
Asset Management and Airport Operations						
Directly attributable operating costs	4,600	7,718	497	12,815		12,815
Costs not directly attributable	6,441	515	36	6,992	11,786	18,778
Asset Maintenance						
Directly attributable operating costs	87	271	46	404		404
Costs not directly attributable	2,075	396	38	2,509	2,328	4,837
Total directly attributable costs	5,000	9,775	634	15,409		15,409
Total costs not directly attributable	14,997	2,189	158	17,345	26,856	44,201
Total operating costs	19,998	11,964	792	32,753	26,856	59,610

Cost Allocators

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Management Payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Asset management & airport operations, corporate overheads
Admin Payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Asset management & airport operations, corporate overheads
Airport services payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Asset management & airport operations
Supervisors payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Asset maintenance
Incentives	Revenue generated by aircraft, passenger service and concession charges for	Causal Relationship	The spend on Promotion and Airline incentives that will give rise to increased Pax numbers should be allocated by the revenue that is genrated by	Asset management & airport operations
Promotions	Revenue generated by aircraft, passenger service and concession charges for	Causal Relationship	The spend on Promotion and Airline incentives that will give rise to increased Pax numbers should be allocated by the revenue that is genrated by	Asset management & airport operations
Regulatory advice	RAB Asset values	Proxy Cost Allocator	RAB asset values by segment is deemed to be a suitable driver	Asset management & airport operations
Administration costs	Proportion of direct admin costs	Proxy Cost Allocator	Directly attributable administration costs are deemed to be a suitable driver of in-direct administration costs	Corporate overheads, asset management and airport operations
Maintenance costs	Proportion of direct maintenance costs	Proxy Cost Allocator	Directly attributable maintenance costs are deemed to be a suitable driver of in-direct maintenance costs	Corporate overheads, asset management and airport operations, asset maintenance
International terminal	Floor space	Proxy Cost Allocator	Contestable/non-contestable floor space within the international terminal is deemed to be a suitable driver of international temrinal cost allocations	Corporate overheads, asset management and airport operations, asset maintenance
Integrated Terminal	Floor space	Proxy Cost Allocator	Contestable/non-contestable floor space within the integrated terminal is deemed to be a suitable driver of integrated terminal cost allocations	Corporate overheads, asset management and airport operations, asset maintenance
Regional Lounge	Floor space	Proxy Cost Allocator	Contestable/non-contestable floor space within the regional lounge is deemed to be a suitable driver of regional lounge cost allocations	Corporate overheads, asset management and airport operations, asset maintenance
Total terminal	Floor space	Proxy Cost Allocator	Overall terminal floor space split into contestable/non-contestable areas is deemed to be a suitable driver of overall terminal cost allocations	Corporate overheads, asset management and airport operations, asset maintenance
Terminal - Non-contestable	Direct cost	Causal Relationship	P&L directly attributable to specified terminal activites is allocated 100% to this segment	Corporate overheads, asset management and airport operations, asset maintenance
Airfield - Non-contestable	Direct cost	Causal Relationship	P&L directly attributable to specified airfield activities is allocated 100% to this segment	Corporate overheads, asset management and airport operations, asset maintenance
Aircraft & Freight - Non-contestable	Direct cost	Causal Relationship	P&L directly attributable to Aircraft and Freight activities are allocated 100% to this segment	Corporate overheads, asset management and airport operations, asset maintenance

Regulated Airport **Christchurch International Airport Ltd**
For Year Ended **30 June 2014**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref *Version 2.0*

46 **Cost Allocators (cont)**

ref	Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
47					
48			[Select one]		
49			[Select one]		
50			[Select one]		
51			[Select one]		
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101			[Select one]		

102 ** A description of the metric used for allocation, e.g. floor space.*

103

Regulated Airport **Christchurch International Airport Ltd**
For Year Ended **30 June 2014**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref *Version 2.0*

10b: Notes to the Report

10b(i): Changes in Cost Allocators

ref						
112						($000)
113					Effect of Change	
114				CY-1	Current Year (CY)	CY+1
115	Operating cost category			30 Jun 13	30 Jun 14	30 Jun 15
116	Original allocator or components		Original			
117	New allocator or components		New			
118	Rationale		Difference	–	–	–
119						
120	Operating cost category					
121	Original allocator or components		Original			
122	New allocator or components		New			
123	Rationale		Difference	–	–	–
124						
125	Operating cost category					
126	Original allocator or components		Original			
127	New allocator or components		New			
128	Rationale		Difference	–	–	–
129						
130	Operating cost category					
131	Original allocator or components		Original			
132	New allocator or components		New			
133	Rationale		Difference	–	–	–
134						
135	Operating cost category					
136	Original allocator or components		Original			
137	New allocator or components		New			
138	Rationale		Difference	–	–	–
139						
140	Operating cost category					
141	Original allocator or components		Original			
142	New allocator or components		New			
143	Rationale		Difference	–	–	–
144						
145	Operating cost category					
146	Original allocator or components		Original			
147	New allocator or components		New			
148	Rationale		Difference	–	–	–

Commentary on Cost Allocations

Changes in Cost Allocators
CIAL has used the same cost allocators for the years ended 2011, 2012, 2013 and 2014. Accordingly schedule 10b(i) has not been completed.

Cost Allocation Process:
The cost allocation process ensures all income and expenses are allocated to the relevant specified airport activity and commercial categories. Many income and expense items will be directly related to the categories whilst others must be allocated based on some form of causal allocator. Administration and maintenance categories are the two "overhead" type categories, and CIAL endeavours to allocate as many of these costs directly to the relevant activity and thereby minimise the value of final allocation wherever possible. The process of allocation follows a number of steps to achieve this and these are listed below:

Step One: Direct Costs
All income and expense items are reviewed to ensure any costs that can be directly attributed are allocated wherever possible.

Step Two: Review Costs for Causal Allocators
All remaining income and expense items are then reviewed with any costs that can be allocated based on a causal relationship being allocated manually. The causal allocators used in 2014 are listed above.

Step Three: Run Cost Allocation Model
The cost allocation model then allocates the residual values in the administration, maintenance and terminal categories between the specified airport and commercial sides of the business. The allocators for 2014 and their rationale for application are detailed above.

2014 Terminal Cost Allocations
As a consequence of the completion of the integrated terminal at the end of March 2013, the final building footprint plans of the completed terminal have been used as the basis for the 2014 cost allocation process.

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

Version 2.0

ref		Number	Total Duration Hours	Total Duration Minutes
6	**Runway**			
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8	Airports	–	–	–
9	Airlines/Other	–	–	–
10	Undetermined reasons	–	–	–
11	Total	–	–	–
12	**Taxiway**			
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14	Airports	–	–	–
15	Airlines/Other	–	–	–
16	Undetermined reasons	–	–	–
17	Total	–	–	–
18	**Remote stands and means of embarkation/disembarkation**			
19	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
20	Airports	–	–	–
21	Airlines/Other	–	–	–
22	Undetermined reasons	–	–	–
23	Total	–	–	–
24	**Contact stands and airbridges**			
25	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26	Airports	9	3	11
27	Airlines/Other	2	1	–
28	Undetermined reasons	–	–	–
29	Total	11	4	11
30	**Baggage sortation system on departures**			
31	The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
32	Airports	5	4	7
33	Airlines/Other	1	3	–
34	Undetermined reasons	–	–	–
35	Total	6	7	7
36	**Baggage reclaim belts**			
37	The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible			
38	Airports	–	–	–
39	Airlines/Other	–	–	–
40	Undetermined reasons	–	–	–
41	Total	–	–	–
42	**On-time departure delay**			
43	The total number of flights affected by on time departure delay and the total duration of the delay during disclosure year by party primarily responsible			
44	Airports	8	3	11
45	Airlines/Other	11	6	48
46	Undetermined reasons	–	–	–
47	Total	19	9	59
48				

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref *Version 2.0*

55 **Fixed electrical ground power availability (if applicable)**

56 The percentage of time that FEGP is unavailable due to interruptions* N/A

** Disclosure of FEGP information applies only to airports where fixed electrical ground power is available.*

57

58 **Commentary concerning reliability measures**

59

60 **Determining Responsibility and Validity of Interruption**
61 CIAL operations staff record all interruption data in a database. This is completed at the time the interruption occurs and includes full details of the interruption including an assessment of the party responsible.
62 This data is then reviewed by the CIAL Operations Manager to ensure it meets the relevant criteria for schedule 11 in accordance with the definitions
63 detailed in the Determination. This review also includes a review of the party responsible for the interruption and includes discussion with other internal and external parties where necessary.

64

65 **Operational Improvements**
66 Interruptions are discussed when appropriate with relevant parties/forums as disclosed in schedule 15. Potential improvements and strategies are also discussed amongst these groups.

67

68 **On Time Departure Delay**
69 CIAL requires the input from Airlines to report the on time departure delay information. This year not all this data has been received by CIAL. For those airlines for which the data has not been received, CIAL has assessed the relevant information on the FIDs system. This information has been compared
70 with CIAL's records to ensure completeness. Any on time performance issues were discussed with the individual airlines as and when it occurs and corrective action is commenced in order to reduce the occurrence of these events. This information has been aggregated for this report.

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Must include information on how the responsibility for interruptions is determined and the processes the Airport has put in place for undertaking any operational improvement in
79 *respect of reliability. If interruptions are categorised as "occurring for undetermined reasons", the reasons for inclusion in this category must be disclosed.*

80

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2014**

SCHEDULE 12: REPORT ON CAPACITY UTILISATION INDICATORS FOR AIRCRAFT AND FREIGHT ACTIVITIES AND AIRFIELD ACTIVITIES

ref *Version 2.0*

Runway

		Runway #1	Runway #2	Runway #3
Description of runway(s)	Designations	02-20	11-29	N/A
	Length of pavement (m)	3,288	1,703	N/A
	Width (m)	45	45	N/A
	Shoulder width (m)	8	N/A	N/A
	Runway code	4E	4E	N/A
	ILS category	Category I	N/A	N/A
Declared runway capacity for specified meteorological condition	VMC (movements per hour)	42	38	N/A
	IMC (movements per hour)	38	28	N/A

Taxiway

		Taxiway #1	Taxiway #2	Taxiway #3
Description of main taxiway(s)	Name	Alpha	Echo	Foxtrot
	Length (m)	2,996	785	695
	Width (m)	23	23	23
	Status	Full length	Part length	Part length
	Number of links	6	1	1

Aircraft parking stands

Number of apron stands available during the runway busy day categorised by stand description and primary flight category

		Contact stand–airbridge	Contact stand–walking	Remote stand–bus
Air passenger services	International	8	2	3
	Domestic jet	4	1	–
	Domestic turboprop	–	10	–
Total parking stands		12	13	3

Busy periods for runway movements

	Date
Runway busy day	8 November 2013
Runway busy hour start time (day/month/year hour)	13 Oct 2013 3 p.m.

Aircraft movements

Number of aircraft runway movements during the runway busy day with air passenger service flights categorised by stand description and flight category

		Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
Air passenger services	International	22	–	–	22
	Domestic jet	61	–	–	61
	Domestic turboprop	–	128	–	128
	Total	83	128	–	211
Other (including General Aviation)					–
Total aircraft movements during the runway busy day					211

Number of aircraft runway movements during the runway busy hour	23

Commentary concerning capacity utilisation indicators for aircraft and freight activities and airfield activities

Parking Stand Assumptions:

Turboprop aircraft = Contact stand – walking

Domestic jet = Contact stand

airbridge

walking

International flights = Contact stand – airbridge

In addition CIAL has 14 remote stands that are used primarily for freight, and servicing the Antarctic operations. These are some distance from the passenger terminal.

Runway

CIAL has two runways; the main runway and the cross wind runway. The cross wind runway is used during specific North West wind weather conditions and outages to the main runway.

CIAL is not constrained by any night curfew and is constantly monitoring the noise contours to ensure the continuance of a 24 hour, 7 day a week operation capability.

	Regulated Airport	**Christchurch International Airport Ltd**
	For Year Ended	**30 June 2014**

SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES

Version 2.0

ref	Outbound (Departing) Passengers	International terminal	Domestic terminal	Common area †
7	**Landside circulation (outbound)**			
8	Passenger busy hour for landside circulation (outbound)—start time			
9	(day/month/year hour)	15 Jan 2014 6 a.m.	20 Feb 2014 12 p.m.	12 Feb 2014 4 p.m.
10	Floor space (m^2)	262	607	2,356
11	Passenger throughput during the passenger busy hour (passengers/hour)	719	856	1,327
12	Utilisation (busy hour passengers per 100m^2)	274	141	56
13	**Check-in**			
14	Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	12 Feb 2014 4 p.m.
15	Floor space (m^2)	N/A	N/A	2,527
16	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,327
17	Utilisation (busy hour passengers per 100m^2)	N/A	N/A	53
18	**Baggage (outbound)**			
19	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	12 Feb 2014 4 p.m.
20	Make-up area floor space (m^2)	N/A	N/A	5,033
21	Notional capacity during the passenger busy hour (bags/hour)*	N/A	N/A	2,400
22	Bags processed during the passenger busy hour (bags/hour)*	N/A	N/A	307
23	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,327
24	Utilisation (% of processing capacity)	N/A	N/A	13%
25	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
26	**Passport control (outbound)**			
27	Passenger busy hour for passport control (outbound)—start time			
28	(day/month/year hour)	15 Jan 2014 6 a.m.		
29	Floor space (m^2)	489		
30	Number of emigration booths and kiosks	10		
31	Notional capacity during the passenger busy hour (passengers/hour) *	823		
32	Passenger throughput during the passenger busy hour (passengers/hour)	719		
33	Utilisation (busy hour passengers per 100m^2)	147		
34	Utilisation (% of processing capacity)	87%		
35	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
36	**Security screening**			
37	Passenger busy hour for security screening—start time (day/month/year hour)	15 Jan 2014 6 a.m.	20 Feb 2014 12 p.m.	
38	Facilities for passengers excluding international transit & transfer			
39	Floor space (m^2)	512	135	
40	Number of screening points	3	3	
41	Notional capacity during the passenger busy hour (passengers/hour) *	810	810	
42	Passenger throughput during the passenger busy hour (passengers/hour)	719	856	
43	Utilisation (busy hour passengers per 100m^2)	140	634	
44	Utilisation (% of processing capacity)	89%	106%	
45	Facilities for international transit & transfer passengers			
46	Floor space (m^2)	49		
47	Number of screening points	1		
48	Notional capacity during the passenger busy hour (passengers/hour)*	270		
49				
50	Estimated passenger throughput during the passenger busy hour (passengers/hour)	–		
51	Utilisation (busy hour passengers per 100m^2)	–		
52	Utilisation (% of processing capacity)	–		
53	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			

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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont 1)

Version 2.0

ref		International terminal	Domestic terminal	Common area †
62	**Airside circulation (outbound)**			
63	Passenger busy hour for airside circulation (outbound)—start time			
64	(day/month/year hour)	15 Jan 2014 6 a.m.	20 Feb 2014 12 p.m.	
65	Floor space (m²)	1,389	1,730	
66	Passenger throughput during the passenger busy hour (passengers/hour)	719	856	
67	Utilisation (busy hour passengers per 100m²)	52	49	
68	**Departure lounges**			
69	Passenger busy hour for departure lounges—start time (day/month/year hour)	15 Jan 2014 6 a.m.	20 Feb 2014 12 p.m.	
70	Floor space (m²)	4,656	1,946	
71	Number of seats	834	668	
72	Passenger throughput during the passenger busy hour (passengers/hour)	719	856	
73	Utilisation (busy hour passengers per 100m²)	15	44	
74	Utilisation (passengers per seat)	0.9	1.3	
75	**Inbound (Arriving) Passengers**			
76	**Airside circulation (inbound)**			
77	Passenger busy hour for airside circulation (inbound)—start time			
78	(day/month/year hour)	21 Dec 2013 2 p.m.	10 Oct 2013 6 p.m.	N/A
79	Floor space (m²)	3,824	1,713	N/A
80	Passenger throughput during the passenger busy hour (passengers/hour)	696	858	N/A
81	Utilisation (busy hour passengers per 100m²)	18	50	N/A
82	**Passport control (inbound)**			
83	Passenger busy hour for passport control (inbound)—start time			
84	(day/month/year hour)	21 Dec 2013 2 p.m.		
85	Floor space (m²)	1,210		
86	Number of immigration booths and kiosks	24		
87	Notional capacity during the passenger busy hour (passengers/hour) *	850		
88	Passenger throughput during the passenger busy hour (passengers/hour)	696		
89	Utilisation (busy hour passengers per 100m²)	58		
90	Utilisation (% of processing capacity)	82%		
91	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
92	**Landside circulation (inbound)**			
93	Passenger busy hour for landside circulation (inbound)—start time			
94	(day/month/year hour)	21 Dec 2013 2 p.m.	10 Oct 2013 6 p.m.	28 Dec 2013 10 a.m.
95	Floor space (m²)	133	607	2,124
96	Passenger throughput during the passenger busy hour (passengers/hour)	647	837	1,068
97	Utilisation (busy hour passengers per 100m²)	486	138	50
98	**Baggage reclaim**			
99	Passenger busy hour for baggage reclaim—start time (day/month/year hour)	21 Dec 2013 2 p.m.	10 Oct 2013 6 p.m.	
100	Floor space (m²)	4,166	3,153	
101	Number of reclaim units	4	4	
102	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	5,400	5,400	
103	Bags processed during the passenger busy hour (bags/hour)*	487	515	
104	Passenger throughput during the passenger busy hour (passengers/hour)	696	858	
105	Utilisation (% of processing capacity)	9%	10%	
106	Utilisation (busy hour passengers per 100m²)	17	27	
107	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
108	**Bio-security screening and inspection and customs secondary inspection**			
109	Passenger busy hour for bio-security screening and inspection and			
110	customs secondary inspection—start time (day/month/year hour)	21 Dec 2013 2 p.m.		
111	Floor space (m²)	974		
112	Notional MAF secondary screening capacity during the passenger busy hour	900		
113	(passengers/hour)*			
114	Passenger throughput during the passenger busy hour (passengers/hour)	696		
115	Utilisation (% of processing capacity)	77%		
116	Utilisation (busy hour passengers per 100m²)	71		
117	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
118	**Arrivals concourse**			
119	Passenger busy hour for arrivals concourse—start time (day/month/year hour)	21 Dec 2013 2 p.m.	10 Oct 2013 6 p.m.	N/A
120	Floor space (m²)	1,664	180	N/A
121	Passenger throughput during the passenger busy hour (passengers/hour)	696	858	N/A
122	Utilisation (busy hour passengers per 100m²)	42	477	N/A

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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont 2)

ref *Version 2.0*

		International terminal	Domestic terminal	Common area †
130				
131	**Total terminal functional areas providing facilities and service directly for passengers**			
132	Floor space (m^2)	19,328	10,070	12,040
133	Number of working baggage trolleys available for passenger use			
134	at end of disclosure year	450	170	280

135 **Commentary concerning capacity utilisation indicators for Passenger Terminal Activities**

136 CIAL operates an Integrated Domestic and International check-in facility and baggage handling system. This is reflected in the common area utilisation figures above.

137 Passenger data is obtained from a combination of customs, airlines and FID's (Flight Information Display) data. This is then used to calculate busy hour/day information and
138 corresponding passenger throughput.

139 These data sources are considered materially accurate.

140 **Source of Data for Capacity Calculations:**

141 **Security Screening**

142 The notional capacity has been based on Aviation Security National standards of 270 pax per hour per x-ray unit.

143 Security Screening International Transit/Transfer numbers are not collected by CIAL.

144 **Bio-Security**

145 The Notional capacity figures were sourced from the AIRBIZ capacity and utilisation study dated 14 May 2010 which was commissioned after discussions with the Commerce
146 Commission and Airlines.

147 **Trolleys**

148 Trolley allocation is based on Company figures and internal policy.

149 **Baggage Handling**

150 CIAL operates an Integrated Domestic and International check-in facility and baggage handling system. The Integrated baggage handling system has a notional capacity of 40
151 bags per minute or 2400 per hour.

152 The number of bags processed during the busy hour have been supplied by the operators of the Baggage system, who manage this for CIAL under an outsourced service
153 provision contract.

154 As the busy hour includes the departure of international flights, the number of bags processed during that hour may not include the bags for those international flights. For
155 operational reasons bags for international flights are processed in the 2 hours prior to departure. A more representative assessment of the number of bags handled for the passengers processed during the busy hour will be the number of bags handled during the two hours prior to the busy hour. The number of bags were 679 and 701 respectfully.

156 **Baggage Reclaim**

157 Baggage system notional capacity numbers have been calculated from figures supplied by the system supplier, Glidepath.

158 Notional capacity is however reduced by the recirculation rate (25% approx.) of bags relative to the length of reclaim belts.

159 At this time actual baggage reclaim figures are not recorded by the system and again the bags processed have been estimated based on approximate bags per passenger
160 figures.

161 **Passport Control**

162 International Departures

163 There are 3 double booths, 4 kiosks and 2 gates servicing International Departures.

164 **International Arrivals**

165 There were 6 double booths and 12 kiosks. There are a further 4 Smart Gate gates implemented in conjunction with Customs to improve the efficiency of the passenger
166 facilitation process.

167 The maximum capacity numbers have not changed since 2011 and were obtained from the Customs Workforce Planner via a simulation model.

168 **Seating**

169 Numbers listed include General, Food Court and Tenancy seats.

170 **Floor Space**

171 The terminal floor space is based on the relevant terminal spatial maps produced by CIAL. Following the completion of the terminal a re-measure of the terminal was carried out
172 to provide a final summary of the commissioned terminal. This resulted in some of the Landside circulation being classified as Common area (available for both International and Domestic passengers).

173

174 *Commentary must include an assessment of the accuracy of the passenger data used to prepare the utilisation indicators.*

175 † *For functional components which are normally shared by passengers on international and domestic aircraft.*

176

Regulated Airport: **Christchurch International Airport Ltd**
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SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref | *Version 2.0*

Survey organisation

Survey organisation used	ACI
If "Other", please specify	

Passenger satisfaction survey score
(average quarterly rating by service item)

Domestic terminal	*Quarter*	1	2	3	4	Annual
	for year ended	30 Sep 13	31 Dec 13	31 Mar 14	30 Jun 14	average
Ease of finding your way through an airport		4.2	4.3	4.2	4.1	4.2
Ease of making connections with other flights		4.1	4.1	4.3	4.2	4.2
Flight information display screens		4.3	4.3	4.2	4.2	4.2
Walking distance within and/or between terminals		4.1	4.2	4.2	4.1	4.1
Availability of baggage carts/trolleys		4.2	4.2	4.4	4.1	4.2
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.4	4.4	4.4	4.3	4.4
Availability of washrooms/toilets		4.3	4.3	4.3	4.2	4.2
Cleanliness of washrooms/toilets		4.2	4.2	4.2	4.1	4.2
Comfort of waiting/gate areas		4.1	4.0	4.1	4.1	4.1
Cleanliness of airport terminal		4.5	4.5	4.5	4.4	4.5
Ambience of the airport		4.3	4.2	4.2	4.2	4.2
Security inspection waiting time		4.4	4.3	4.5	4.4	4.4
Check-in waiting time		4.5	4.5	4.5	4.5	4.5
Feeling of being safe and secure		4.4	4.4	4.5	4.4	4.4
Average survey score		4.3	4.3	4.3	4.2	4.3

International terminal	*Quarter*	1	2	3	4	Annual
	for year ended	30 Sep 13	31 Dec 13	31 Mar 14	30 Jun 14	average
Ease of finding your way through an airport		4.2	4.4	4.1	4.4	4.2
Ease of making connections with other flights						
Flight information display screens		4.0	4.1	4.0	4.2	4.1
Walking distance within and/or between terminals		4.2	4.3	4.2	4.3	4.2
Availability of baggage carts/trolleys		4.4	4.3	4.1	4.5	4.3
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.3	4.4	4.1	4.5	4.3
Availability of washrooms/toilets		4.2	4.1	3.9	4.3	4.1
Cleanliness of washrooms/toilets		4.2	4.2	3.9	4.3	4.2
Comfort of waiting/gate areas		4.0	3.8	3.8	4.1	3.9
Cleanliness of airport terminal		4.5	4.4	4.1	4.5	4.4
Ambience of the airport		4.2	4.2	3.9	4.3	4.1
Passport and visa inspection waiting time		4.5	4.4	4.3	4.5	4.4
Security inspection waiting time		4.4	4.2	4.0	4.5	4.3
Check-in waiting time		4.3	4.2	4.1	4.3	4.2
Feeling of being safe and secure		4.5	4.4	4.3	4.7	4.4
Average survey score		4.3	4.2	4.0	4.4	4.2

The margin of error requirement specified in clause 2.4(3)(c) of the determination applies only to the combined quarterly survey results for the disclosure year. Quarterly results may not conform to the margina of error requirement.

Commentary concerning report on passenger satisfaction indicators

CIAL monitors passenger experience rating using the ASQ Survey. This data is collected from a random selection of passengers on a quarterly basis. The results of the passenger satisfaction survey, are out of a total score of 5. The ASQ survey does not record scores for items with fewer than 10 valid responses. The survey data did not include any scores for "Ease of making connections with other flights" for other flights for the International Terminal.

These results reflect the passenger perception of their travel experience using either the domestic or International Terminals. These surveys include a review of the condition and ambience of the domestic terminal. The continued improvement in the scores since 2011 reflects the improvement of the terminal facility due to the Integrated terminal project. The results of these surveys have been used to identify additional improvement initiatives after consultation with interested parties. Examples of these initiatives are included on schedule 15.

Location of Survey Fieldwork Documentation

The survey fieldwork documentation is available on CIAL's website (www.christchurchairport.co.nz) . There has been no change in the design of the passenger survey.

Accuracy of Passenger Data to prepare Utilisation Indicators

CIAL receives detailed passenger information for international passengers from customs. Domestic passenger data is received monthly from the airlines.

Commentary must include an assessment of the accuracy of the passenger data used to prepare the utilisation indicators and the internet location of fieldwork documentation .

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SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref *Version 2.0*

Disclosure of the operational improvement process

CIAL has a continuous improvement focus to improve operational service excellence. This is achieved through a number of operational stakeholder forums which are held on a regular basis to consider operations and operational improvement. The objective of these groups is to ensure a coordination of Christchurch Airport operations and thereby ensure a joint approach for efficiency improvements, pursue opportunities for innovation and to manage events of exceptions or non-performance.

As a result of these forums, a number of initiatives have been implemented in 2014, these include:

Safety	
Compactor Training	Significant investment in training of stakeholder users of compactors to improve safety
Apron Signage	Introduction of new signage on Apron in relation to use of Electronic devices
Waste Bins Airside	Installation of Waste Collection shelters and Improved Waste Bins Airside for dealing with FOD on Apron and change in collection procedures
Fire Extinguisher	Installation of nine additional fire extinguishers in Baggage Make-up hall
Improved Customer/Stakeholder Comms	
Enhancement to FIDS displays	Replacement of Boarding Time with Estimate Departure time. Additional Baggage Claim above Intl Arrivals Customs Booths
Purpose Built EOC	Provision of a new purpose built, state-of-the-art EOC facility to improve management and coordination of airport related emergencies
Forward Operations reporting	Introduction of Forward Operational Activity reporting incl Pax forecast, resourcing allocation and activities in terminal which may impact on operations.
Community & Public health Education	Community &Public Health representatives now attending Airport Community facilitation meetings and terminal Health & Safety Committee meetings. Also completed full stakeholder seminar on communicable diseases response and aircraft cleaning
Process Efficiencies	
Carry-on Luggage Signage	Introduction of Signage in support of Airline Carry-on luggage restrictions
CDHB Engagement	Facilitated improved engagement with CDHB for Airlines to improve understanding of and response to infection disease response for arriving aircraft
Wailing Wall Opening Times	Facilitate changes to opening time of Intl Departure process to better align with Airline check-in operations
FIDS Access via SITA CUTE	Provision of FIDS operator access via all SITA CUTE stations within terminal to facilitate easier access by Check-in and gate staff to operate FIDS. Training provided to all users.
Foreign Language LAGs signage	Introduction of foreign language information to existing LAGs screens
Snow preparedness training	Collaborative training across stakeholders for Snow Response
Gilsonite	Application of Gilsonite onto sealed surfaces airside to improve life of surfaces and reduce solar damage
Improved Customer Experience	
Koru Exit Trial	Provision of a trial of an alternate exit from Dom Jet departure lounge in support of reduction in travel time of Air NZ Koru regional passengers to gates.
Furniture Upgrades	Upgrade of landside arrivals and Intl Departures seating to provide more modern and comfortable waiting
Intl Arrivals Air Curtains	Installation of air curtains in Intl Arrivals entry doors to maintain comfortable temperature during winter period
Regional Walkway Slot drains	Installation of additional slot drains in regional walkway to minimise was pooling
Carpet Replacement	Replacement of carpet in Intl Arrivals Airside area
Intl Arrivals Washroom Upgrade	Upgrade of Washroom block in Intl Arrivals
Air Lounge	Introduction of Air Lounge to support overnighting of late night Intl arriving customers

A summary of the various operational forums are as follows:

Airline Working Group

This working group was initially set up for the ITP construction project and is comprised of CIAL management, the airlines operating at Christchurch, and ground handlers. The group meets on a monthly basis to discuss high level issues and concerns affecting the airport and this group of stakeholders.

Facilitation Group

This group is comprised of CIAL management and many terminal based tenants, Airline and Government Agencies. This bi-monthly meeting is used as a forum for the discussion of current topics and potential improvements. The ACI Passenger Satisfaction survey is considered as a meeting agenda item and discussions recorded in the meeting minutes.

Airline Operating Committee

This committee exists to promote understanding, co-operation and a close liaison between AOC members, comprising CIAL and Government Border Agencies in order to maintain a high level of aircraft, passenger, cargo and mail handling at Christchurch Airport to ensure service meets international best practices. It is also used to ensure a close working relationship with BARNZ, and that the interests of airlines are kept to the fore.

The process put in place by the Airport for it to meet regularly with airlines to improve the reliability and passenger satisfaction performance consistent with that reflected in the indicators.

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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref *Version 2.0*

16a: Aircraft statistics

Disclosures are categorised by core aircraft types such as Boeing 737-400 or Airbus A320. Sub variants within these types need not be disclosed.

(i) International air passenger services—total number and MCTOW of landings by aircraft type during disclosure year

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Boeing 777-300ER	365	128,298
Boeing 777-200	420	100,113
Boeing 787-800	1	228
Boeing 767-300	101	18,875
Boeing 737-800	1,128	89,131
Airbus A320	2,083	149,976
Boeing 737-700	31	2,152
Airbus A380	2	1,150
Total	4,131	489,923

Regulated Airport	Christchurch International Airport Ltd
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont)

ref *Version 2.0*

(ii) Domestic air passenger services—the total number and MCTOW of landings of flights by aircraft type during disclosure year

(1). Domestic air passenger services—aircraft 30 tonnes MCTOW or more

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	6,837	492,264
Boeing 737-300	3,675	250,040
Total	10,512	742,304

(2). Domestic air passenger services—aircraft 3 tonnes or more but less than 30 tonnes MCTOW

Aircraft type	Total number of landings	Total MCTOW (tonnes)
CVLT	59	1,552
ATR 72-600	2,958	66,555
ATR 72-500	6,207	136,554
De Havilland Dash 8 (300)	7,745	151,066
Beech B190	1,932	15,002
BAe-3200 Jetstream super 31	82	599
Total	18,983	371,328

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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref *Version 2.0*

(iii) The total number and MCTOW of landings of aircraft not included in (i) and (ii) above during disclosure year

	Total number of landings	Total MCTOW (tonnes)
Air passenger service aircraft less than 3 tonnes MCTOW	16	33
Freight aircraft	2,634	120,352
Military and diplomatic aircraft	319	27,652
Other aircraft (including General Aviation)	8,302	38,299

(iv) The total number and MCTOW of landings during the disclosure year

	Total number of landings	Total MCTOW (tonnes)
Total	44,897	1,789,891

16b: Terminal access

Number of domestic jet and international air passenger service aircraft movements* during disclosure year categorised by the main form of passenger access to and from terminal

	Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
International air passenger service movements	8,225	4	–	8,229
Domestic jet air passenger service movements	20,961	4	–	20,965

** NB. The terminal access disclosure figures do not include non-jet aircraft domestic air passenger service flights.*

16c: Passenger statistics

	Domestic	International	Total
The total number of passengers during disclosure year			
Inbound passengers†	2,151,134	678,752	2,829,886
Outbound passengers†	2,186,783	673,488	2,860,271
Total (gross figure)	4,337,917	1,352,240	5,690,157
less estimated number of transfer and transit passengers		–	–
Total (net figure)			5,690,157

† Inbound and outbound passenger numbers include the number of transit and transfer passengers on the flight. The number of transit and transfer passengers can be subtracted from the total to estimate numbers that pass through the passenger terminal.

16d: Airline statistics

Name of each commercial carrier providing a regular air transport passenger service through the airport during disclosure year

Domestic	International
Air Chathams	Air NZ
Air Nelson	Fiji Airways
Air NZ	Emirates
Eagle Airways	Jetstar
Jetstar	Qantas
Mt Cook Airlines	Singapore Airlines
Mainland Air	Virgin Australia

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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref *Version 2.0*

16e: Human Resource Statistics

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
Number of full-time equivalent employees	71	60	1	132.7
Human resource costs ($000)				11,026

Commentary concerning the report on associated statistics

Source of Data:

Data collated for the air passenger services is obtained from CIAL's Airline Billing Database, which is compiled from information electronically provided on a monthly basis from the Airways Corporation information system.

The data for terminal access figures originates from Airlines, customs and FID's (Flight information data system) data.

The human resource statistics has been calculated from payroll figures as at the end of 2014.

Additional Notes:

- International Transit/Transfer numbers are not collected by CIAL.
- Air passenger services on aircraft less than 3 tonnes MCTOW is not collected by CIAL due to the small number of passenger services in this category.

The following tables show a comparison of pricing forecasts to actual results for the 2014 period in passenger movements, landings and MCTOW.

	2014		
	Pricing Forecast	Actual	Variance
International Arrivals	730,543	678,752	-7.63%
International Departures	726,685	673,488	-7.89%
Total International	**1,457,228**	**1,352,240**	**-7.77%**
Domestic Arrivals	2,081,478	2,151,134	3.23%
Domestic Departures	2,114,162	2,186,783	3.32%
Total Domestic	**4,195,640**	**4,337,917**	**3.27%**
Total Passenger Movements	**5,652,868**	**5,690,157**	**0.65%**

Total Landings:

	2014		
	Pricing Forecast	Actual	Variance
Domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	22,186	18,983	-16.8%
Domestic flights of 30 tonnes MCTOW or more	12,013	10,512	-14.3%
International flights	4,977	4,131	-20.5%
Other flights	11,573	11,047	-4.7%
Total Landings	**50,749**	**44,673**	**-13.6%**

Total MCTOW:

	2014		
	Pricing Forecast	Actual	Variance
Domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	436,002	371,328	-17.4%
Domestic flights of 30 tonnes MCTOW or more	860,517	742,304	-15.9%
International flights	568,133	489,923	-15.9%
Other flights	182,924	186,336	-1.8%
Total MCTOW	**2,047,576**	**1,789,891**	**-14.4%**

The above summary provides a very clear summary of the effect of the reduced demand in the 2014 year. This includes the affect of the substitution of aircraft type over 2014 to maximise aircraft and route yields.

Regulated Airport: **Christchurch International Airport Ltd**
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SCHEDULE 17: REPORT ON PRICING STATISTICS

ref *Version 2.0*

17a: Components of Pricing Statistics

	($000)
Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	3,487
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	11,737
Net operating charges from airfield activities relating to international flights	7,613
Net operating charges from specified passenger terminal activities relating to domestic passengers	6,090
Net operating charges from specified passenger terminal activities relating to international passengers	18,533

	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,626,147
Number of domestic passengers on flights of 30 tonnes MCTOW or more	2,711,770
Number of international passengers	**1,352,240**

	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	371,328
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	742,304
Total MCTOW of international flights	489,923

17b: Pricing Statistics

	Average charge ($ per passenger)	Average charge ($ per tonne MCTOW)
Average charge from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	2.14	9.39
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	4.33	15.81
Average charge from airfield activities relating to international flights	5.63	15.54

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from specified passenger terminal activities	1.40	13.71

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	4.91	19.34

Commentary on Pricing Statistics

The pricing outcomes above reflect:

- The increase in terminal and airfield charges after the pricing reset as at 1 December 2012.
- The change in aircraft type from jet to turbo prop to service domestic routes as airlines sought to improve yields following the reduction in passenger numbers.

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Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 dated 22 December 2010

Schedule 20 – Certification for Disclosed Information – year ended 30 June 2014

We, David Mackenzie and Catherine Drayton, being directors of Christchurch International Airport Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Christchurch International Airport Limited prepared for the purpose of clauses 2.3(1) and 2.4(1) of the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 in all material respects complies with that determination.

David Mackenzie
Chairman
20 November 2014

Catherine Drayton
Director
20 November 2014

Independent Auditor's Report

To the directors of Christchurch International Airport Limited and to the Commerce Commission

The Auditor-General is the auditor of Christchurch International Airport Limited (the company). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to provide an opinion, on her behalf, on Schedules 1 to 17 for the regulatory year ended 30 June 2014 ('the Airport Disclosure Schedules'), prepared by the company in accordance with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 (the 'Determination').

Directors' responsibility for the Airport Disclosure Schedules

The directors of the company are responsible for preparation of the Airport Disclosure Schedules in accordance with the Determination, and for such internal control as the directors determine is necessary to enable the preparation of Airport Disclosure Schedules that are free from material misstatement.

Auditor's responsibility

Our responsibility is to express an opinion on whether the Airport Disclosure Schedules have been prepared, in all material respects, in accordance with the Determination.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE (NZ) 3000) and Standard on Assurance Engagements 3100: Compliance Engagements issued by the New Zealand Institute of Chartered Accountants.

These standards require that we comply with ethical requirements and plan and perform our engagement to provide reasonable assurance (which is also referred to as 'audit' assurance) about whether the Airport Disclosure Schedules have been prepared in all material respects in accordance with the Determination.

An engagement to provide reasonable assurance involves performing procedures to obtain evidence about the amounts and disclosures in the Airport Disclosure Schedules. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Airport Disclosure Schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the Airport Disclosure Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Use of this report

This report has been prepared for the directors of the company and for the Commerce Commission for the purpose of providing those parties with independent audit assurance about whether the Airport Disclosure Schedules have been prepared, in all material respects, in

accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

Because of the inherent limitations of an audit engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected. The opinion expressed in this report has been formed on the above basis.

Independence

When carrying out the engagement we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants. We also complied with the independent auditor requirements specified in clause 1.4 of the Determination.

The Auditor-General, and her employees, may deal with the company on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of business, this engagement and the annual audit of the company's financial statements, we have no relationship with or interests in the company.

Opinion

In our opinion:

- Subject to clause 2.6(3) of the Determination, and as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Airport Disclosure Schedules have been kept by the company; and

- Subject to clause 2.6(2) of the Determination, the disclosure information in Schedules 1 to 17 complies, in all material respects, with the Determination.

We have obtained all the information and explanations we have required.

Andy Burns
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
20 November 2014