



Christchurch International Airport Limited

Supplementary Voluntary Disclosures

- **Price Reset 1 December 2012**
- **Annual Disclosure for the Year ending 30 June 2013**

Executive summary

- 1 On 24 October 2012 we set our charges for the period from 1 December 2012 to 30 June 2017 (the period referred to as **PSE2**).
- 2 Our PSE2 charges begin the recovery of our investment in the new Integrated Terminal (**ITP**) development and are based on a long-run levelised price path. This long-run levelised price path was designed to smooth the effects of the ITP investment on prices set, balancing the needs of Christchurch Airport with the economic impact such prices would have on our customers. The prices were set after robust consultation with our substantial customers in 2012.
- 3 In addition, our PSE2 charges incorporated a transitional glide path up to the long-run price level, resulting in a permanent under-recovery to Christchurch Airport (and corresponding permanent saving to our customers) in the order of \$16 million NPV.
- 4 This was our first pricing decision to be subject to the new information disclosure regime regulated under Part 4 of the Commerce Act 1986 (**Act**). It was closely scrutinised as part of the Commerce Commission's (**Commission**) review and subsequent report on the effectiveness of information disclosure regulation in relation to Christchurch Airport, pursuant to section 56G of the Act.
- 5 In reporting on the effectiveness of information disclosure regulation in relation to Christchurch Airport, the Commission acknowledged the efficiency basis for our long-run levelised price path, but raised some concerns about the transparency of how we reported our PSE2 prices in our disclosures.
- 6 To address the Commission's transparency concerns we have:
 - 6.1 re-issued our Pricing Event Disclosure (dated 19 December 2012) and our first historic Annual Disclosure for the period ending 30 June 2013 (dated 30 November 2013) (together, the **Voluntary Disclosures**), based on a revised disclosure methodology and tax treatment to address the Commission's transparency concerns;
 - 6.2 committed to using the revised disclosure methodology for the remainder of PSE2; and
 - 6.3 have committed to address some longer term modelling elements raised by the Commission in our reset of prices in July 2017.
- 7 A 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. These changes mean our Voluntary Disclosures will enable stakeholders to identify:
 - 7.1 how much of our investment we recover and what the rate of return will be for the PSE2 period; and
 - 7.2 a closing regulatory asset base (**RAB**) at the end of PSE2 (30 June 2017) that is consistent with our PSE2 prices and that shows how much of our investment has been recovered during the PSE2 period.
- 8 In addition, it will be a simple exercise to derive from this closing RAB the opening asset base on which prices will be reset from July 2017.

- 9 The revised disclosure methodology was developed by Incenta Economic Consulting (***Incenta***). Key stakeholders were given an opportunity to comment on the proposed methodology and we appreciated them taking the time to do so. The finalised disclosure methodology, and the feedback from stakeholders, is described in the Final Incenta Report.
- 10 The Final Incenta Report is **attached** to this report alongside the Voluntary Disclosures.
- 11 We are confident these disclosures transparently report the return of our investment achieved during PSE2. As the Final Incenta Report illustrates, this improved transparency necessarily requires engaging with a certain amount of technical detail and we appreciate the level of engagement from our stakeholders during this process. We are committed to making the information disclosure regime useful for our stakeholders, and we believe the revised disclosure methodology will better inform them about both the return of our investment during PSE2 and the basis for setting prices in 2017.

The information disclosure regime for airports

- 12 Christchurch Airport is required by the Act to publish information disclosure reports. This requirement was legislated in 2008 and came into effect in 2011.
- 13 The purpose of information disclosure is to ensure that sufficient information is available to interested persons to assess whether outcomes are being promoted that are consistent with outcomes produced in competitive markets. In particular, the regime enables our stakeholders to assess our financial and non-financial performance at a point in time and to build up a picture of our performance over time.
- 14 Christchurch Airport is required to make the following disclosures:
 - 14.1 Annual Disclosures relating to our financial information and to the quality of our specified airport services, after the end of each disclosure year; and
 - 14.2 Price Setting Event (**PSE**) Disclosures relating to our decision to fix or alter the price of a specified airport service (typically every 5 years).
- 15 Thus far, Christchurch Airport has made a range of disclosures under the information disclosure regime, including most recently:
 - 15.1 a PSE Disclosure (19 December 2012) following our price reset decision of 24 October 2012 to set prices for the period from 1 December 2012 to 30 June 2017, and
 - 15.2 an Annual Disclosure for the year ending 30 June 2013 (made on 30 November 2013) disclosing actual performance against the first year of the PSE2 price reset.
- 16 Christchurch Airport is committed to an effective information disclosure regime and welcomes the additional scrutiny the new regime invites. 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, our long-term objectives and our actual performance over time. We believe that this will contribute to better long-term outcomes for the travelling public, our customer airlines, our shareholders (the Christchurch City Council and the Crown), and other stakeholders.

Our PSE2 Pricing Decision

- 17 On 24 October 2012 we set new charges for our specified airport services for the period 1 December 2012 to 30 June 2017 (our **PSE2 Pricing Decision**). We made this decision after a lengthy consultation with our substantial airline customers, which began with the release of a pricing proposal on 12 March 2012.
- 18 Our PSE2 charges begin our recovery of the investment in the new ITP. The ITP addresses the reduction in service levels which was experienced both by the airlines and the travelling public in the old domestic terminal (built in 1960) as a result of progressive growth in passenger numbers, and the ITP development involved extensive consultation with our airline customers. It provides a fit-for-purpose terminal that will meet growing passenger and aircraft movements, accommodates modern passenger processing technologies, and brings our services and facilities up to international best practice standards.

- 19 As explained in our PSE2 Pricing Decision, the approach taken in setting prices for the period to 30 June 2017 was based on a long-run levelised price path. This was designed to ensure economic returns were achieved over the life cycle of the asset and to avoid price shocks for our customers between price reset periods.
- 20 The price path results in lower prices in the period after the ITP investment than would otherwise be the case had Christchurch Airport followed a traditional price reset approach, and is a key feature of Christchurch Airport's commitment to stimulating air services demand and tourism activity for Christchurch and the wider South Island. Essentially, the long-run price path recognises the need to reconcile major investment cycles with the shorter duration of price cycles, by smoothing the effects of the investment over the long-term.
- 21 In addition, our PSE2 prices incorporated a transitional glide path up to the long-run price level. We took this approach because we recognised that the effects of the global financial crisis and the Canterbury earthquakes were impacting all of our stakeholders. Our decision to set a glide path rather than move straight to the long-run price level resulted in a substantial permanent under-recovery to Christchurch Airport in the order of \$16 million. This under-recovery will reduce costs for the airlines and the travelling public during the period to 30 June 2017.

The Commerce Commission Final Report

- 22 Under section 56G of the Act, the Commission is tasked with reviewing airport pricing decisions to determine how effectively information disclosure is promoting outcomes consistent with those produced in a competitive market, such that regulated airport companies:
- 22.1 innovate and invest, including in replacement, upgraded, and new assets;
 - 22.2 improve efficiency and provide services at a quality that reflects consumer demands;
 - 22.3 share efficiency gains with consumers; and
 - 22.4 are limited in their ability to extract excessive profits.¹
- 23 In reporting on the effectiveness of information disclosure regulation in relation to Christchurch Airport, the Commission agreed with Christchurch Airport that it was efficient to adopt a levelised price path. In particular the Commission acknowledged the following in its Final Section 56G Report on Christchurch Airport:²

...Christchurch Airport's reason for wanting to establish a levelised price path over multiple price setting periods is understandable. The commissioning of the new integrated terminal will result in a significant increase in the value of Christchurch Airport's asset base, at a time when the expected utilisation of the terminal will be relatively low. Christchurch Airport has explained that the approach avoids price shocks and provides more stable cash flows for both Christchurch Airport and the airlines.

This levelised pricing approach reflects efficient pricing principles and is conceptually easy to understand...

¹ Commerce Act 1986, section 52A.

² Commerce Commission *Final Section 56G Report on Christchurch Airport* (13 February 2014) at paras [E13] and [E14].

- 24 However the Commission noted several concerns with the transparency of the way we reported our new prices in our disclosures. The Commission stated it had:
- 24.1 a concern with our use of a standard straight line depreciation method and a preference for a method that calculates the depreciation implied by the long-run price level; and
 - 24.2 a concern with our implementation of the methodology on a pre-tax basis and a preference for a post-tax approach.
- 25 The Commission's view, which we accept, is that these changes would provide greater transparency as to the returns earned during the pricing period. The changes better enable stakeholders to track the recovery of our investment and our asset base each year to 30 June 2017.
- 26 In response, Christchurch Airport committed to re-issue our Pricing Event Disclosure (dated 19 December 2012) and our Annual Disclosure (dated 30 November 2013) for the year ending 30 June 2013 in a way that addressed the Commission's transparency concerns, and to use the revised disclosure methodology for the remainder of PSE2.

Process since the Commission's Final Section 56G Report

- 27 Following the Commission's Final Section 56G Report on Christchurch Airport (dated 13 February 2014) Christchurch Airport engaged Incenta to advise on a methodology that responded to the Commission's transparency concerns. Incenta produced a report presenting an implied depreciation methodology which identifies the return of capital implied in the levelised price path during the period to 30 June 2017.³ The report also explains how this methodology flows through to disclosed returns and the disclosed asset base (***Incenta Report***).
- 28 On 6 June we sent a copy of the Incenta Report to our stakeholders. We also provided a fully worked up spread sheet model showing how the methodology is applied.
- 29 On 1 July we held a workshop in Wellington with our stakeholders to provide an overview of the Incenta Report and to tease out areas where our stakeholders sought more information or explanation. The workshop was attended by representatives from Air New Zealand, BARNZ, the Commerce Commission, the Ministry of Business Innovation and Employment and the Ministry of Transport.
- 30 The discussion at the workshop was valuable in identifying areas where more explanation would be helpful. On 8 August we sent a further Incenta memorandum to our stakeholders, responding to questions that were raised by them during the workshop (***Incenta Response***).
- 31 Feedback was received from BARNZ on 22 August, including a report from its expert adviser Covec, on both the Incenta Report and the Incenta Response. Feedback from Air New Zealand was also received endorsing the comments made by BARNZ. We have now considered the feedback and finalised our revised disclosure methodology. Incenta has produced a finalised report that pulls together the previous material and the consideration of the BARNZ/Covec feedback (***Final Incenta Report***). The Final Incenta Report is attached.

³ The methodology recommended by Incenta is consistent with the high level guidance given by the Commission in its Final Report (see footnote 178).

- 32 We have used the methodology explained in the Final Incenta Report to prepare re-casted disclosures of our Pricing Event Disclosure (dated 19 December 2012) and our Annual Disclosure (dated 30 November 2013). We will use that same methodology as the basis for our upcoming regulatory disclosures during the balance of the pricing period (through to 30 June 2017).
- 33 Our PSE2 prices will not change as a result of our revised disclosure methodology.

The revised disclosure methodology

- 34 The revised disclosure methodology used in the Voluntary Disclosures is explained in full in the Final Incenta Report, but we set out the key ways in which the methodology addresses the Commission's transparency concerns, below.
- 35 First of all, the revised disclosure methodology moves from a standard straight line depreciation method to one that calculates the depreciation implied by the long-run price path.
- 36 Second, the revised disclosure methodology shifts from a pre to a post-tax WACC (as preferred by the Commission and our airline customers), and uses estimates of actual tax to be paid during PSE2. The implied depreciation is calculated consistent with these adjustments.
- 37 These changes mean our Voluntary Disclosures enable our stakeholders to identify:
- 37.1 how much of our investment is recovered during the period to 30 June 2017 (the end of PSE2); and
 - 37.2 the closing RAB at the end of PSE2 that is consistent with our PSE2 prices and our recovery of investment.
- 38 The Final Incenta Report explains that it will be a simple exercise to derive from this closing RAB the opening asset base on which prices will be reset from July 2017. Specific adjustments to the closing RAB will be needed to accommodate the fact that:
- 38.1 The regulatory asset base required by the disclosure regulations is the total asset base used to provide all regulated activities. Only some of these regulated activities are the subject of the price resetting decision, and so a subset of the regulatory asset base must be identified when resetting prices;
 - 38.2 In our 2012 pricing decision we agreed to omit from the pricing asset base a large area of land used to provide the regulated services that are subject to the price reset. If that continues in 2017 a further adjustment to the regulatory asset base will be required to identify the pricing asset base;
 - 38.3 The valuation of land that was used to set prices in the 2012 price decision (and that was therefore used in the calculation of the revaluation gains that were rebated to customers in the PSE2 period) is slightly older than the land valuation that informs the regulatory asset base for disclosure purposes (the former revaluation was as at 31 December 2011 and the latter was as at 30 June 2013). It follows that the appropriate RAB for land for pricing purposes will be slightly different to the RAB for land for disclosure purposes.

It is intended that these values be realigned from the start of the PSE3 period, which will require an adjustment to prices over the PSE3 period (if the pricing asset base is increased to align it with the disclosure asset base, then the benefit of the associated revaluation gain will be rebated over the PSE3 period, repeating CIAL’s approach to the pre-PSE2 revaluation gains).

- 39 It is worth reiterating that between now and 30 June 2017 the changes presented by the revised disclosure methodology do not affect our prices. Rather, they respond to the Commission’s concerns to improve the transparency of our disclosures – in particular, by making it easier to identify how much of our investment is recovered during the period to 30 June 2017, the return on investment achieved over the PSE2 period, and how much of our investment remains to be recovered in the future.
- 40 As mentioned, the revised disclosure methodology also means that when Christchurch Airport and its airline customers come to discuss the reset of prices in 2017, there will be clarity as to the asset base to be used as the opening asset base for setting future prices.
- 41 The Commission’s Final Section 56G Report raised some questions as to gaps in our 20 year pricing model (specifically, forecast capital expenditure after 30 June 2017 and inflation after 2022, and detailed forecasts after 2022), which we will address when consulting on our prices to apply from 1 July 2017.

What the Voluntary Disclosures show: PSE Disclosure

- 42 The table below illustrates the change in how, under the revised pricing methodology, we report the recovery of our investment during the period to 30 June 2017 for our services covered by the PSE2 price reset.
- 43 The table shows at an aggregate level both:
- 43.1 the implied depreciation calculated by Incenta (which we use in the Voluntary Disclosures and will use for the remainder of the period to 30 June 2017); and
- 43.2 the straight line depreciation used in our previous disclosures.

<i>Item</i>	<i>2013 (7 mths)</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>Total</i>
Straight Line Depreciation	8.04	14.59	15.00	15.58	15.96	69.17
Implied Depreciation	10.83	14.26	16.20	17.29	18.99	77.57
Difference	2.79	-0.33	1.20	1.71	3.03	8.40

- 44 The implied depreciation is an economically accurate estimate of the recovery of our investment. This allows stakeholders to better assess our forecast level of returns during PSE2.

Rate of Return

- 45 The shift to implied depreciation and a post-tax approach allows stakeholders to better assess the returns being achieved for PSE2. The table below shows our forecast returns for the PSE2 pricing period (1 December 2012 to 30 June 2017) using the implied depreciation calculated by Incenta, as compared to the returns which were forecast using a straight line depreciation method (taken from the Commission’s Final Section 56G Report).

<i>Item</i>	<i>Straight line depreciation</i>		<i>Implied Depreciation</i>	
	<i>PSE2 Reset</i>	<i>Total Specified Activities</i>	<i>PSE2 Reset</i>	<i>Total Specified Activities</i>
IRR	7.04%	6.84%	6.65%	6.68%
Difference			-0.39%	-0.16%

Issues for our 2017 price reset

- 46 During the engagement process with stakeholders some issues were raised that go to how we may set prices after 30 June 2017, rather than to improvements in our disclosures between now and then.
- 47 Those issues include:
- 47.1 whether we continue to use a levelised price path, and if so for what parts of our business and over what timeframe;
 - 47.2 the level of the target WACC;
 - 47.3 the detail of our operating and capital expenditure and volume forecasts beyond 30 June 2017; and
 - 47.4 the treatment of un-forecast CPI revaluations.
- 48 In addition, the Commission raised some questions as to the longer term detail and approach taken in our 20 year pricing model.
- 49 Christchurch Airport has noted our stakeholders concerns and is committed to addressing them, together with the Commission’s modelling concerns, when we consult on the prices to apply from 1 July 2017.

What the Voluntary Disclosures show: Annual Disclosure for period ending 30 June 2013

50 We have revised the Annual Disclosure for the year ended 30 June 2013, incorporating the implied depreciation calculated by Incenta.

51 The table below details the change that results from using implied depreciation.

Item	Depreciation \$m		Closing RAB 30 June 2013 \$m	
	Straight Line	Implied	Initial	Voluntary
Initial Disclosure	\$19.862		\$485.887	
Voluntary Disclosure		\$21.138		\$484.611
Difference		+\$1.276		-\$1.276

52 This 2012/2013 year is unusual, in that our adoption of the new long-run levelised prices occurred part way through the year. For this reason the disclosure uses the combination of straight line depreciation for the period July to November 2013 plus the implied depreciation for the price reset period 1 December 2012 to 30 June 2013.

53 The table below shows our revised return for the 30 June 2013 year.

Item	\$'000			
	2011	2012	2013	
			Original	Revised
Regulatory Profit	18,884	7,517	8,488	7,213
Adjusted Regulatory Profit	17,873	6,386	7,522	6,247
Regulatory Investment value	315,328	404,058	428,960	428,960
ROI - comparable to post tax WACC	5.67%	1.58%	1.75%	1.46%
Post Tax WACC	8.06%	7.56%	6.49%	6.49%

54 Note this disclosure relates to all "specified" (i.e. regulated) airport activities, as required by the information disclosure regulations. This combines activities covered by the PSE2 price reset together with other regulated activities not included in the PSE2 price reset.

55 The adoption of the implied depreciation methodology influences the Regulatory Profit. This results in a revision to ROI comparable to the target post tax WACC of 6.49%, decreasing from the original result of 1.75% to 1.46%, reflecting the changes arising from the return of capital implied in the setting of a levelised price path from 1 December 2012.

What is attached

56 The following information is attached:

56.1 the Final Incenta Report;

56.2 a copy of Incenta's implied depreciation methodology model; and

56.3 the Voluntary Disclosures for PSE2 Period to 30 June 2017 and the Annual Disclosure for the Year ended 30 June 2013.



Tidy cursor position and sheet scaling

Set sheet protection

Remove sheet protection

Specified Airport Services Information Disclosure Requirements Information Templates for Schedules 18–19

Company Name	Christchurch International Airport Ltd
Original Disclosure Date	19 December 2012
Supplementary Disclosure Date	28 November 2014
Pricing Period Starting Year (year ended)	30 June 2013
Disclosure year of most recent annual disclosure (year ended) ¹	30 June 2012

This Supplementary Disclosure has been made in response to concerns raised by the Commerce Commission following the release of their Section 56G Review Report of the 1 December 2012 Price Reset decision. The changes made have impacted Schedule 18 only, no changes have been made to Schedule 19.

**Templates for Schedules 18–19 (Disclosure Following a Price Setting Event)
Version 2.0. Prepared 25 January 2012**

Table of Contents

Schedule	Description
18	REPORT ON THE FORECAST TOTAL REVENUE REQUIREMENTS
19	REPORT ON DEMAND FORECASTS

Disclosure Template Guidelines for Information Entry

Templates

The templates contained in this workbook are intended to reflect the specified airport disclosure requirements set out in Schedules 18–19 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:

Internal consistency checking is not applied in Schedules 18–19.

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 18, cells D58:D64, D67:D70.

In schedule 18, the column D cells listed above (in the clause b(i) asset base roll-forward and the clause b(ii) works under construction roll-forward disclosures) disappear if the determination does not require Part 4 disclosure in respect of year CY – 1 (i.e., if an annual disclose under Part 4 has been made for the disclosure year that occurred immediately prior to the price setting event).

Regulated Airport **Christchurch International Airport Ltd**
 Pricing Period Starting Year Ended **30 June 2013**

SCHEDULE 18: REPORT ON THE FORECAST TOTAL REVENUE REQUIREMENTS

ref Version 2.0

18a: Revenue Requirement

Overview of the methodology used to determine the revenue requirement

Refer to Section 2.1

	Pricing Period Starting Year	Pricing Period	Pricing Period	Pricing Period	Pricing Period
		Starting Year	Starting Year	Starting Year	Starting Year
		+ 1	+ 2	+ 3	+ 4
	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
(\$000)					
Forecast value of assets employed	492,089	506,611	508,394	509,294	509,565
Forecast cost of capital	9.76%	9.76%	9.76%	9.76%	9.76%
Forecast return on assets employed	48,023	49,441	49,615	49,702	49,729
plus Forecast operational expenditure	26,858	28,703	29,274	29,976	30,623
plus Forecast depreciation	20,042	17,651	19,563	20,687	22,576
plus Forecast tax	3,321	6,236	9,163	11,411	11,467
plus (less) Forecast revaluations	(10,090)	(10,586)	(10,692)	(10,660)	(10,730)
less Forecast other income	87	89	91	93	95
plus (less) Other factors	(28,927)	(18,140)	(13,595)	(9,560)	(9,507)
Forecast total revenue requirement	59,140	73,216	83,237	91,463	94,063
less Revenue requirement not applicable to price setting event	10,028	10,238	10,453	10,673	10,896
plus (less) Revenue smoothing adjustment	-	-	-	-	-
Forecast revenue for services applicable to price setting event	49,112	62,978	72,784	80,790	83,167
Forecast total revenue requirement for the following regulated activities					
Airfield activities	24,923	30,354	35,234	39,734	40,969
Aircraft and freight activities	3,912	3,995	4,079	4,164	4,252
Specified passenger terminal activities	30,305	38,867	43,924	47,565	48,842
Forecast total revenue requirement	59,140	73,216	83,237	91,463	94,063

Description of any other factors that are considered in determining the forecast total revenue requirement

Refer to Section 2.6
 Refer to Section 2.2.2 for comment on Value of assets Employed for Pricing Period Starting year

Regulated Airport **Christchurch International Airport Ltd**
 Pricing Period Starting Year Ended **30 June 2013**

SCHEDULE 18: FORECAST TOTAL REVENUE REQUIREMENTS (cont)

ref	Version 2.0						
53		Year of most recent annual disclosure (year ended)	30 June 2012				
54							
55			Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year
56		(\$000)	- 1 *	+ 1	+ 2	+ 3	+ 4
			for year ended	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16
57		18b(i): Forecast Asset Base					
58		Forecast asset base—previous year	396,690	480,103	504,075	509,147	507,642
59		less Forecast depreciation	18,967	20,042	17,651	19,563	20,687
60		plus Forecast revaluations	3,739	10,090	10,586	10,692	10,660
61		plus Assets commissioned	30,567	33,924	12,137	7,366	13,331
62		less Asset disposals	1,684	—	—	—	—
63		plus (less) Forecast adjustment resulting from cost allocation	(1,352)	—	—	—	—
64		Forecast asset base	408,993	504,075	509,147	507,642	510,946
65				504,075			
66		18b(ii): Forecast Works Under Construction					
67		Works under construction—previous year	35,921	—	—	—	—
68		plus Capital expenditure	30,273	33,924	12,137	7,366	13,331
69		less Assets commissioned	30,567	33,924	12,137	7,366	13,331
70		Works under construction	35,627	—	—	—	—
71		* Disclosure for pricing period starting year – 1 is only required if no disclosure has been made pursuant to clause 2(3) in respect of the year directly preceding the pricing period starting year.					
72							

SCHEDULE 18: FORECAST TOTAL REVENUE REQUIREMENTS (cont 2)

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79 **18b(iii): Forecast Capital Expenditure**

		Pricing Period Starting Year + 1	Pricing Period Starting Year + 2	Pricing Period Starting Year + 3	Pricing Period Starting Year + 4	Pricing Period Starting Year + 5	Pricing Period Starting Year + 6	Pricing Period Starting Year + 7	Pricing Period Starting Year + 8	Pricing Period Starting Year + 9	Total	
	(\$000)	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	
80												
81												
82												
83	Capital Expenditure by Category											
84	Capacity growth				5,916					5,916	10,000	
85	Asset replacement and renewal	33,924	12,137	7,366	7,415	9,083	7,064	8,017	8,309	8,444	9,394	
86	Total capital expenditure	33,924	12,137	7,366	13,331	9,083	7,064	8,017	8,309	14,360	19,394	
87	Capital Expenditure by Key Capital Expenditure Project											
88	Airfield Pavement Maintenance Works	6,400	6,700	5,400	5,000	6,300	4,000	5,500	5,500	6,000	6,700	57,500
89	Apron / Taxiway Remediation	18,675										18,675
90	Pound Road Realignment and RESA	4,890										4,890
91	Phase 3a – Regional Stands, Hangar 4 Removed		3,130									3,130
92	Motor vehicles								1,500			1,500
93	Runway Extensions										10,000	10,000
94	Terminal lighting upgrade	500										500
95	Disaster Recovery & High Availability					500						500
96	Full Airside screening						500					500
97	Asset Management System Upgrade							500				500
98	Disaster Recovery & High Availability									600		600
99	Asset Management System Upgrade										700	700
100	International Stand Optimisation				5,916					5,916		11,832
101	Other Reg Services	367										367
102	Other capital expenditure	3,092	2,307	1,966	2,415	2,283	2,564	2,017	1,309	1,844	1,994	21,791
103	Total Capital Expenditure	33,924	12,137	7,366	13,331	9,083	7,064	8,017	8,309	14,360	19,394	132,985

Regulated Airport Christchurch International Airport Ltd
 Pricing Period Starting Year Ended 30 June 2013

SCHEDULE 18: FORECAST TOTAL REVENUE REQUIREMENTS (cont 3)

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126 **Basis for Cost Allocation**
 127 Refer to section 2.2.4 and appendix K
 139

140 *An explanation of where and why disclosures differ from the cost-allocation Input Methodology and/or, where costs are shared between regulated and non-regulated assets, an explanation of the basis for that allocation.*

141 **Key Capital Expenditure Projects—Consumer Demands Assessment**
 142 Refer to section 2.4.3
 154
 155

An explanation of how consumer demands have been assessed and incorporated for each reported project and the degree to which consumers agree with project scope, timing and cost.

156 **18b(iv) FORECAST OPERATIONAL EXPENDITURE**

	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	
		<i>for year ended</i>				
157 (\$000)						
158 Corporate overheads	8,132	8,691	8,864	9,076	9,272	
160 Asset management and airport operations	16,672	17,817	18,171	18,607	19,009	
161 Asset maintenance	2,054	2,195	2,239	2,293	2,342	
162 Forecast operational expenditure	26,858	28,703	29,274	29,976	30,623	
163						

Regulated Airport
Pricing Period Starting Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 19: REPORT ON DEMAND FORECASTS

ref Version 2.0

19a: Passenger terminal demand

			Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	
			+ 1	+ 2	+ 3	+ 4	+ 5	+ 6	+ 7	+ 8	+ 9	
			30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22
			for year ended									
(000)												
Busy hour passenger numbers	Inbound passengers	Domestic	860	860	860	880	880	900	900	900	920	920
		International	840	940	1,000	1,020	1,040	1,060	1,080	1,100	1,120	1,140
		Combined *	1,400	1,460	1,520	1,540	1,540	1,560	1,580	1,580	1,580	1,600
	Outbound passengers	Domestic	880	880	900	900	920	920	920	940	940	960
		International	820	900	980	1,000	1,000	1,020	1,040	1,060	1,080	1,080
		Combined *	1,260	1,380	1,440	1,440	1,460	1,460	1,480	1,480	1,480	1,500
* No disclosure of combined terminal forecasts is required for airports with no shared passenger terminal functional components.												
Number of passengers during year	Inbound passengers	Domestic	2,040,844	2,081,478	2,133,324	2,186,927	2,241,522	2,297,425	2,353,577	2,414,211	2,461,926	2,511,302
		International	679,673	730,543	803,408	827,404	852,234	877,810	904,043	931,258	959,134	987,662
		Total	2,720,517	2,812,021	2,936,732	3,014,331	3,093,756	3,175,235	3,257,620	3,345,469	3,421,060	3,498,964
	Outbound passengers	Domestic	2,072,528	2,114,162	2,167,207	2,221,117	2,276,723	2,333,777	2,393,404	2,451,445	2,501,043	2,550,927
		International	675,888	726,685	799,543	823,635	848,336	873,777	900,091	927,001	954,872	983,765
		Total	2,748,416	2,840,847	2,966,750	3,044,752	3,125,059	3,207,554	3,293,495	3,378,446	3,455,915	3,534,692
	International transit and transfer passengers [†]		-	-	-	-	-	-	-	-	-	-

[†] NB. Forecasts of international transit and transfer passenger numbers relate only to airports with extant or planned international transit and transfer facilities

Regulated Airport
Pricing Period Starting Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 19: REPORT ON DEMAND FORECASTS (cont)

ref Version 2.0

34 19b: Aircraft Runway Movements

		Pricing Period Starting Year	Pricing Period Starting Year + 1	Pricing Period Starting Year + 2	Pricing Period Starting Year + 3	Pricing Period Starting Year + 4	Pricing Period Starting Year + 5	Pricing Period Starting Year + 6	Pricing Period Starting Year + 7	Pricing Period Starting Year + 8	Pricing Period Starting Year + 9
		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22
35	(000)	<i>for year ended</i>									
36											
37	Movements during busy period (total number of aircraft)	24	25	25	25	25	25	25	25	25	25
38		228	233	235	237	239	241	243	246	248	250
39											
40	Landings during year (total number of aircraft)	17,284	16,990	17,289	17,535	17,705	17,848	17,924	18,200	18,394	18,860
41		21,054	22,186	22,211	22,348	22,523	22,666	22,861	23,090	23,199	23,698
42		11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573
43	Total	49,911	50,749	51,073	51,456	51,801	52,087	52,358	52,863	53,166	54,131
44											
45	Landings during year (total MCTOW in tonnes)	1,402,917	1,428,650	1,454,464	1,485,651	1,500,935	1,521,582	1,536,582	1,565,264	1,580,497	1,624,086
46		410,571	436,002	436,526	439,389	443,312	446,374	450,648	455,449	457,899	467,723
47		182,924	182,924	182,924	182,924	182,924	182,924	182,924	182,924	182,924	182,924
48	Total	1,996,412	2,047,576	2,073,914	2,107,964	2,127,171	2,150,880	2,170,154	2,203,637	2,221,320	2,274,733
49											
50	Landings during year (total number of aircraft)	4,977	4,977	5,237	5,422	5,614	5,718	5,834	6,046	6,238	6,474
51		33,309	34,147	34,211	34,409	34,562	34,744	34,899	35,192	35,303	36,033
52		11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573
53											
54	Landings during year (total MCTOW in tonnes)	568,133	568,133	588,444	615,238	632,107	649,946	667,825	691,900	706,989	734,005
55		1,244,004	1,295,167	1,301,194	1,308,449	1,310,789	1,316,659	1,318,052	1,327,461	1,330,056	1,356,452
56		182,924	182,924	182,924	182,924	182,924	182,924	182,924	182,924	182,924	182,924

Description of the basis for forecasts, and/or assumptions made in forecasting

Busy Hour passenger numbers is based on the Busy Hour and Stand Demand Forecast review by AirBiz
Number of passengers and aircraft movements during year is based on CIAL forecast following airline feedback during the consultation process



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
Original Disclosure Date	19 December 2012
Supplementary Disclosure Date	28 November 2014
Disclosure Year (Year Ended)	30 June 2013
Pricing Period Starting Year (year ended)	30 June 2013

This Supplementary Disclosure has been made in response to concerns raised by the Commerce Commission following the release of their Section 56G Review Report of the 1 December 2012 Price Reset decision. The changes made have impacted Schedules 1, 2, 3, 4, 7, 8 and 9. No changes have been made to the other schedules.

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

Table of Contents

Schedule	Description
1	<u>REPORT ON RETURN ON INVESTMENT</u>
2	<u>REPORT ON THE REGULATORY PROFIT</u>
3	<u>REPORT ON THE REGULATORY TAX ALLOWANCE</u>
4	<u>REPORT ON REGULATORY ASSET BASE ROLL FORWARD</u>
5	<u>REPORT ON RELATED PARTY TRANSACTIONS</u>
6	<u>REPORT ON ACTUAL TO FORECAST EXPENDITURE</u>
7	<u>REPORT ON SEGMENTED INFORMATION</u>
8	<u>CONSOLIDATION STATEMENT</u>
9	<u>REPORT ON ASSET ALLOCATIONS</u>
10	<u>REPORT ON COST ALLOCATIONS</u>
11	<u>REPORT ON RELIABILITY MEASURES</u>
12	<u>REPORT ON CAPACITY UTILISATION INDICATORS FOR AIRCRAFT AND FREIGHT ACTIVITIES AND AIRFIELD ACTIVITIES</u>
13	<u>REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES</u>
14	<u>REPORT ON PASSENGER SATISFACTION INDICATORS</u>
15	<u>REPORT ON OPERATIONAL IMPROVEMENT PROCESSES</u>
16	<u>REPORT ON ASSOCIATED STATISTICS</u>
17	<u>REPORT ON PRICING STATISTICS</u>

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 is 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
For Year EndedChristchurch International Airport Ltd
30 June 2013

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

ref Version 2.0

(\$000 unless otherwise specified)

6 1a: Return on Investment

	CY-2 *	CY-1 *	Current Year CY
	30 Jun 11	30 Jun 12	30 Jun 13
7 Return on Investment (ROI)			
9 Regulatory profit / (loss)	18,884	7,517	7,213
10 less Notional interest tax shield	1,010	1,131	966
11 Adjusted regulatory profit	17,873	6,385	6,247
12 Regulatory investment value	315,238	404,058	428,960
13			
14 ROI—comparable to a post tax WACC (%)	5.67%	1.58%	1.46%
15 Post tax WACC (%)	8.06%	7.56%	6.49%
16			
17 ROI—comparable to a vanilla WACC (%)	5.99%	1.86%	1.68%
18 Vanilla WACC (%)	8.40%	7.86%	6.75%

19 **Commentary on Return on Investment**

20 This report is a Supplementary Voluntary Disclosure incorporating an adjustment to implied depreciation as determined by
21 CIAL as part of its supplementary disclosure of the PSE2 Price reset. This was made in response to the commitment made
22 by CIAL to address the concerns raised about transparency of returns reflecting the levelised price path.

23 The Disclosure statements have incorporated the value of implied depreciation as contained in the Price reset disclosure to
24 reflect the "return of capital" implicit in the levelised price path. The returns below have been adjusted to incorporate the
25 revision to an implied depreciation approach for those activities covered by the PSE2 Price reset. All other regulated activities
26 remain on a straight line depreciation basis.

27 Adjusted regulatory profit, (incorporating the implied depreciation value disclosed in the supplementary PSE2 price reset) is
28 down by \$0.138m or 2.16% in comparison to 2012. This results in a return of 1.46% on the Regulatory Investment Value of
29 \$428.96m for 2013. This result is well below the Commerce Commission benchmark of 6.49% and marginally below the
30 2012 return of 1.58%.

Item	2011	2012	2013
	\$'000		
32 Regulatory Profit	\$18,884	\$7,517	\$7,213
33 Adjusted Regulatory Profit	\$17,873	\$6,385	\$6,247
34 Regulatory Investment value	\$315,238	\$404,058	\$428,960
35 ROI – comparable to post tax WACC	5.67%	1.58%	1.46%
36 Post tax WACC	8.06%	7.56%	6.49%

37
38 There are a number of reasons for this level of return and these are highlighted in the following schedules and explained
39 further in the executive summary preceeding these schedules.

40 Regulatory Investment Value at \$428.960m has increased over 2012 by \$24.902m (6.16%). This is primarily due to the
41 completion of the intergrated terminal and related airside works (March 2013). Accordingly, commissioned assets have only
42 been included at 25% of full value, reflecting the part period use, with the full value being added to the regulatory Investment
43 value in 2014.

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)

ref Version 2.0

(\$000 unless otherwise specified)

55 **1b: Notes to the Report**

56 **1b(i): Deductible Interest and Interest Tax Shield**

57	RAB value - previous year	408,993
58	Debt leverage assumption (%)	17%
59	Cost of debt assumption (%)	4.96%
60	Notional deductible interest	3,449
61	Tax rate (%)	28.0%
62	Notional interest tax shield	966

63 **1b(ii): Regulatory Investment Value**

64	Regulatory asset base value - previous year	408,993
----	---	---------

	Assets Commissioned— RAB Value (\$000)	Proportion of Year Available (%)	Proportionate Regulatory Value
65	Commissioned Projects		
66	Terminal project	25%	10,359
67	Runway Maintenance	25%	1,099
68	Apron Taxiway remediation	25%	4,515
69			—
70			—
71			—
72			—
73			—
74			—
75	plus Other assets commissioned	50%	5,669
76	plus Adjustment for merger, acquisition or sale activity		—
77	less Asset disposals	50%	1,675
78	RAB investment		71,879
79	RAB proportionate investment		19,967
80			
81	Regulatory investment value		428,960

Page 2

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

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	06/12/2012	06/12/2012	7.0	5.15%	75,000	113	30	(75)
Subordinated Wholesale Bond	18/10/2009	18/10/2009	7.0	-	25,000	38	-	(25)
						150	30	(100)

80

Attribution Rate (%) 23%

Allowance for long term credit spread 18

2b(ii): Financial Incentives

		(\$000)
Pricing incentives	5,808	
Other incentives	143	
Total financial incentives		5,951

2b(iii): Rates and Levy Costs

	(\$000)
Rates and levy costs	885

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
For Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref Version 2.0

		(\$000)	
6	3a: Regulatory Tax Allowance		
7	Regulatory profit / (loss) before tax		7,269
8			
9	plus Regulatory depreciation	21,138	
10	Other permanent differences—not deductible	33	*
11	Other temporary adjustments—current period	(320)	*
12			20,851
13			
14	less Total revaluations	6,611	
15	Tax depreciation	17,459	
16	Notional deductible interest	3,449	
17	Other permanent differences—non taxable	-	*
18	Other temporary adjustments—prior period	401	*
19			27,919
20			
21	Regulatory taxable income (loss)		200
22			
23	less Tax losses used	-	
24	Net taxable income		200
25			
26	Statutory tax rate (%)	28.0%	
27	Regulatory tax allowance		56

* 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 (\$0.033m) This represents 50% of entertainment expenses which are not deductible for tax purposes
- Other Temporary adjustments – current period (-\$0.32m)
 - These include personnel accruals that are not deductible in the year they are accrued (\$0.796m). These accruals were allocated in the same ratio as payroll allocations (52%). In addition, the cost of uniforms capitalised for tax purposes are also included (\$0.092m)
 - A deferred lease settlement (-\$0.2m) related to specified activities is being spread over five years for tax purposes and is included as a current temporary difference.
 - ITP staging costs, (deductible for tax purposes over the period of the project), were for additional operating costs incurred to ensure business operations can meet required operating standards while the new integrated terminal was being constructed. These amount to (-\$1.076m) for the current period (total staging costs times the new specified terminal allocation of 77.82%)
 - Difference between tax and accounting gain on asset disposal of \$0.068m
- Other permanent differences – non-taxable - Nil
- Other Temporary adjustments – prior period (\$0.401m) These differences are effectively the reversal of the previous year accruals.

3b(ii): Tax Depreciation Roll-Forward

		(\$000)	
51	Opening RAB (Tax Value)	164,273	
52	plus Regulatory tax asset value of additions	59,331	
53	less Regulatory tax asset value of disposals	5,602	
54	plus Regulatory tax asset value of assets transferred from/(to) unregulated asset base	-	
55	less Tax depreciation	17,459	
56	plus Other adjustments to the RAB tax value	13,709	
57	Closing RAB (tax value)		214,252

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

		(\$000)	
59	Tax losses (regulated business)—prior period	-	
60			
61	plus Current year tax losses	-	
62	less Tax losses used	-	
63			
64	Tax losses (regulated business)		-

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2013**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.	10,830	2013	484,611	485,887

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 CIAL has committed to using the revised methodology for the remainder of PSE2.	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).
	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.	This has been considered in the finalisation of our revised methodology. Copies of our expert's report, including analysis of the feedback from our stakeholder's expert advisor, 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)	1,168
CPI at CPI reference date—current year (index value)	1,176
Revaluation rate (%)	0.68%

	Unallocated RAB	RAB
RAB value—previous disclosure year	489,225	408,993
less Revalued land	84,705	83,881
less Assets with nil physical asset life	170	103
less Asset disposals	4,194	3,349
less Lost asset adjustment	—	—
Indexed revaluation	2,741	2,203

4b(v): Works Under Construction

	Unallocated works under construction	Allocated works under construction
Works under construction—previous disclosure year	52,830	35,627
plus Capital expenditure	36,542	35,686
less Asset commissioned	87,054	75,228
less Offsetting revenue	—	—
plus Adjustment resulting from cost allocation		5,118
Works under construction	2,318	1,202

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2013

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref Version 2.0

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
RAB value—previous disclosure year		489,225		408,993
less				
Regulatory depreciation		24,827		21,138
plus				
Indexed revaluations	2,741		2,203	
Non-indexed revaluations	4,411		4,407	
Total revaluations		7,152		6,610
plus				
Assets commissioned (other than below)	81,351		69,702	
Assets acquired from a regulated supplier	—		—	
Assets acquired from a related party	5,703		5,527	
Assets commissioned		87,054		75,228
less				
Asset disposals (other)	110		99	
Asset disposals to a regulated supplier	—		—	
Asset disposals to a related party	4,084		3,250	
Asset disposals		4,194		3,349
plus				
Lost and found assets adjustment		—		—
Adjustment resulting from cost allocation				18,266
RAB value [†]		554,410		484,611

Commentary

There was a revaluation of land under the market value alternative use valuation methodology in 2013. This gave rise to an increase of \$4.407m to the RAB.

Other assets were revalued using the CPI index of 0.68% which resulted in an increase to the RAB of \$2.203m.

A major project for CIAL over the last three years has been the construction of a new integrated terminal. Stage I of the new terminal was opened in May 2011 and Stage II in April 2012, with the full project being completed in 2013.

Depreciation has increased since 2012, principally as a result of the new terminal development being commissioned, resulting in a full years depreciation of Stages I & II of ITP. In addition, CIAL has adopted an Implied Depreciation approach as reflected in this supplementary voluntary disclosure and discussed in the cover paper.

The adjustment resulting from cost allocation of (\$18.266m) is the result of changes in the allocation driver percentages for 2013 over 2012. This variation (2013 79.1%; 2012 71.3%) was the result of the final footprint totals for the completed terminal versus the progressive stages completed in 2012 and 2011.

The specific details of the effect in the change in allocation are detailed on Schedule 9 (asset allocations) These involved the;

- Direct allocation of certain assets in the Integrated Terminal \$5.206m
- Reclassification of certain assets on completion of ITP, previously allocated as non-specified activities, (refer schedule 9 for details \$11.341m
- Change in allocation percentages \$1.719m
- Total \$18.266m**

Further details are included in schedule 9 (Asset Allocations)

[†] 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)
Standard depreciation	13,996	10,307
Non-standard depreciation	10,830	10,830
Regulatory depreciation	24,827	21,138

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2013

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

ref Version 2.0

109 **4b(vi): Capital Expenditure by Primary Purpose**

110	Capacity growth		5,960	
111	plus Asset replacement and renewal		29,726	
112	Total capital expenditure			35,686

113 **4b(vii): Asset Classes**

	Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *	
114						
115	RAB value—previous disclosure year	86,922	91,971	223,279	6,822	408,993
116	less Regulatory depreciation	—	10,598	9,935	605	21,138
117	plus Indexed revaluations	—	630	1,527	46	2,203
118	plus Non-indexed revaluations	4,407				4,407
119	plus Assets commissioned	5,635	25,969	41,212	2,413	75,228
120	less Asset disposals	3,041	—	277	31	3,349
121	plus Lost and found assets adjustment	—	—	—	—	—
122	plus Adjustment resulting from cost allocation	10	—	18,386	(131)	18,266
123	RAB value	93,934	107,972	274,191	8,515	484,611

* Corresponds to values in RAB roll forward calculation.

124 **4b(viii): Assets Held for Future Use**

	Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total	
125						
126	Assets held for future use—previous disclosure year	42,707	12,236	28	2,517	57,432
127	plus Assets held for future use—additions ¹	1,487	4,168	28	2,118	7,745
128	less Transfer to works under construction	—	—	—	—	—
129	less Assets held for future use—disposals	2,616	749	—	—	3,365
130	Assets held for future use ²	41,578	15,655	56	4,635	61,812

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'.

132	Highest rate of finance applied (%)				6.89%
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133

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
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SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref Version 2.0

5(i): Related Party Transactions

(\$000)

Net operating revenue	140
Operational expenditure	5,128
Related party capital expenditure	-
Market value of asset disposals	-
Other related party transactions	63,630

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 Ltd	Subsidiary of Majority Shareholder
Red Bus Ltd	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
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	-	2,714
Christchurch City Holdings Limited (CCHL)	Group Loss offset	-	4,744
Christchurch City Council (CCC)	Rates	-	2,971
Christchurch City Council (CCC)	Operational expenses	-	423
Christchurch City Council (CCC)	Subvention payments / Losses	-	1,845
City Care Limited	Operational expenses	-	1,305
Connectics Ltd	Operational expenses	-	390
Red Bus Ltd	Revenue	-	104
Vbase Limited	Operational expenses	-	33
Enable Services Ltd	Revenue	-	24
BECA Group Limited	Structural Engineering services	-	251
PGG Wrightson Limited	Agricultural and landscaping supplies	-	139
House of Travel Holdings Limited	Travel, accommodation, lease tenancy	-	634
Other related party transactions	various	-	1
Christchurch International Airport Limited	Management compensation of key personnel including Directors and Executive Management, incorporating salaries and other short term employee benefits	-	-
	- Directors Fees	-	315
	- Executive Management	-	2,983

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 (\$59.303m). These transactions relate to the full company, and are not able to be allocated to specific activities. The Company considers that the remaining transactions (\$9.573m) cannot reasonably be allocated to specified airport activities without considerable and disproportionate effort and expense.

Regulated Airport
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Christchurch International Airport Ltd
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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	5,960	–	N/A	5,960	–	N/A
Asset replacement and renewal	29,726	33,557	(11.4%)	29,726	33,557	(11.4%)
Total capital expenditure	35,686	33,557	6.3%	35,686	33,557	6.3%
Corporate overheads	9,593	8,132	18.0%	9,593	8,132	18.0%
Asset management and airport operations	18,289	16,672	9.7%	18,289	16,672	9.7%
Asset maintenance	2,579	2,054	25.6%	2,579	2,054	25.5%
Total operational expenditure	30,461	26,858	13.4%	30,461	26,858	13.4%
Key Capital Expenditure Projects						
Airfield Pavement Maintenance works	4,394	6,400	(31.3%)	4,394	6,400	(31.3%)
Apron/taxiway remediation	18,060	18,675	(3.3%)	18,060	18,675	(3.3%)
Pound Road realignment and RESA	41	4,890	(99.2%)	41	4,890	(99.2%)
Terminal Project	3,598	–	N/A	3,598	–	N/A
Terminal lighting upgrade	–	500	(100.0%)	–	500	(100.0%)
Land transfers into specified airport activities	5,527	–	N/A	5,527	–	N/A
Other capital expenditure	4,065	3,092	31.5%	4,065	3,092	31.5%
Total capital expenditure	35,686	33,557	6.3%	35,686	33,557	6.3%

Explanation of Variances

Operational Expenditure (+\$3.603m)

Total operational expenditure was \$3.603m above the forecast of \$26.858m.

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	+\$1.481m	Costs directly attributable to specific airlines or route destinations were specifically excluded from pricing as a consequence of consultation	Asset Management & Airport Operations
Insurance	+\$0.474m	Increased cost overrun post 2012 renewal attributed to total specified airport activities	Corporate Overheads
Rates	+\$0.510m	Cost overrun owing to dispute on rating methodology applied to certain sections of the new integrated terminal, this methodology is presently under review with the Christchurch City Council	Asset Management & Airport Operations
Maintenance	+\$0.312m	Actual costs exceeded forecast by \$0.2m 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
Cleaning	+\$0.343m	A small cost overrun coupled with variation between forecast and final footprint allocation to specified terminal activities.	Asset Management & Airport Operations
Other operating costs	+\$0.357m	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
Total	+\$3.477m		

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

Total Capital Expenditure (\$2.129m)

Airfield pavement maintenance works (-\$2.006)

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.

Pound Road Realignment and RESA (-\$4.849m)

This variance is the result of a delay in the timing of the project. This capital expenditure will be completed in the 2014/2015 period.

Terminal Project (\$3.598m)

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 2013 shows up in the disclosure accounts as capital expenditure in excess of forecast.

Terminal Lighting upgrade (-\$0.5m)

This project has not been started yet.

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

* Disclosure year does not coincide with a Pricing Period Starting Year.

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

ref Version 2.0

Explanation of Variances (continued)

Land transfers into specified airport activities (\$5.527m)

This variance is a result of land held for development being transferred into specified airport activities. This was the result of a land reconfiguration in front of the terminal, with some areas previously classified as commercial now being classified as specific terminal activity.

Other capital expenditure (\$0.973m)

This variance is the result of several technology projects that arose post the completion of the forecast.

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	Pricing Period	Pricing Period	Pricing Period	Pricing Period	Pricing Period
	Starting Year	Starting Year + 1	Starting Year + 2	Starting Year + 3	Starting Year + 4
Capacity growth	-	-	-	5,916	-
Asset replacement and renewal	33,557	12,137	7,366	7,415	9,083
Total forecast capital expenditure	33,557	12,137	7,366	13,331	9,083
Corporate overheads	8,132	8,691	8,864	9,076	9,272
Asset management and airport operations	16,672	17,817	18,171	18,607	19,009
Asset maintenance	2,054	2,195	2,239	2,293	2,342
Total forecast operational expenditure	26,858	28,703	29,274	29,976	30,623
Key Capital Expenditure Projects	Pricing Period	Pricing Period	Pricing Period	Pricing Period	Pricing Period
	Starting Year	Starting Year + 1	Starting Year + 2	Starting Year + 3	Starting Year + 4
Airfield Pavement Maintenance works	6,400	6,700	5,400	5,000	6,300
Apron/taxiway remediation	18,675	-	-	-	-
Pound Road realignment and RESA	4,890	-	-	-	-
Phase 3a - Regional Stands, Hangar 4 removed	-	3,130	-	-	-
Terminal lighting upgrade	500	-	-	-	-
Disaster recovery and high availability	-	-	-	-	500
International Stand optimisation	-	-	-	5,916	-
Other capital expenditure	3,092	2,307	1,966	2,415	2,283
Total forecast capital expenditure	33,557	12,137	7,366	13,331	9,083

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Regulated Airport
For Year EndedChristchurch International Airport Ltd
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SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref Version 2.0

		(\$000)			
	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*	
6					
7					
8	Airfield Charges	-	20,925	-	20,925
9	Terminal Charges	7,100	-	-	7,100
10	Counter Charges	2,099	-	-	2,099
11	Passenger Service Charges	13,463	-	-	13,463
12	Lease, rental and concession income	3,346	240	3,503	7,089
13	Other operating revenue	1,073	308	74	1,454
14	Net operating revenue	27,081	21,472	3,577	52,130
15					
16	Gains / (losses) on asset sales	(49)	(10)	1	(58)
17	Other income	107	90	6	204
18	Total regulatory income	27,139	21,552	3,584	52,275
19					
20	Total operational expenditure	18,802	10,870	790	30,461
21					
22	Regulatory depreciation	8,842	11,871	424	21,138
23					
24	Total revaluations	1,523	4,707	381	6,611
25					
26	Allowance for long term credit spread	9	8	1	18
27					
28	Regulatory tax allowance	(2,123)	1,235	945	56
29					
30	Regulatory profit/ loss	3,132	2,275	1,806	7,213
31					
32	Regulatory investment value	220,248	191,046	17,666	428,960

* 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 2013, prior to the inclusion of the interest rate shield, is \$7.213 million. Regulatory investment value for the year ending 30 June 2013 was \$428.960 million compared to \$404.058 million at 30 June 2012 (\$24.902m / +6.16%). This increase is the consequence of the commissioning of the ITP development. The returns on investment for the respective specified airport activity categories is detailed below, with the 2012 comparative performance included in brackets.

Specified Terminal	Specified Airfield	Specified Aircraft & Freight
1.42% (1.82%)	1.19% (2.23%)	10.22% (-1.5%)

Considering each of these segments in turn;

Specified Passenger Terminal Activities

The slight reduction in return is due to a combination of impacts on earnings including:

- Increased Revenue owing to the implementation of the new aeronautical charges from 1 December 2012 but overall terminal and related income reduced from 2012 (\$2.342m) owing to the reduced passenger and aircraft movements;
- Increased operating expenses for specified terminal activity following the commissioning of the full ITP development reflecting the final footprint of the completed complex.
- Increase in the regulatory investment value due to the completion of the integrated terminal.

Specified Airfield Activities

The return on airfield activities has decreased due to:

- The implementation of the revised "Implied Depreciation" methodology. Implied Depreciation for airfield land assets was high in 2013 due to land revaluation performed for PSE2, with revalued amount to be rebated to customers over PSE2. In 2013 whole year of rebate was provided over 7 months for which new prices were in operation.

Specified Aircraft and Freight

The return on aircraft and freight has increased due to:

- Revenue for the year ending 30 June 2013 was \$3.584m, a reduction of \$0.237m from 2012
- Operational Expenditure for the year ended 30 June 2013 was \$0.790m reducing from \$1.864m in 2012 due to earthquake costs incurred in 2012
- Depreciation costs reduced in 2013 to \$0.424m from \$2.041m in 2012, which included an accelerated write-off of a building that was below minimum building standards and was no longer able to be safely used.

Regulated Airport
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Christchurch International Airport Ltd
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SCHEDULE 8: CONSOLIDATION STATEMENT

ref Version 2.0

8a: CONSOLIDATION STATEMENT

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business- GAAP	Unregulated Activities- GAAP	(\$000) Airport Company- GAAP
Net income	52,275	66	52,341	72,872	125,213
Total operational expenditure	30,461	-	30,461	23,107	53,568
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	21,814	66	21,880	49,765	71,645
Depreciation	21,138	2,301	23,439	7,373	30,812
Revaluations	6,611	28,187	34,798	6,090	40,888
Tax expense	56	(2,682)	(2,626)	7,626	5,000
Net operating surplus / (deficit) before interest	7,231	28,634	35,864	40,857	76,721
Property plant and equipment	484,611	81,119	567,006	326,435	893,441

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
Depreciation methodology - on additions and disposals under GAAP	Depreciation	2,301
Sale of assets - depreciation on disposal increases the gain on sale	Net income	66
CPI index revaluation and Land under MVAU method - excluded under GAAP	Revaluations	(6,611)
Revaluation per Opus - included under GAAP	Revaluations	34,798
Tax expense adjustment due to different calculation of surplus as well as perm/temp diffs	Tax expense	(2,682)
Land Held for development and Work in Progress - excluded from RAB	Property plant & equipment	24,576
Revaluation variance due to different methods for years 2009-2013	Property plant & equipment	58,149
Depreciation differences to date plus changes in allocation %	Property plant & equipment	(1,607)

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

Commentary on the Consolidation Statement

Regulatory /GAAP adjustments

Depreciation (\$2,301m)

This value has been revised to reflect the inclusion of the implied depreciation adjustment. Under regulatory rules, there is no depreciation on assets commissioned or disposed of post the commissioning date in the year of addition or disposal. Under GAAP however, assets are depreciated for partial use in the year of completion thereby resulting in depreciation under GAAP rules being higher than depreciation costs under regulatory rules.

Revaluation (\$28,187m)

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. The opening RAB in 2009 was based on the MVAU valuation of land at 30 June 2009. This land has then been revalued annually by the CPI index increment to 30 June 2012 and was revalued by independent valuers as at 30 June 2013. The revaluation to MVAU (+\$4.407m) represents the net increase in the MVAU as at 30 June 2013 less the opening MVAU valuation at 30 June 2009 less revaluations at CPI at 30 June 2010, 2011 and 2012.

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 (-\$2,682m)

Variances in depreciation and revaluations under disclosure rules comprehensively alter the relative regulatory tax expense compared with the GAAP tax expense when comparing different bases of disclosure. In addition interest on ITP works under construction and ITP design costs are deductible for tax purposes under GAAP but are incorporated in work in progress under information disclosure rules and is incorporated in the asset value on commissioning. These costs have been excluded from this disclosure of tax expense.

Property Plant & Equipment (\$81,119m)

Differences in asset values under GAAP when compared with Information Disclosure rules are the result of differing methodologies for asset valuations and depreciation since the initial RAB calculation in 2009. The adjustment value shown is a summation of variances from 2009 through to 2013.

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 \$1.37m (WIP) as at 30 June 2013.

Regulated Airport
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Christchurch International Airport Ltd
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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	-	87,439	4,936	92,376		92,376
Assets not directly attributable	1,193	342	24	1,558	994	2,552
Total value land				93,934		
Sealed Surfaces						
Directly attributable assets	-	107,801	-	107,801		107,801
Assets not directly attributable	-	-	-	-	-	-
Total value sealed surfaces				107,801		
Infrastructure and Buildings						
Directly attributable assets	41,510	4,215	8,378	54,102		54,102
Assets not directly attributable	215,229	4,196	1,232	220,657	65,852	286,509
Total value infrastructure and buildings				274,759		
Vehicles, Plant and Equipment						
Directly attributable assets	979	4,400	33	5,412		5,412
Assets not directly attributable	1,725	842	138	2,705	2,954	5,659
Total value vehicles, plant and equipment				8,117		
Total directly attributable assets	42,489	203,855	13,347	259,691		259,691
Total assets not directly attributable	218,147	5,379	1,394	224,920	69,799	294,719
Total assets	260,636	209,234	14,741	484,611	69,799	554,410

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 lo	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 rela	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 according 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 on the international ground floor are allocated according 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 on the international first floor are allocated according 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 on the international second floor are allocated according 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	Land, Infrastructure & Buildings

Regulated Airport
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Christchurch International Airport Ltd
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SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 2.0

47 Asset Allocators (cont)

48	Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
49	Terminal - Integrated Basement	Floor area	Proxy Cost Allocator	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
50	Terminal - Integrated Ground Floor	Floor area	Proxy Cost Allocator	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
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	terminal on the first floor are allocated according to integrated terminal floor space split into aeronautical / non-	Land, Infrastructure & Buildings
53	Terminal - Integrated Second Floor	Floor area	Proxy Cost Allocator	terminal on the second floor are allocated according to integrated terminal floor space split into aeronautical / non-	Land, Infrastructure & Buildings
54	Terminal - Non-contestable	Direct cost	Causal Relationship	Assets that are used solely for specified terminal activities 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]		
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104			[Select one]		
105			[Select one]		

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

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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)		
			Current Year (CY)	
		CY-1		CY+1
118	Asset category			
119	Original allocator or components			
120	New allocator or components			
121	Rationale			
122		-	-	-
123	Asset category			
124	Original allocator or components			
125	New allocator or components			
126	Rationale			
127		-	-	-
128	Asset category			
129	Original allocator or components			
130	New allocator or components			
131	Rationale			
132		-	-	-
133	Asset category			
134	Original allocator or components			
135	New allocator or components			
136	Rationale			
137		-	-	-
138	Asset category			
139	Original allocator or components			
140	New allocator or components			
141	Rationale			
142		-	-	-
143	Asset category			
144	Original allocator or components			
145	New allocator or components			
146	Rationale			
147		-	-	-
148	Asset category			
149	Original allocator or components			
150	New allocator or components			
151	Rationale			
152		-	-	-

Commentary on Asset Allocations

Changes in Asset Allocators

CIAL has used the same asset allocators for the years ended 2011, 2012 and 2013. 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.

Changing Terminal Footprint

In 2012, the integrated terminal assets were allocated according to the terminal footprint in use from 31 March 2012 when Stage II of the integrated terminal was commissioned.

The integrated terminal was completed and commissioned at the end of March 2013. The total value of this asset was then allocated on the following basis:

- The total completed cost of the integrated terminal was determined with assets identified as being required solely for a specified activity, such as baggage handling systems, FIDs, NIGs and Aerobridges, being classified as specified activities and included in the RAB.
- The remaining assets were then allocated according to the completed terminal footprint
- Once the final total costs above were determined, the existing asset value allocated at 30 June 2012, required for the commissioning of interim Stages 1 and 2 were reversed with the residual "new assets" being allocated to the specified and non-specified activities. This gave the net additions for 2013.
- As the interim stages 1 and 2 had been allocated on a simple footprint basis this required some reallocation of costs between activities in 2013. These details are included in schedule 4.

In addition some assets in the international terminal have now been included in specified terminal activity, primarily airside airline lounges, consistent with the input methodology definitions. Previously these assets had incorrectly been classified as non-specified activities.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref 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	1,137	2,278	146	3,561		3,561	
Costs not directly attributable	5,297	684	52	6,032	3,699	9,731	
Asset Management and Airport Operations							
Directly attributable operating costs	3,686	6,814	479	10,979		10,979	
Costs not directly attributable	6,965	315	31	7,311	16,038	23,349	
Asset Maintenance							
Directly attributable operating costs	92	275	46	413		413	
Costs not directly attributable	1,624	505	37	2,166	1,965	4,131	
Total directly attributable costs	4,916	9,367	670	14,953		14,953	
Total costs not directly attributable	13,886	1,504	120	15,509	21,701	37,211	
Total operating costs	18,802	10,870	790	30,462	21,701	52,163	

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 the year	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 generated by those Pax.	Asset management & airport operations
Promotions	Revenue generated by aircraft, passenger service and concession charges for the year	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 generated by those Pax.	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 terminal 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 activities 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
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 2.0

Cost Allocators (cont)

	Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
54			[Select one]		
55			[Select one]		
56			[Select one]		
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]		
66			[Select one]		
67			[Select one]		
68			[Select one]		
69			[Select one]		
70			[Select one]		
71			[Select one]		
72			[Select one]		
73			[Select one]		
74			[Select one]		
75			[Select one]		
76			[Select one]		
77			[Select one]		
78			[Select one]		
79			[Select one]		
80			[Select one]		
81			[Select one]		
82			[Select one]		
83			[Select one]		
84			[Select one]		
85			[Select one]		
86			[Select one]		
87			[Select one]		
88			[Select one]		
89			[Select one]		
90			[Select one]		
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92			[Select one]		
93			[Select one]		
94			[Select one]		
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103			[Select one]		
104			[Select one]		
105			[Select one]		
106			[Select one]		
107			[Select one]		
108			[Select one]		
109			[Select one]		
110			[Select one]		
111			[Select one]		
112			[Select one]		
113			[Select one]		
114			[Select one]		
115			[Select one]		
116			[Select one]		
117			[Select one]		
118			[Select one]		

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 2.0

127 **10b: Notes to the Report**

128 **10b(i): Changes in Cost Allocators**

		(\$000)		
		Effect of Change		
		CY-1	Current Year (CY)	CY+1
131	Operating cost category			
132	Original allocator or components			
133	New allocator or components			
134	Rationale			
135		-	-	-
136				
137	Operating cost category			
138	Original allocator or components			
139	New allocator or components			
140	Rationale			
141		-	-	-
142				
143	Operating cost category			
144	Original allocator or components			
145	New allocator or components			
146	Rationale			
147		-	-	-
148				
149	Operating cost category			
150	Original allocator or components			
151	New allocator or components			
152	Rationale			
153		-	-	-
154				
155	Operating cost category			
156	Original allocator or components			
157	New allocator or components			
158	Rationale			
159		-	-	-
160				
161	Operating cost category			
162	Original allocator or components			
163	New allocator or components			
164	Rationale			
165		-	-	-

Commentary on Cost Allocations

Changes in Cost Allocators

CIAL has used the same cost allocators for the years ended 2011, 2012 and 2013. 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 2013 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 2013 and their rationale for application are detailed above.

2013 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 2013 cost allocation process.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
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SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref Version 2.0

6	Runway	Number	Total Duration	
			Hours	Minutes
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	7	4	45
27	Airlines/Other	9	5	45
28	Undetermined reasons	4	2	-
29	Total	20	12	30
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	4	4	21
33	Airlines/Other	1	-	17
34	Undetermined reasons	-	-	-
35	Total	5	4	38
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	15	6	07
45	Airlines/Other	7	4	09
46	Undetermined reasons	3	1	33
47	Total	25	11	49

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

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 **Determining Responsibility and Validity of Interruptions**

60 CIAL operations staff record all interruption data in a database. This is completed at the time the interruption occurs and includes
61 full details of the interruption including an assessment of the party responsible.

62
63 This data is then reviewed by the CIAL Operations Manager to ensure it meets the relevant criteria for schedule 11 in accordance
64 with the definitions detailed in the Determination. This review also includes a review of the party responsible for the interruption and
65 includes discussion with other internal and external parties where necessary.

66
67 **Operational Improvements**

68 Interruptions are discussed when appropriate with relevant parties/forums as disclosed in schedule 15. Potential improvements and
69 strategies are also discussed amongst these groups.

70
71 **On Time Departure Delay**

72 CIAL requires the input from Airlines to report the on time departure delay information. This year all but one airline has provided this
73 data to CIAL. For the airline not providing this information CIAL assessed the relevant information using FIDs This information has
74 been compared with CIAL's records to ensure completeness. Any on time performance issues were discussed with the individual
75 airlines as and when it occurs and corrective action is commenced in order to reduce the occurrence of these events. This
76 information has been aggregated for this report.

77

78

79 *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
80 respect of reliability. If interruptions are categorised as "occurring for undetermined reasons", the reasons for inclusion in this category must be disclosed.*

Regulated Airport **Christchurch International Airport Ltd**
 For Year Ended **30 June 2013**

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	1,741	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		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		15 March 2013
Runway busy hour start time (day/month/year hour)		4 Nov 2012 6 p.m.

Aircraft movements		Contact stand-airbridge	Contact stand-walking	Remote stand-bus	Total
Air passenger services	International	23	-	-	23
	Domestic jet	68	-	-	68
	Domestic turboprop	-	116	-	116
	Total	91	116	-	207
Other (including General Aviation)					-
Total aircraft movements during the runway busy day					207
Number of aircraft runway movements during the runway busy hour		22			

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
For Year Ended

Christchurch International Airport Ltd
30 June 2013

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

ref Version 2.0

	International terminal	Domestic terminal	Common area †
6 Outbound (Departing) Passengers			
7 Landside circulation (outbound)			
8 Passenger busy hour for landside circulation (outbound)—start time (day/month/year hour)	28 Apr 2013 3 p.m.	14 Dec 2012 8 a.m.	8 Jan 2013 4 p.m.
9 Floor space (m ²)	262	607	2,356
10 Passenger throughput during the passenger busy hour (passengers/hour)	672	828	1,187
11 Utilisation (busy hour passengers per 100m ²)	256	136	50
13 Check-in			
14 Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	8 Jan 2013 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	1,187
17 Utilisation (busy hour passengers per 100m ²)	N/A	N/A	47
18 Baggage (outbound)			
19 Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	8 Jan 2013 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	365
23 Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,187
24 Utilisation (% of processing capacity)	N/A	N/A	15%
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 (day/month/year hour)	28 Apr 2013 3 p.m.		
28 Floor space (m ²)	489		
29 Number of emigration booths and kiosks	10		
30 Notional capacity during the passenger busy hour (passengers/hour) *	823		
31 Passenger throughput during the passenger busy hour (passengers/hour)	672		
32 Utilisation (busy hour passengers per 100m ²)	137		
33 Utilisation (% of processing capacity)	82%		
34 * 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)	28 Apr 2013 3 p.m.	14 Dec 2012 8 a.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)	672	828	
43 Utilisation (busy hour passengers per 100m ²)	131	613	
44 Utilisation (% of processing capacity)	83%	102%	
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.			
54			

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2013**SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont 1)**

ref Version 2.0

	International terminal	Domestic terminal	Common area †
Airside circulation (outbound)			
61 Passenger busy hour for airside circulation (outbound)—start time	28 Apr 2013 3 p.m.	14 Dec 2012 8 a.m.	
62 (day/month/year hour)			
63 Floor space (m ²)	1,389	1,730	
64 Passenger throughput during the passenger busy hour (passengers/hour)	672	828	
65 Utilisation (busy hour passengers per 100m ²)	48	48	
Departure lounges			
68 Passenger busy hour for departure lounges—start time (day/month/year hour)	28 Apr 2013 3 p.m.	14 Dec 2012 8 a.m.	
69 Floor space (m ²)	4,656	1,946	
70 Number of seats	785	618	
71 Passenger throughput during the passenger busy hour (passengers/hour)	672	828	
72 Utilisation (busy hour passengers per 100m ²)	14	43	
73 Utilisation (passengers per seat)	0.9	1.3	
Inbound (Arriving) Passengers			
Airside circulation (inbound)			
76 Passenger busy hour for airside circulation (inbound)—start time	9 Jan 2013 2 p.m.	18 Mar 2013 9 a.m.	N/A
77 (day/month/year hour)			
78 Floor space (m ²)	3,756	1,713	N/A
79 Passenger throughput during the passenger busy hour (passengers/hour)	647	837	N/A
80 Utilisation (busy hour passengers per 100m ²)	17	49	N/A
Passport control (inbound)			
82 Passenger busy hour for passport control (inbound)—start time	9 Jan 2013 2 p.m.		
83 (day/month/year hour)			
84 Floor space (m ²)	1,113		
85 Number of immigration booths and kiosks	24		
86 Notional capacity during the passenger busy hour (passengers/hour) *	850		
87 Passenger throughput during the passenger busy hour (passengers/hour)	647		
88 Utilisation (busy hour passengers per 100m ²)	58		
89 Utilisation (% of processing capacity)	76%		
90 * Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
Landside circulation (inbound)			
92 Passenger busy hour for landside circulation (inbound)—start time	9 Jan 2013 2 p.m.	18 Mar 2013 9 a.m.	22 Aug 2012 2 p.m.
93 (day/month/year hour)			
94 Floor space (m ²)	133	607	2,124
95 Passenger throughput during the passenger busy hour (passengers/hour)	647	837	1,153
96 Utilisation (busy hour passengers per 100m ²)	486	138	54
Baggage reclaim			
98 Passenger busy hour for baggage reclaim—start time (day/month/year hour)	9 Jan 2013 2 p.m.	18 Mar 2013 9 a.m.	
99 Floor space (m ²)	4,166	3,153	
100 Number of reclaim units	4	4	
101 Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	5,400	5,400	
102 Bags processed during the passenger busy hour (bags/hour)*	453	502	
103 Passenger throughput during the passenger busy hour (passengers/hour)	647	837	
104 Utilisation (% of processing capacity)	8%	9%	
105 Utilisation (busy hour passengers per 100m ²)	16	27	
106 * Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.			
Bio-security screening and inspection and customs secondary inspection			
108 Passenger busy hour for bio-security screening and inspection and customs secondary inspection—start time (day/month/year hour)	9 Jan 2013 2 p.m.		
109 Floor space (m ²)	974		
110 Notional MAF secondary screening capacity during the passenger busy hour (passengers/hour)*	900		
111 Passenger throughput during the passenger busy hour (passengers/hour)	647		
112 Utilisation (% of processing capacity)	72%		
113 Utilisation (busy hour passengers per 100m ²)	66		
114 * Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
Arrivals concourse			
118 Passenger busy hour for arrivals concourse—start time (day/month/year hour)	9 Jan 2013 2 p.m.	18 Mar 2013 9 a.m.	N/A
119 Floor space (m ²)	1,664	180	N/A
120 Passenger throughput during the passenger busy hour (passengers/hour)	647	837	N/A
121 Utilisation (busy hour passengers per 100m ²)	39	465	N/A
122			
123			

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Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

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

ref Version 2.0

	International terminal	Domestic terminal	Common area †
Total terminal functional areas providing facilities and service directly for passengers			
Floor space (m ²)	19,163	10,070	12,040
Number of working baggage trolleys available for passenger use at end of disclosure year	450	170	280

Commentary concerning capacity utilisation indicators for Passenger Terminal Activities

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

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 corresponding passenger throughput.

These data sources are considered materially accurate.

Source of Data for Capacity Calculations:

Security Screening

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

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

Bio-Security

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 Commission and Airlines.

Trolleys

Trolley allocation is based on Company figures and internal policy.

Baggage Handling

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 bags per minute or 2400 per hour.

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 provision contract.

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 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 respectively.

Baggage Reclaim

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

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

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 figures.

Passport Control

International Departures

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

International Arrivals

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 facilitation process.

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

Seating

Numbers listed include General, Food Court and Tenancy seats.

Floor Space

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 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)

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

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref Version 2.0

6 **Survey organisation**

7 Survey organisation used

8 If "Other", please specify

ACI

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

12 Domestic terminal	Quarter	1	2	3	4	Annual average
14 Ease of finding your way through an airport		3.9	4.0	4.1	4.2	4.1
15 Ease of making connections with other flights		4.0	4.0	4.2	4.0	4.0
16 Flight information display screens		4.1	4.1	4.2	4.2	4.2
17 Walking distance within and/or between terminals		3.9	3.9	4.1	4.1	4.0
18 Availability of baggage carts/trolleys		4.2	4.1	4.2	4.2	4.2
19 Courtesy, helpfulness of airport staff (excluding check-in and security)		4.4	4.3	4.3	4.3	4.3
20 Availability of washrooms/toilets		4.2	4.2	4.2	4.2	4.2
21 Cleanliness of washrooms/toilets		4.2	4.1	4.1	4.2	4.1
22 Comfort of waiting/gate areas		3.8	3.9	4.0	4.1	4.0
23 Cleanliness of airport terminal		4.3	4.3	4.4	4.5	4.4
24 Ambience of the airport		4.0	4.1	4.1	4.2	4.1
25 Security inspection waiting time		4.3	4.2	4.4	4.4	4.3
26 Check-in waiting time		4.4	4.4	4.5	4.5	4.4
27 Feeling of being safe and secure		4.3	4.3	4.5	4.4	4.4
28 Average survey score		4.1	4.1	4.2	4.3	4.2

29 International terminal	Quarter	1	2	3	4	Annual average
31 Ease of finding your way through an airport		4.2	4.1	4.1	4.2	4.1
32 Ease of making connections with other flights						
33 Flight information display screens		4.2	4.1	4.1	4.1	4.1
34 Walking distance within and/or between terminals		4.2	4.1	4.1	4.1	4.1
35 Availability of baggage carts/trolleys		4.2	4.5	4.4	4.3	4.3
36 Courtesy, helpfulness of airport staff (excluding check-in and security)		4.4	4.4	4.4	4.3	4.3
37 Availability of washrooms/toilets		4.1	4.2	4.1	4.2	4.2
38 Cleanliness of washrooms/toilets		4.2	4.1	4.2	4.2	4.2
39 Comfort of waiting/gate areas		4.0	4.1	4.0	3.9	4.0
40 Cleanliness of airport terminal		4.4	4.4	4.4	4.4	4.4
41 Ambience of the airport		4.1	4.2	4.2	4.2	4.1
42 Passport and visa inspection waiting time		4.4	4.6	4.6	4.5	4.5
43 Security inspection waiting time		4.5	4.5	4.4	4.5	4.5
44 Check-in waiting time		4.3	4.5	4.2	4.4	4.3
45 Feeling of being safe and secure		4.4	4.6	4.4	4.5	4.5
46 Average survey score		4.3	4.3	4.3	4.3	4.3

47 *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 margin of error requirement.*

48 **Commentary concerning report on passenger satisfaction indicators**

49 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.

50 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 improvement in the scores 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.

51 A summary of the results are;

56 Item	2011	2012	2013
57 Domestic Annual Average	3.9	4.1	4.2
58 International Annual Average	4.1	4.2	4.3

60 **Location of Survey Fieldwork Documentation**

61 The survey fieldwork documentation is available on CIAL's website (www.christchurchairport.co.nz)

62 **Accuracy of Passenger Data to prepare Utilisation Indicators**

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

64 *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.*

Regulated Airport
For Year Ended

Christchurch International Airport Ltd

30 June 2013

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 2013, these include:

Safety

- Improved Apron Emergency Signage – *includes the identification of operational areas and the standardisation of signage*
- Portable Bird Deterrent Laser Gun - *a continuation of CIAL's bird management strategy to improve safety and to further reduce the possibility of a bird strike*
- Airside Dynamic Safety Signage – *Improved real-time reporting to stakeholders*
- Apron Road Induction Stop Lights – *to improve the safety and efficiency of ground operations on the regional apron*
- Pedestrian Barricades Regional Apron – *to improve staff and passenger safety on the regional apron*
- Visibility Health & Safety Report Web Service – *to improve reporting and management of health and safety issues*

Improved Customer/Stakeholder Communications

- Severe Weather Warning System – *to increase the awareness and communication to stakeholders regarding forthcoming weather conditions and to co-ordinate activity to minimise the affect of adverse weather events*
- Dynamic DG & LAGs signage on Check-in Counters and gate desks – *to improve passenger communication and efficiency in processing passengers through the terminal*
- Foreign Language Signage installed in critical decision points in terminal – *to assist Asian passengers in their journey through the terminal and improve the experience*
- Electronic Notice Boards for Ground Handlers – *to improve communication to ground handlers*
- EOC Incident Web Service – *to communicate emergency update incidents to on and off campus stakeholders*

Process Efficiencies

- Revised & Improved POFA procedures to improve Quarantine Compliance
- Introduction of On-line Induction Training for all campus workers and leveraged for additional specific campus work training – e.g. Baggage Handling System
- Snow clearing Equipment – *to improve the capability to respond to snow events and reduce operational disruptions to ensure Christchurch Airport remains open to operations*

Improved Customer Experience

- Provision of Designated Smokers shelters and Smoke Free policy in and around building
- Install Glass Windows into Regional Walkway to mitigate vertigo issues of Passengers and Staff

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.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2013

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES (continued)

ref Version 2.0

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Disclosure of the operational improvement process (continued)

Airside Safety Group

This group meets bi-monthly to discuss any safety issues relating to operations, communicate rule changes, improve driving and parking standards, discuss any incursions and inform of any impending airside works. Should any passenger comment come through concerning airside safety, this group will consider and discuss such comments.

Terminal Health & Safety Committee

This committee includes airlines, ground handlers, government agencies and tenants and meets quarterly. The standing agenda includes; new hazards, review of hazard register, review of any incident, Contractor management and an update on global communicable diseases.

Ground Handlers Group

This group meets bi-monthly to discuss ground handling issues. The group deals with matters relating to the baggage handling system and Ground handling issues on the apron. The safe and efficient processing of baggage and apron operations are discussed by this group.

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.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
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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)
122			
123			
124	Air passenger service aircraft less than 3 tonnes MCTOW	-	-
125	Freight aircraft	2,571	118,661
126	Military and diplomatic aircraft	270	30,291
127	Other aircraft (including General Aviation)	8,190	23,384

(iv) The total number and MCTOW of landings during the disclosure year		Total number of landings	Total MCTOW (tonnes)
128			
129			
130	Total	43,551	1,740,453

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	
133					
134	International air passenger service movements	8,181	18	-	8,199
135	Domestic jet air passenger service movements	21,304	9	-	21,313

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

16c: Passenger statistics

	Domestic	International	Total	
137				
138				
139	The total number of passengers during disclosure year			
140	Inbound passengers [†]	2,085,183	658,088	2,743,271
141	Outbound passengers [†]	2,110,258	646,846	2,757,104
142	Total (gross figure)	4,195,441	1,304,934	5,500,375
144	less estimated number of transfer and transit passengers		-	-
146	Total (net figure)			5,500,375

[†] 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
150		
151	Air Chathams	Air NZ
152	Air Nelson	Air Pacific
153	Air NZ	Emirates
154	Eagle Airways	Jetstar
155	Jetstar	Qantas
156	Mt Cook Airlines	Singapore Airlines
157		Virgin Australia
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Regulated Airport
For Year EndedChristchurch International Airport Ltd
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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	68	63	1	132
Human resource costs (\$000)				10,401

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 2013.

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 2013 period in passenger movements, landings and MCTOW.

	2013		
	Pricing Forecast	Actual	Variance
International Arrivals	679,673	658,088	-3.18%
International Departures	675,888	646,846	-4.30%
Total International	1,355,561	1,304,934	-3.7%
Domestic Arrivals	2,040,844	2,085,183	2.17%
Domestic Departures	2,072,528	2,110,258	1.82%
Total Domestic	4,113,372	4,195,441	2.00%
Total Passenger Movements	5,468,933	5,500,375	0.57%

Total Landings:

	2013		
	Pricing Forecast	Actual	Variance
Domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	21,054	17,688	-16.0%
Domestic flights of 30 tonnes MCTOW or more	12,307	10,726	-12.8%
International flights	4,977	4,106	-17.5%
Other flights	11,573	11,031	-4.7%
Total Landings	49,911	43,551	-12.7%

Total MCTOW:

	2013		
	Pricing Forecast	Actual	Variance
Domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	410,571	342,891	-16.5%
Domestic flights of 30 tonnes MCTOW or more	834,784	748,563	-10.3%
International flights	568,133	476,662	-16.1%
Other flights	182,924	172,337	-5.8%
Total MCTOW	1,996,412	1,740,453	-12.8%

The above summary provides a very clear summary of the effect of the reduced demand in the 2013 year. This includes the affect of the substitution of aircraft type over 2013 to maximise aircraft and route yields. This has contributed to a reduction in forecast revenue of -\$3.02m or -12.3%.

Regulated Airport
For Year Ended

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	3,225
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	10,781
Net operating charges from airfield activities relating to international flights	6,795
Net operating charges from specified passenger terminal activities relating to domestic passengers	5,727
Net operating charges from specified passenger terminal activities relating to international passengers	16,981
	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,503,958
Number of domestic passengers on flights of 30 tonnes MCTOW or more	2,691,483
Number of international passengers	1,304,934
	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	342,891
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	748,563
Total MCTOW of international flights	476,662

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	9.40
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	4.01	14.40
Average charge from airfield activities relating to international flights	5.21	14.26
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from specified passenger terminal activities	1.37	13.01
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	4.70	18.22

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 continued reduction in international passenger and aircraft movement since 2010 as a consequence of the impacts of the Christchurch earthquakes and continuing aftershocks.
- 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.