

CHRISTCHURCH INTERNATIONAL AIRPORT LTD
SPECIFIED AIRPORT SERVICES - ANNUAL INFORMATION
DISCLOSURE
FOR THE YEAR ENDED 30 JUNE 2022

30 November 2022



EXECUTIVE SUMMARY

INTRODUCTION

1. CIAL's Regulatory Context

Christchurch International Airport Limited ("CIAL") is subject to a detailed and effective regulatory regime:

- Under the Airport Authorities Act 1966 ("AAA"), CIAL is entitled to set prices for airport services and facilities, so long as it consults with its substantial customers in the price setting process.
- CIAL is also governed by the Input Methodologies regime, which influences how CIAL calculates its allowable revenue, sets prices, and makes public disclosures. Under the Input Methodologies regime:
 - Specific guidance is established by the Commerce Act (Specified Airport Services Input Methodologies) Determination, explaining how airports ought to calculate (for the purposes of pricing) certain inputs such as cost of capital and depreciation;
 - Airports are required by the Airport Services Information Disclosure Determination ("ID Determination") to disclose information on costs and profitability in accordance with the Input Methodologies **annually** (*this being one such disclosure*) and **following a price setting event** (*the last disclosure relating to the reset of aeronautical prices being published in August 2017*); and
 - The Commerce Commission ("the Commission") is required by section 53B(2)(b) of the Commerce Act to review CIAL's disclosures and publish a summary and analysis of the disclosed information for the purpose of understanding CIAL's performance.

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

The Commerce Act requires the Commission to review all IMs no later than 7 years after its date of publication, and after that, at intervals of no more than 7 years. The Commission substantially completed the first IM review in December 2016 (2016 IM review) and has now commenced its second review due for completion by the end of 2023. The focus of the current review is on identifying the key topics, issues, risks and opportunities facing the relevant sectors to ensure that the IM framework is appropriately set-up to be able to manage these evolving trends moving forward.

The Civil Aviation Bill was introduced into parliament in September 2021 and has just completed its second reading in the House following a Select Committee review. This bill once passed, repeals and replaces the Civil Aviation Act 1990 and the Airport Authorities Act 1966 with a single, new statute covering safety, security and economic regulation of civil aviation into the future.

2. Background

On 19 June 2017 CIAL set its prices for the period 1 July 2017 to 30 June 2022 (“PSE3”). CIAL’s pricing decision was sent to airlines and the Commission and was the outcome of seven months of detailed consultation with CIAL’s substantial customers.

On 14 August 2017 CIAL disclosed information related to “specified airport activities”¹ and CIAL’s price setting event PSE3 in accordance with the ID Determination.

CIAL now discloses, alongside and within this document, the annual information disclosure requirements, and additional information for context and to aid understanding, for the year ending 30 June 2022 (“2022 Disclosure”).

The 2022 Disclosure represents the fifth and final annual disclosure under PSE3, being the period from 1 July 2017 to 30 June 2022.

This executive summary provides some background to this disclosure – the regulatory regime and an overview of CIAL’s current business and strategic context.

It also provides an overview of the information the 2022 Disclosure templates provide on the performance of the company for the current year and for the cumulative five-year period to date covering the complete PSE3 period.

As noted above this is the fifth annual disclosure under PSE3, so should be read in conjunction with CIAL’s PSE3 price setting event disclosures published on 14 August 2017, CIAL’s first annual disclosure for the year ended 30 June 2018 published on 30 November 2018, CIAL’s second annual disclosure for the year ended 30 June 2019 published on 30 November 2019, CIAL’s third annual disclosure for the year ended 30 June 2020 published on 30 November 2020 and CIAL’s fourth annual disclosure for the year ended 30 June 2021 published on 30 November 2021.

3. Availability of Information

In accordance with the requirements of public disclosure, this disclosure and its related attachments:

- were preceded by the following notice in the *Gazette* on 30 November 2022: <https://gazette.govt.nz/notice/id/2022-gs5189>
- are available on CIAL’s website: www.christchurchairport.co.nz;
- are available for inspection at CIAL’s office between 8.30am to 5.00pm, Monday to Friday;

Christchurch International Airport Limited
Car Park Building
30 Durey Road
Christchurch, New Zealand.

- will be provided to the Commerce Commission by 7 December 2022; and
- will be provided to any person by post or for collection from CIAL’s offices within 10 working days of a request.

¹ “Specified Airport Activities” covers more activities than those for which prices were set as part of CIAL’s third price setting event. As such, this disclosure covers activities commonly described as “priced” (part of PSE3) and “non-priced”. Charges for “non-priced” activities are individually negotiated with customers outside of the aeronautical pricing consultation”.

4. Previous Regulatory Engagement

When setting its PSE3 prices, CIAL took account of feedback received as a result of the Commission's summary and analysis of CIAL's PSE2 disclosure under section 53B of the Act.

In particular, CIAL:

- aligned its pricing asset base where possible with its regulated (disclosure) asset base, to increase transparency and align CIAL's price setting exercise with the process the Commission undertakes in assessing CIAL's returns; and
- used a tilted annuity method of depreciation. This method was chosen with expert input from Incenta Economic Consulting (Incenta) and is intended to increase transparency compared to the 20 year levelised approach used in PSE2.

On 1 November 2018, the Commission published its final summary and analysis report under section 53B(2) of the Commerce Act 1986 in respect to CIAL's PSE3 pricing decision and noted that:

- it was broadly satisfied that CIAL is not targeting excessive profits over the PSE3 period and that CIAL's targeted return on its priced services is reasonable;
- CIAL had improved its transparency and consultation process compared to PSE2, in particular to include a more transparent tilted annuity depreciation method;
- it had no significant concerns over CIAL's forecasts; and
- CIAL's new charging structure does not raise significant efficiency concerns.

OVERVIEW OF CIAL AS A BUSINESS

5. Purpose and Philosophy

The activities of CIAL and the connectivity they provide, make a significant contribution to the social and economic wellbeing of the communities and economies of Christchurch, Canterbury and in social and economic development of the South Island and regional New Zealand – making a better contribution to the nation's outcomes.

It is clear that the past two years have been defined by Covid-19. For aviation this is particularly true, and as a part of the aviation sector CIAL has been impacted. However, the way the past two years have played out for CIAL has ultimately been defined by the learning organisation CIAL has become following the 2010/11 earthquakes.

The lessons learned from the quakes and preparation for events like a pandemic, has enabled CIAL to navigate Covid-19 in a way that has been supportive of our customers, fair to all our staff, true to our shareholders and funders, and mindful of the 1:50 economic multiplier the airport has on the South Island economy.

CIAL will continue to pursue its core philosophy of stakeholder equity where People & Planet & Prosperity across key stakeholders must be considered and balanced.



6. Aviation Environment

Christchurch Airport is 90% a short-haul airport, servicing domestic, Tasman and Pacific Islands air services.

CIAL's passenger numbers for the second half of the PSE3 period were profoundly impacted by the Covid-19 pandemic, significantly reducing airline capacity and passenger movements. International passenger numbers have been most severely affected, with border closures meaning, essentially, there was no international travel between the period from April 2020 to March 2022. On the other hand, the domestic market has demonstrated some resilience, as it has managed to recover relatively quickly each time domestic travel restrictions were eased over the past two-year period.

The material impact that Covid-19 has had on aviation has meant that there is a required focus on ensuring that we work with our airline customers on ensuring that Christchurch and the country rebuilds the international air networks that were in place before the pandemic, whilst at the same time using the opportunity to seek to improve our position in the New Zealand and global aviation network.

Since April 2022, it has become clear that aviation is now experiencing a strong restart, as people globally have moved quickly back to air travel to reconnect with friends, family businesses and places. Despite some operational stresses in the aviation system as it came out of hibernation, CIAL believes the future remains positive with borders opened and demand for travel strong.

To counter this demand risk is evident through 2023 from the increasing likelihood of deteriorating economic conditions in New Zealand and abroad (whether in the form of a hard landing or recession) and escalation of geo-political conflicts.

In respect to the 2022 Disclosure year, as noted below in section 8 of this document which discusses passenger demand as compared to forecast, the pandemic and the resulting limitations it imposed on air travel has had a significant impact on passenger numbers during FY22 as compared to the PSE3 year 5 projections.

7. CIAL's Long Term Pricing Objectives

In 2005 CIAL committed to building a new integrated terminal to meet the demands of consumers, growth in connectivity needs, and to reflect the Airport's role as gateway to the South Island.

CIAL's long term pricing objectives fall into three categories:

- Increasing the productivity and efficient use of the existing terminal and airfield assets;
- Ensuring CIAL is innovative itself, and facilitates, is open to, and fully utilises others' innovation (refer to Section 11 below); and
- Being transparent through a simple price structure

CIAL has also noted that a key medium-term objective over the next 2-3 year period is to actively support the recovery of the commercial aviation sector to assist with the rebuild of aeronautical activity into Christchurch.

CIAL's primary long-term goal is increasing the productivity and efficient use of its existing assets, without the need for substantial additional capital expenditure. The integrated terminal was designed to provide increased productivity into the future through plans for it to become increasingly integrated/flexible.

Accordingly, CIAL proposed setting its PSE3 prices on a per passenger basis. Per passenger prices allow CIAL to incentivise flexible and efficient use of its airfield and terminal. They are also simple to understand, transparent and (as the Commission identified) likely to reduce airlines' exposure to demand risk. CIAL considers (and the majority of airlines agreed) per passenger prices align CIAL's and airlines' interests.

2022 REGULATORY REPORTING SUMMARY

CIAL's annual disclosures allow interested parties to understand our financial and non-financial performance at a point in time and, more informatively, it will allow interested parties to build up a picture of our performance over time.

As noted above this is the fifth annual disclosure under PSE3. In the following sections, we outline the key points that the 2022 Disclosure presents in respect to the performance of CIAL's regulated activities for the current year and for the cumulative five-year period to date covering the complete PSE3 period.

It should be read in conjunction with CIAL's PSE3 price setting event disclosures published on 14 August 2017, CIAL's first annual disclosure for the year ended 30 June 2018 published on 30 November 2018, CIAL's second annual disclosure for the year ended 30 June 2019 published on 30 November 2019, CIAL's third annual disclosure for the year ended 30 June 2020 published on 30 November 2020 and CIAL's fourth annual disclosure for the year ended 30 June 2021 published on 30 November 2021.

8. Financial Information

Revenue Outcomes

Aeronautical services that were the subject of the PSE3 pricing decision were priced via consultation with airline customers and using the "building blocks" approach. This approach sets headline prices aimed at achieving a target revenue based on a build-up of CIAL's costs. CIAL is then open to commercial discussions with its customers about price and agrees to a variety of arrangements to facilitate demand growth.

The prices for other aeronautical services (such as leases for aircraft and freight activities) are negotiated bilaterally. Many of these contracts are long term in nature, with the prices therefore reflecting the interest rate environments and assumptions at the time the contracts were entered into, coupled with the longer-term value proposition that a tenant will assess when agreeing market terms.

The aeronautical charges under PSE3 took effect on 1 July 2017 and were described in detail in our PSE3 price setting event disclosure report (dated 14 August 2017 and available on our website).

Passenger Demand

	FY22 Actual	FY22 Forecast	Variance	PSE3 Complete Period - Actual	PSE3 Complete Period - Forecast	Variance
International	153,071	1,892,301	-91.9%	5,043,777	8,848,689	-43.0%
Domestic	3,104,343	5,579,947	-44.4%	20,911,396	25,550,821	-21.2%
TOTAL	3,257,414	7,472,248	-56.4%	25,955,173	35,399,510	-26.7%

The 2022 Disclosure Year started out positively, with passengers returning to domestic travel in numbers greater than pre-Covid, however the extended spring Auckland lockdown and subsequent February traffic light red setting following the Omicron outbreak was impactful on domestic travel. In late autumn New Zealanders began to travel domestically again and the international border began to reopen after more than two years' closure.

The outcome of these factors combined meant that our passenger volumes were very volatile, and 2022 Disclosure Year ultimately proved to be the toughest year of the pandemic for New Zealand aviation.

Total passenger numbers for the 2022 Disclosure Year were 3.26 million, compared to 3.71 million in the prior year and just under 7 million pre-Covid-19. This being 56% lower than the original PSE3 forecast.

Domestic passengers reduced 15% year on year and were 44% lower than forecast. Whilst international passengers increased 152% as borders began to reopen in the second half of the year, they were still 92% (or 1.7 million passengers) lower than forecast.

The table above shows that overall for the full five years of the PSE3 period, cumulative passenger numbers are 9.4 million (-26.7%) below PSE3 pricing forecasts. This is as expected and reflects the impact of the pandemic on air travel through the second two and half years of the PSE3 period (March 2020 – June 2022).

Priced Revenue

Further analysis of the demand variances in respect to movements and MCTOW is included in Schedule 16.

The significant impact on passenger numbers due to the pandemic has resulted in revenue* from priced services being some \$51.7m (or 54%) lower than the PSE3 pricing forecast for the 2022 Disclosure year.

** revenue includes check-in counter revenue and is calculated as the posted price multiplied by the actual volumes to ensure relevant comparison with the forecasts. Excludes the impact of incentives which are discussed below.*

Non-Priced Revenue

Other regulated services, or “non-priced” services, comprise leasing arrangements negotiated with individual customers, rather than being priced under the AAA consultation regime.

These leases are entered into outside of the 5-yearly regulatory pricing period, often have a long term, and are subject to normal market negotiation with individual customers.

For the 2022 Disclosure year, CIAL’s revenue from non-priced services has exceeded the PSE3 pricing forecast by \$1.5m. This reflecting higher than forecast rental income from the freight distribution centre.

At the time the lease income from the freight distribution centre was forecast, the final level of construction cost (to which the lease income is linked) was not finalised due to some scope changes and subsequent construction cost inflation. In addition, the original forecast was made prior to full knowledge of the outcome from commercial rental incentives negotiated in respect to the individual tenancies in the centre.

Operating Expenditure *

Annual disclosure reports under the information disclosure regime require us to report our actual operational expenditure against that forecast during the PSE3 price setting process, both for the current disclosure year and pricing period to date. This provides interested parties with a measure of our operating cost efficiency and prompts more informed discussions about what is causing departures from the expenditure forecasts that were made back in 2016 and 2017.

In this 2022 Disclosure we discuss our operating expenditure variances in Schedules 6 and 7.

As explained in these schedules the operating costs for the 2022 Disclosure year were \$1.1m lower than forecast when setting prices (-2.9%), at a total of \$36.8m compared to a forecast of \$37.9m.

** note that operating expenditure excludes incentives which are discussed in more detail below.*

The lower than forecast operating costs reflect:

- Continued reduction in the levels of discretionary expenditure throughout the majority of FY22 to manage the impacts of the pandemic across our business (e.g. promotions, trade partner support, marketing, travel and consultants); and
- reduced terminal and airfield operating costs through the year as activity at the airport was impacted by the pandemic (e.g. cleaning, electricity, heating, quarantine costs and non-essential maintenance)

This was offset to some extent by the continued increase in the cost of rates, aviation security charges and insurance which were greater than forecast.

For the full five years of the PSE3 period, operating costs (excluding incentives) of \$177.3m were 2.7% less than the forecast of \$182.2m.

Explanations for any variances at a specific cost category level across the full five years of PSE3 are consistent with explanations noted in this and prior year disclosures.

Operating Efficiency

In our annual disclosures, we have consistently noted that CIAL remains focused on operating, and continuing to operate, its terminal and airfield so as to maximise the flexibility of its assets and minimise future capital requirements. CIAL continues to look for ways it can unlock productivity and efficiency gains by increasing terminal flexibility, whilst meeting evolving regulatory health and safety, and security requirements.

Several initiatives have continued through the 2022 Disclosure year where possible, including:

- *Strategy-Led Asset Management* – a continued transition towards more proactive asset maintenance works and the development of more detailed terminal and infrastructure asset management plans. CIAL will continue to investigate the most appropriate partnership model to ensure that we will proactively identify preventative and innovative maintenance to keep longer term maintenance costs down across the terminal and runway.
- *Energy Efficiency* – a continued focus on energy efficiency and a reduction in energy consumption, including:
 - Energy efficiency and ongoing reduction in energy consumption driven by CIAL's award winning artesian water heating and cooling energy centre in the Integrated Terminal;
 - Continued LED lighting replacements;
 - Further deployment of our Building Management automated System ('BMS'), that identifies energy inefficiencies in real-time, so our building managers can respond immediately.
- *Waste* – further work with our Waste Minimisation service provider, Sustainably, to identify ways that CIAL can improve our waste sortation operations. Rather than accepting future waste levy increases, CIAL is progressing a project to re-design how we approach waste, prioritising minimisation and circularity, with genuine waste reduction
- *Cleaning* – co-investing with our outsourced cleaning provider in autonomous robotics and sensor technology across the terminal which is helping to drive significant efficiency gains in cleaning activities

Incentives

CIAL undertakes two forms of market stimulation:

- Direct expenditure on general marketing activities, covering aeronautical development and marketing, including promotion of destinations and routes, and general marketing of the Airport itself, and
- Bilateral arrangements with airlines that agree rebates (or similar) to encourage the establishment of new services or capacity.

Only the costs of the first kind of market stimulation were included in CIAL's PSE3 price setting model (as operating costs), as preferred by airlines in previous price setting rounds. For the purposes of total regulatory disclosure, CIAL is required to disclose both forms of incentives and its disclosures reflect that requirement.

Both kinds of market stimulation activities are considered when forecasting demand. The PSE3 demand forecasts were made based on these market stimulation activities occurring, both marketing spend and agreed arrangements. As the Commission identified, "Christchurch Airport has absorbed the cost of incentives under existing contracts but allowed for the effect of currently forecast incentive spend on its forecasts of demand. This is to the benefit of airlines who gain from (without paying for) potentially lower unit costs as a result of higher demand."²

CIAL's view remains that the active promotion of growth in traffic through the Airport – including through the active encouragement of new services / routes – is also in the long-term interests of passengers – its ultimate customers.

Pricing incentives are challenging to accommodate in a forward-looking cost-based price determination. However, without recognition of these costs, the apparent return will overstate the true return and the incentive / ability of an airport to promote growth will diminish.

In respect to the 2022 Disclosure year, the pricing incentives forecast in the PSE3 price setting disclosures of \$2.2m, reflected the rebates forecast under agreements in place at the end of PSE2, coupled with assumptions around offered and extended agreements that would be required to meet capacity and demand forecasts.

The actual incentives incurred for the 2022 Disclosure year, of \$186k, were significantly lower than forecast given the impact the pandemic had on overall passenger numbers, with incentives generally negotiated to increase capacity (i.e. aircraft/seats), which was obviously not relevant during this period.

The input methodologies require us to record as pricing incentives, charges that are discounted from that shown in our PSE3 pricing schedule (as well as grossing up the related revenue received). In the 2022 Disclosure year discounts to the published charges were provided for the ongoing use of Gate 15.

Capital Expenditure

When consulting on and setting our aeronautical charges in 2016 and 2017, we consulted on the capital expenditure we had planned for the period to June 2022. Changes were made to our planned capital expenditure during the consultation process, and the finalised capital expenditure plan was presented in our PSE3 disclosure report.

Annual disclosure reports like this one are an opportunity to report on how our planned capital investments are progressing.

² Final Report at [B98]

In respect to the 2022 Disclosure year, CIAL's actual capital expenditure at \$9.9m, was less than the forecast amount of \$17.2m.

As noted in Schedule 6a, the main variance to forecast for the 2022 year was in relation to the commencement of a project for the installation of stop bar lighting between taxiways and the runways (also known as "centreline lighting"). For year 5 of PSE3, CIAL had forecast \$5.5m of capital expenditure as the first step in installing centreline lighting. However, this project has been delayed given the reduced level of aircraft movements, being unable to consult efficiently and effectively with airline customers around project scope, and the changes being considered by Airways NZ in respect to the ownership and maintenance of airfield power and lighting assets across New Zealand airports including Christchurch.

One of the key challenges in respect to the accurate forecasting of capital expenditure relates to the timing of the actual cashflows related to the major capital projects identified. This can be influenced by several factors out of the Airport's control including the availability of contractors and other project management resource commitments across the Airport campus as a whole.

For the full five years of the PSE3 period, total capital expenditure at \$71.8m is less than that forecast (\$10.3m or 12.5%). The detail by key capital project, of variances in capital expenditure spend between actual and forecast over the full five years of PSE3, are discussed in detail at Schedule 6a.

Depreciation

CIAL set its PSE3 prices using, and has used in this disclosure, a tilted annuity method of depreciation. This method was chosen with expert input from Incenta and is intended to increase transparency compared to the approach used in PSE2.

CIAL's substantial customers and the Commission supported CIAL's use of tilted annuity depreciation in price setting.

9. Returns

CIAL's now completed PSE3 disclosures required an assessment of forecast profitability using a forward-looking internal rate of return approach ('IRR') for that 5-year period based on an opening investment value (including a carry forward adjustment mechanism), a forecast closing investment value and forecast cash-flows over the duration of PSE3.

Conversely, CIAL's backward-looking profitability requirement, as required by the previous regulatory Schedule 1, did not require the disclosure of a backward-looking IRR but instead a straight annual return on investment calculation.

In June 2019, the Commission addressed this difference in approach by changing the backward-looking disclosure requirements (i.e. Schedule 1) to align with the approach to assessing forward looking profitability in our PSE3 disclosures.

The amendments to these disclosure requirements became effective in the 2019 Disclosure Year with the inclusion of a new Schedule 1 template focused on backward looking profitability using an IRR approach.

This Schedule 1 remains in place for the 2022 Disclosure Year, which will be the fourth year that the backward-looking IRR approach has been adopted.

Internal Rate of Return

As discussed above, the key focus for profitability assessment under PSE3 is based on an internal rate of return approach ('IRR') using an opening investment value (including a carry forward adjustment mechanism), a forecast closing investment value and forecast cash-flows during each year.

Discussion around revenue, operating expenditure and capital expenditure outcomes for the 2022 Disclosure year is outlined above in this summary.

Carry forward Adjustment

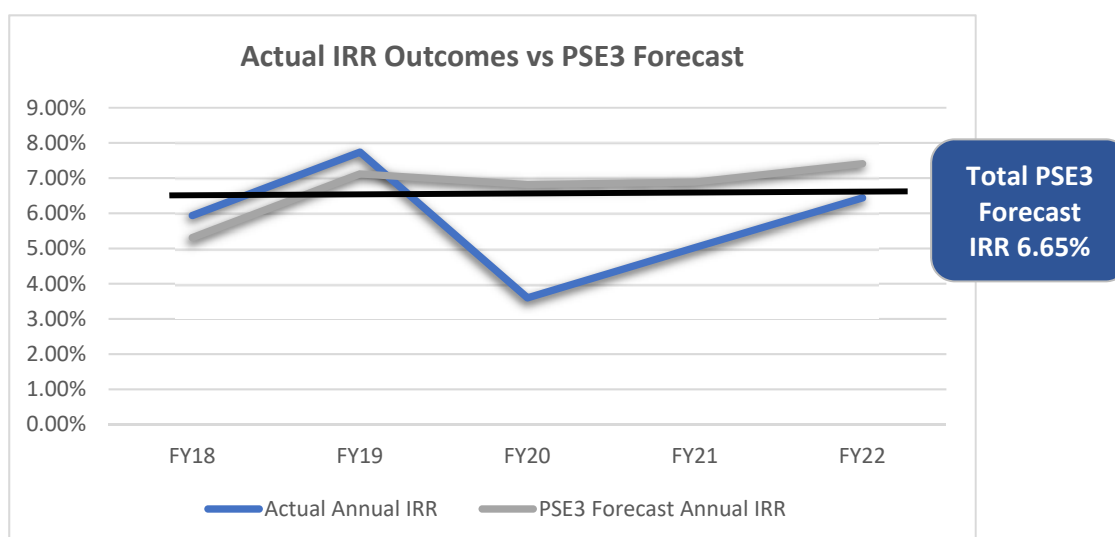
In respect to the relevant investment value for assessing the internal rate of return, it should be noted that this includes a carry forward adjustment.

CIAL identified an anomaly, limited to PSE2 only, related to the allocation of “implied depreciation” to individual assets. To correct this anomaly, CIAL has used an opening RAB adjustment in the relevant ‘free-form’ disclosure. A detailed explanation of the anomaly and calculation is included in CIAL’s PSE3 Price Setting Disclosure document and use of the adjustment was reviewed by Deloitte during CIAL’s price consultation, at airlines’ request.

IRR Outcomes

Over the five-year PSE3 period, CIAL forecast a cumulative total post-tax IRR of 6.65%. Actual IRR outcomes for the 2022 Disclosure year and full five years of the PSE3 pricing period are noted below:

- IRR for 2022 Disclosure year was 6.44%, compared with forecast of 7.41%
- For the full PSE3 5-year period IRR is 5.76%, compared with forecast of 6.65%



CIAL’s ability to achieve our forecast annual underlying IRR for the 2022 Disclosure year continued to be significantly impacted by the effects of the pandemic including lockdowns countrywide and in Auckland together with the outbreak of the new Omicron variant. As noted above the actual IRR outcome for the 2022 Disclosure year calculates to 6.44%.

When looking at the actual current year IRR outcome, it is important to note that this was significantly influenced by the impact of CPI indexed revaluations. Excluding CPI revaluations, the underlying IRR for the 2022 year was -0.74% based on underlying regulatory operating surplus adjusted for unlevered tax (2021 Disclosure year – underlying IRR was 0.41%).

For the full five years of PSE3, the actual post-tax IRR calculates to 5.76% as compared to the full five year forecast of 6.65%. The regulatory income since March 2020, as a result of the pandemic impacting the global travel environment, has been significantly below the regulatory income forecast for the 2021 and 2022 Disclosure years. Offsetting this, the actual Year 5 CPI value of 7.3% and Year 4 CPI value of 3.34% were significantly higher than the forecast CPI values of 2% - hence providing significantly increased revaluation income and hence inflated IRRs for these years.

Without these much higher than forecast CPI revaluation gains in the last two years of PSE3, the PSE3 period IRR would have been significantly lower than that reported in Schedule 1 and even further behind the forecast level.

10. Service Quality

Passenger Satisfaction

CIAL's integrated terminal was opened in April 2013 to create an efficient terminal that places service quality and customer experience at its centre.

Passenger satisfaction is of a high level at the Airport and CIAL commissions quarterly benchmark surveys from an independent international agency. These reports provide information to better understand:

- How passengers rate an airport's services;
- How an airport compares to others in its region and globally by traffic type, size, region etc.;
- Which aspects are of particular importance for a specific airport; and
- How passenger's perceptions and priorities are evolving over time.

The key source of information on service quality is the ASQ customer satisfaction surveys and these were commissioned for the first three quarters of the Disclosure year (1 July 2021 – 30 March 2022). For the fourth quarter, covering the period from 1 April 2022 – 30 June 2022, CIAL commissioned an in-house developed survey to be undertaken based on the same questions and rating scale as the ASQ survey.

The survey data detailed in Schedule 14 demonstrates a continuing high level of passenger satisfaction across the domestic terminal. CIAL's continued high scores for the domestic terminal, despite the unprecedented impact of the pandemic on air travel experiences, continue to emphasise that the quality of CIAL's services meets their demands and reflects the benefits of CIAL's ongoing investment in terminal facilities and the overall commitment of our service focused team.

International Passenger Measures

CIAL has been granted an exemption from completing and publicly disclosing a passenger satisfaction survey for international passengers covering the quarters starting 1 July 2021 and ending 30 June 2022 (this Disclosure year). See this link for further comments from the Commerce Commission <https://comcom.govt.nz/search?query=ID+Exemption+Application>.

Passenger Experience Initiatives

- St John Therapy Pets volunteers and their pets were introduced to the Airport through the creation of the P.A.W.S program, within the terminal, to focus on decreasing stress, anxiety levels, and improving families/travellers physical and emotional health when in the airport environment during busy holiday periods
- Established a team of PRIDE champions within the business with the majority of the wider organisation, including Executive Management and the Board of Directors, participating in Rainbow Inclusion training to celebrate and support the diverse rainbow communities' travellers/visitors that come to the Airport. We also opened an all gender toilet block during the disclosure year
- Introduced our humanoid robot Pepper into the terminal to help people prepare for security screening ahead of domestic jet travel

Customers

Overall our customer base has navigated the challenges of the pandemic well. During the year while the borders remained closed to international visitors, the international terminal remained active handling arriving passengers destined for Managed Isolation facilities. Christchurch was one of only two airports which, through the establishment of a dedicated and physically separate 'red' pathway, was approved by the Ministry of Health and border agencies to process these passengers in a safe and compliant way.

At the onset of the pandemic CIAL also worked swiftly with the Ministry of Transport to establish the International Air Freight Capacity Scheme (which has evolved into the current Maintaining International Air Connectivity, or MIAC, scheme). This scheme was lifeline for airfreight, supporting airlines to continue to fly without passengers, providing continuity of value and time sensitive supply lines.

11. Operational Improvement & Innovation

Productivity, efficiency and innovation are all part of CIAL's key long-term goals and a key focus of Part 4 of the Commerce Act and the Information Disclosure regime.

CIAL's approach to its long-term pricing objectives, as articulated in its PSE3 price setting process, reflects this primary goal, in particular through single per passenger prices.

CIAL's long term objective is to increase the productivity and efficient use of its existing assets, without the need for substantial additional capital costs. Airlines agreed with this approach during consultation.

Innovation

CIAL's innovation focus has two limbs:

- A strong focus on facilitating innovation by airline customers, both by being open to and working with its customers on operational innovations and by setting its prices in a way that facilitates innovation;
- Innovation also informs CIAL's approach to its business decisions, with a concentration on advances in digitisation and automation.

Examples of CIAL's ongoing innovations include:

- CIAL was named one of the 5 'World Airports of the Future' by traveller magazine (traveller.com.au) and the only southern hemisphere airport out of the five
- Investigation of robotic process automation in the areas of baggage systems and Airport Services
- Use of humanoid robots to enhance customer experience as a source for traveller information
- Ongoing work to enable electric plane operators to further enhance and develop existing e-plane charging infrastructure and ultimately support the needs of our substantial airline customers
- Co-investing with our outsourced cleaning provider in autonomous robotics and sensor technology across the terminal
- Commissioning an additional UV treatment water plant in compliance with NZ Drinking Water Standards and completing the roll-out of advanced water telemetry devices, providing for a world class water supply network across the campus
- Ongoing investigation of the potential for building a world-class sustainable airport to keep future generations of South Island residents and businesses connected to the rest of the world

12. Health, Safety, Security and Environment

After over 100 years, safety is an embedded feature in aviation and the culture of those working in aviation. People are the most valuable area of our business and protecting them, and those around us, is always the first step in anything we do.

Safety is a priority and CIAL remains committed to developing, implementing, maintaining and constantly improving safety culture, risk management and safety management systems. Our safety focus includes the public, customers, suppliers, tenants, contractors and sub-contractors.

CIAL's approach to sustainability is centred in the Maori concept of kaitiakitanga (responsibility, care and guardianship). CIAL's focus is to seek out, develop and implement enduringly sustainable processes for its business and the Airport. CIAL's sustainability strategy sees CIAL currently focusing its efforts in five key areas being – Water, Energy, Waste, Noise and Carbon.

Examples of some of CIAL's key achievements in this area include:

Health, Safety & Wellbeing Leadership

- Continued execution of CIAL's pandemic plan including detailed health & safety assessment for CIAL staff and the wider campus
- Made available building infrastructure to support our health authorities in providing Covid-19 testing for airport personnel and then as a community vaccination centre that anyone across the campus, city and region utilised. The centre delivered 151,114 vaccinations and at its peak delivered an average of around 1,200 vaccinations per day with the last vaccination being delivered on 2 April 2022
- Provided bespoke interactive webinars delivered by a Clinical Psychologist focusing on staying well in the face of Omicron

Sustainability

- CIAL is facilitating the Kowhai Park development, a large-scale renewable energy precinct at the airport, to provide renewable energy required by the aviation sector in the future, whilst also providing stability and resilience to the price and supply of that renewable energy across the airport campus and potentially beyond.
- The Airport Council International (ACI) awarded CIAL the highest achievement for carbon reduction in airports, the 'Green Airports Recognition 2022 Platinum Award'
- Signed up to a global initiative, EV100, committing to transitioning our vehicle fleet to 100% electric by 2030
- CIAL successfully re-financed an existing loan converting it into our first Sustainability Linked Loan. Through this loan CIAL's interest costs are linked to the achievement of appropriately ambitious sustainability targets

OVERALL COMMENT

The purpose of Part 4 information disclosure regulation of airports will be met if consumers are fully informed about the performance of airports and airports are unlikely to target excessive profits (as the Commission has identified CIAL is unlikely to be doing for its priced services in PSE3).

Any assessment of airport performance, in particular promoting the long-term benefit of consumers, is best achieved by contextual analysis which considers service quality, efficiency, innovation and investment as well as financial performance.

We are committed to operating an airport that provides high quality, innovative, safe and efficient services for an appropriate price, and we welcome the opportunity to disclose information knowing it will help us perform to the highest standard.

It remains clear that our Airport has delivered, and will continue to deliver, an enhanced passenger and airline experience, and a significant social and economic benefit to our country by delivering for both Christchurch and the regions of the South Island.



**Airport Services Information Disclosure Requirements
Information Templates
for
Schedules 1–17, 25**

Company Name	Christchurch International Airport Ltd
Disclosure Date	30 November 2022
Disclosure Year (year ended)	30 June 2022
Pricing period starting year (year ended)	30 June 2018

Templates for schedules 1–17, 25 (Annual Disclosure)
Version 5.0. Prepared 13 June 2019

Table of Contents

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

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 Ended
Pricing period starting year (year ended)

Christchurch International Airport Ltd
30 June 2022
30 June 2018

SCHEDULE 1: REPORT ON PROFITABILITY

ref Version 5.0

7 1a: Internal Rates of Return

	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
10 Post-tax IRR - pricing period to date (%)	5.76%	6.65%	(0.89%)
12 Post-tax IRR - current year (%)	6.44%	7.41%	(0.97%)

14 1a(i): Pricing Period to Date IRR

	Actual for Period to Date	Forecast for Period to Date	Variance
(\$000 unless otherwise specified)			
16 Opening RAB	521,432	524,373	(2,941)
17 Opening carry forward adjustment	(8,789)	(7,806)	(983)
18 Opening investment value	530,221	532,179	(1,958)
20 plus Total regulatory income	393,834	496,866	(103,032)
21 less Assets commissioned	73,634	82,117	(8,483)
22 plus Asset disposals	1,466	-	1,466
23 less Operational expenditure	189,559	196,858	(7,299)
24 less Unlevered tax	37,560	59,025	(21,465)
26 RAB value	581,312	545,298	36,014
27 Closing carry forward adjustment	(9,122)	(7,823)	(1,299)
28 Closing investment value	590,434	553,121	37,313
30 Post-tax IRR for pricing period to date (%)	5.76%	6.65%	(0.89%)

31 1a(ii): Current Year Annual IRR

	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
33 Opening RAB	553,532	541,528	12,004
34 Opening carry forward adjustment	(8,789)	(7,806)	(983)
35 Opening investment value	562,321	549,334	12,987
37 plus Total regulatory income	58,266	108,500	(50,234)
38 less Assets commissioned	10,941	17,158	(6,217)
39 plus Asset disposals	413	-	413
40 less Operational expenditure	36,961	40,157	(3,196)
41 less Unlevered tax	2,728	14,879	(12,151)
43 RAB value	581,312	545,298	36,014
44 Closing carry forward adjustment	(9,122)	(7,823)	(1,299)
45 Closing investment value	590,434	553,121	37,313
47 Post-tax IRR for current year (%)	6.44%	7.41%	(0.97%)

48 Explanation of variances

Consistent with clause 2.3(8), this explains the variance in the Post-tax IRR for pricing period to date and includes explanations for variances disclosed in Schedule 1, 2, 4 and 6 that have a material impact on the variance in the Post-tax IRR for pricing period to date.

CIAL's ability to achieve our forecast annual underlying IRR for the 2022 disclosure year continued to be significantly impacted by the effects of the pandemic including lockdowns countrywide and in Auckland, together with the outbreak of the new Omicron variant. The actual post-tax annual IRR for the 2022 disclosure year calculates to 6.44%. This compares to a PSE3 forecast annual IRR of 7.41%. Key variances against forecast are as follows:

- CIAL's regulatory operating revenue (and hence surplus) was -\$51.7m less than forecast. This loss of revenue had a -6.9% negative impact on the current year post-tax IRR calculation
- actual lease, rental and concession income is above forecast by approximately +\$1.5m, reflecting higher than forecast rental income from the Freight Distribution Centre. On a current year post-tax IRR basis this amounts to a variance of +0.2%
- actual operational expenditure was below forecast by around -\$3.2m. On a current year post-tax IRR basis this amounts to a variance of +0.4%
- actual depreciation was below forecast by around -\$1.6m. On a current year post-tax IRR basis this amounts to a variance of +0.3%
- actual CPI revaluations are above forecast by around +\$29.0m. On a current year post-tax IRR basis this amounts to a variance of +5.2%

When looking at the actual current year IRR outcome, it is important to note that this was significantly influenced by the impact of CPI indexed revaluations. Excluding CPI revaluations, the underlying IRR for the year was -0.74% based on underlying regulatory operating surplus adjusted for unlevered tax (2021 disclosure year: underlying IRR was 0.41%)

For the full PSE3 5-year period, our actual post-tax IRR calculates to 5.76% as compared to the full 5-year PSE3 forecast post-tax IRR of 6.65%. The regulatory income since March 2020, as a result of the pandemic impacting the global travel environment, has been significantly below the regulatory income forecast for the 2021 and 2022 disclosure years. Offsetting this, the actual Year 5 CPI value of 7.3% and Year 4 CPI value of 3.34% were significantly higher than the forecast CPI values of 2% - hence providing significantly increased revaluation income and hence higher IRR for those years.

As per our previous disclosure statements unlevered tax within Schedule 3, which directly impacts the calculation of the IRR value, calculates as 'regulatory tax allowance plus the notional interest tax shield' as previously directed to us by the Commerce Commission.

Regulated Airport
For Year Ended
Pricing period starting year (year ended)

Christchurch International Airport Ltd
30 June 2022
30 June 2018

SCHEDULE 1: REPORT ON PROFITABILITY (cont)

ref Version 5.0

	Pricing Period Starting Year 30 June 2018	Pricing Period Starting Year + 1 30 June 2019	Pricing Period Starting Year + 2 30 June 2020	Pricing Period Starting Year + 3 30 June 2021	Pricing Period Starting Year + 4 30 June 2022
77 1b: Actual IRR Inputs					
78					
79					
80	521,432	527,404	534,032	540,865	553,531
81	(8,789)	(8,789)	(8,789)	(8,789)	(8,789)
82	530,221	536,193	542,821	549,654	562,320
83					
84	94,599	98,468	79,944	62,557	58,266
85	2,259	142	497	2,516	209
86	186	281	125	–	104
87	263	194	24	258	9
88	391	239	881	127	4,580
89	551	133	77	14	810
90	5,927	105	1,000	256	172
91	15	1,285	489	47	48
92	3	84	131	42	59
93	722	615	1,753	1,456	119
94	481	2,803	84	1,475	69
95	4,506	383	39	161	82
96	3,761	5,520	16,664	3,728	4,680
97	1,053	–	–	–	413
98	40,523	41,238	37,328	33,509	36,961
99	10,711	11,535	8,369	4,217	2,728
100					
101	527,404	534,032	540,865	553,531	581,312
102	(8,789)	(8,789)	(8,789)	(8,789)	(9,122)
103	536,193	542,821	549,654	562,320	590,434
104					
105	5.99%	6.83%	5.79%	5.61%	5.76%
106 1c: Carry Forward Balance					
107					
108			Actual	Forecast	Variance
109			(8,789)	(7,806)	(983)
110			–	–	–
111			–	–	–
112			(333)	(17)	(316)
113			–	–	–
114					
115			(9,122)	(7,823)	(1,299)
116 Commentary on Carry forward balance	<p>The carry forward adjustments are in respect to an anomaly, limited to PSE2 only, that relate to the allocation of implied depreciation. To correct this anomaly CIAL has used an opening RAB adjustment in our 2018 disclosure statement, under the mechanism the Commission added during its review of the Input Methodologies. CIAL is continuing to carry this adjustment forward in our 2022 disclosure statement.</p> <p>The Forecast Opening Carry Forward Adjustment is what was included in our PSE3 price setting disclosures and relates to the implied depreciation correction based off a 30 June 2017 forecast closing RAB value (when PSE3 was still in the consultation phase). Some substantial customers noted there was an element of complexity to the calculation of this carry forward adjustment, which resulted in an independent review by Deloitte.</p> <p>The Actual Opening Carry Forward Adjustment is the final implied depreciation correction calculation based on CIAL's 30 June 2017 closing RAB value, as recorded within the last disclosure statement of PSE2 (2017 disclosure year). As mentioned CIAL is carrying this adjustment forward in our 2022 disclosure statement and into PSE4 including the actual Other Carry Forward Adjustment calculated and applied at the end of PSE3 in inline with our PSE3 forecast of this adjustment.</p>				
117					
118					
119					
120					
121					
122					
123					
124					
125					
126 1d: Cash flow timing assumptions					
127					
128			Forecast cash flow timing assumption		
129	Cash flow timing - revenues - days from year end		148		
130	Cash flow timing - expenditure - days from year end		182		

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref Version 5.0

6 2a: Regulatory Profit

(\$000 unless otherwise specified)

7	Income	Actual	Forecast	Variance
8	Airfield Charges	22,866	41,655	(18,789)
9	Terminal Charges	19,804	50,810	(31,006)
10	Counter Charges	1,142	3,066	(1,924)
11	Passenger Service Charges	–	–	–
12	Lease, rental and concession income	14,423	12,969	1,454
13	Other operating revenue	–	–	–
14	Net operating revenue	58,235	108,500	(50,265)
15				
16	Gains / (losses) on sale of assets	–	–	–
17	Other income	31	–	31
18	Total regulatory income	58,266	108,500	(50,234)
19	Expenses			
20	Operational expenditure:			
21	Corporate overheads	7,484	7,645	(161)
22	Asset management and airport operations	26,741	30,525	(3,784)
23	Asset maintenance	2,736	1,987	749
24	Total operational expenditure	36,961	40,157	(3,196)
25				
26	Operating surplus / (deficit)	21,305	68,343	(47,038)
27				
28	Regulatory depreciation	22,611	24,219	(1,608)
29				
30	plus Indexed revaluation	40,289	10,831	29,458
31	plus Periodic land revaluations	–	–	–
32	Total revaluations	40,289	10,831	29,458
33				
34	Regulatory Profit / (Loss) before tax	38,983	54,955	(15,972)
35				
36	less Regulatory tax allowance	2,010	14,879	(12,869)
37				
38	Regulatory Profit / (Loss)	36,973	40,076	(3,103)

Page 3

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref Version 5.0

45 **2b: Notes to the Report**

46 **2b(i): Financial Incentives**

47			
48	Pricing incentives	151	
49	Other incentives	35	
50	Total financial incentives		186

51 **2b(ii): Rates and Levy Costs**

52			
53	Rates and levy costs		2,601

54 **2b(iii): Merger and Acquisition Expenses**

55			
56	Merger and acquisition expenses		-

57 **Justification for Merger and Acquisition Expenses**

58 Merger and Acquisition Expenses
59 There were no merger and acquisition expenses.

60 Financial Incentives
61 CIAL undertakes two forms of market stimulation:

- 62 • Direct expenditure on general marketing activities, covering aeronautical development and marketing, including promotion of destinations and routes, and general marketing of the Airport itself; and
- 63 • Other - Bilateral arrangements with airlines that agree rebates (or similar) to encourage the establishment of new services or capacity.

64 Only the costs of the first kind of activity were included in CIAL's PSE3 price setting model (as operating expenditure), as preferred by
65 airlines in previous price setting rounds. For the purposes of regulatory disclosure, CIAL is required to disclose both forms of incentives
66 and this disclosure statement reflects that requirement.

67 Further discussion around incentives incurred for the 2022 disclosure year as compared to forecast is outlined in Section 8 of the
68 Executive Summary accompanying these schedules.

69
70
71
72
73
74
75
76
77
78
79

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022**SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE**

ref Version 5.0

3a: Regulatory Tax Allowance			(\$000)
6	Regulatory profit / (loss) before tax		38,983
7			
8			
9	plus Regulatory depreciation	22,611	
10	Other permanent differences—not deductible	29	*
11	Other temporary adjustments—current period	2,325	*
12			24,965
13			
14	less Total revaluations	40,289	
15	Tax depreciation	11,759	
16	Notional deductible interest	2,566	
17	Other permanent differences—non taxable	—	*
18	Other temporary adjustments—prior period	2,157	*
19			56,771
20			
21	Regulatory taxable income (loss)		7,177
22			
23	less Tax losses used	—	
24	Net taxable income		7,177
25			
26	Statutory tax rate (%)	28.0%	
27	Regulatory tax allowance		2,010
28			
29	Notional interest tax shield	719	
30	Unlevered tax		2,728

* 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:

- Other permanent differences: represent 50% of entertainment expenditure which are not deductible for tax purposes
- Other temporary adjustments—current period: consist of personnel accruals that are not deductible in the year they are accrued and the cost of uniforms capitalised for tax purposes
- Other temporary adjustments—prior period: are the reversal of the previous year's accruals (including Holiday Pay provisions)

3b(ii): Tax Depreciation Roll-Forward

42			
43			
44	Opening RAB (Tax Value)	252,862	
45	plus Regulatory tax asset value of additions	10,941	
46	less Regulatory tax asset value of disposals	60	
47	plus Regulatory tax asset value of assets transferred from/(to) unregulated asset base	(281)	
48	less Tax depreciation	11,759	
49	plus Other adjustments to the RAB tax value	(288)	
50	Closing RAB (tax value)		251,415

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

51			
52			
53	Tax losses (regulated business)—prior period	—	
54	plus Current year tax losses	—	
55	less Tax losses used	—	
56			
57	Tax losses (regulated business)		—

3b(iv): Deductible Interest and Interest Tax Shield

58			
59	RAB value - previous year		553,532
60	Debt leverage assumption (%)		19%
61	Cost of debt assumption (%)		2.44%
62	Notional deductible interest		2,566
63	Tax rate (%)		28.0%
64	Notional interest tax shield		719

Page 5

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref	Version 5.0		Actual (\$000)	Forecast (\$000)	Variance (\$000)
6					
7					
8		RAB value—previous disclosure year	553,532	541,528	12,004
9					
10		less Regulatory depreciation	22,611	24,219	(1,608)
11		plus Total revaluations	40,289	10,831	29,458
12		plus Assets Commissioned	10,941	17,158	(6,217)
13		less Asset disposals	413	—	413
14		plus Lost and found assets adjustment	—	—	—
15		Adjustment resulting from cost allocation	(426)	—	(426)
16					
17		RAB value †	581,312	545,298	36,014
18					
19			Unallocated RAB *		RAB
20		RAB value—previous disclosure year	610,258		553,532
21		less			
22		Regulatory depreciation	25,987		22,611
23		plus			
24		Indexed revaluations	44,438	40,289	
25		Periodic land revaluations	—	—	
26		Total revaluations	44,438	40,289	40,289
27		plus			
28		Assets commissioned (other than below)	11,602	10,941	
29		Assets acquired from a regulated supplier	—	—	
30		Assets acquired from a related party	—	—	
31		Assets commissioned	11,602	10,941	10,941
32		less			
33		Asset disposals (other)	53	36	
34		Asset disposals to a regulated supplier	—	—	
35		Asset disposals to a related party	425	377	
36		Asset disposals	478	377	413
37					
38		plus Lost and found assets adjustment	—	—	—
39					
40		Adjustment resulting from cost allocation			(426)
41					
42		RAB value †	639,833		581,312
43					
44					
45					

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

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

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022

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

ref Version 5.0

51 4b: Notes to the Report

52 4b(i): Regulatory Depreciation

	Unallocated RAB	RAB
54 Standard depreciation	—	—
55 Non-standard depreciation	25,987	22,611
56 Regulatory depreciation	25,987	22,611

57 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
58 CIAL set its PSE3 prices using, and has used in this disclosure, a tilted annuity method of depreciation. CIAL's substantial customers and the Commerce Commission supported CIAL's use of tilted annuity depreciation in price setting.	22,611	2018	581,312	571,065

62 4b(iii): Calculation of Revaluation Rate and Indexed Revaluation of Fixed Assets

64 CPI at CPI reference date—previous year (index value)	1,082
65 CPI at CPI reference date—current year (index value)	1,161
66 Revaluation rate (%)	7.30%
67 Asset category revaluation rates	
68 Land	7.30%
69 Sealed Surfaces	7.30%
70 Infrastructure and buildings	7.30%
71 Vehicles, plant and equipment	7.30%

	Unallocated RAB	RAB
74 Revaluations		
75 Land	8,588	8,514
76 Sealed Surfaces	9,753	9,753
77 Infrastructure and buildings	25,050	21,186
78 Vehicles, plant and equipment	1,047	836
79 Indexed revaluation	44,438	40,289

80 4b(iv): Works Under Construction

	Unallocated works under construction	Allocated works under construction
81 Works under construction—previous disclosure year	5,796	5,207
82 plus Capital expenditure	10,439	9,877
83 less Asset commissioned	11,602	10,941
84 plus Adjustment resulting from cost allocation		(5)
85 Works under construction	4,633	4,138

Page 7

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

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

ref Version 5.0

93 4b(v): Capital Expenditure by Primary Purpose

94	Capacity growth		6,814	
95	plus Asset replacement and renewal		3,063	
96	Total capital expenditure			9,877

97 4b(vi): Asset Classes

	Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *	
98						
99	RAB value—previous disclosure year	116,898	133,592	290,939	12,103	553,532
100	less Regulatory depreciation	—	3,822	16,533	2,256	22,611
101	plus Indexed revaluations	8,514	9,753	21,186	836	40,289
102	plus Periodic land revaluations	—	—	—	—	—
103	plus Assets commissioned	—	4,332	6,181	428	10,941
104	less Asset disposals	282	—	25	106	413
105	plus Lost and found assets adjustment	—	—	—	—	—
106	plus Adjustment resulting from cost allocation	—	—	(373)	(53)	(426)
107	RAB value	125,130	143,855	301,375	10,952	581,312

* Corresponds to values in RAB roll forward calculation.

108 4b(vii): Assets Held for Future Use

109	Assets held for future use opening cost—previous year			114,823	
110					
111	plus Holding costs		3,434		
112	less Assets held for future use net revenue		13		
113	plus Assets held for future use additions		—		
114	less Assets held for future use disposals		—		
115	less Transfers to works under construction		—		
116	Assets held for future use closing cost				118,244
117					
118	Opening base value			90,550	
119	plus Assets held for future use revaluations		6,611		
120	plus Assets held for future use additions		—		
121	less Assets held for future use disposals		—		
122	less Transfers to works under construction		—		
123	Closing base value				97,161
124					
125	plus Opening tracking revaluations		10,715		
126	Tracking revaluations		17,326		
127	Highest rate of finance applied (%)				—

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022**SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS**

ref Version 5.0

5(i): Related Party Transactions

(\$000)

8	Net operating revenue	1,209
9	Operational expenditure	15,103
10	Related party capital expenditure	-
11	Market value of asset disposals	-
12	Other related party transactions	3,753

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
Christchurch City Holdings Limited (CCHL)	Majority Shareholder
Christchurch City Council (CCC)	Owner of Majority Shareholder
Connetics	Subsidiary of Orion NZ Limited
Orion NZ Limited	Subsidiary of Majority Shareholder
Enable Services Ltd	Subsidiary of Majority Shareholder
City Care Limited	Subsidiary of Majority Shareholder
RBL Property Ltd	Subsidiary of Majority Shareholder
Venues Otautahi Ltd	Subsidiary of Majority Shareholder
ChristchurchNZ	Subsidiary of Majority Shareholder
Orbit Travel & House of Travel Holdings Limited	Common Directors
Skyline Enterprises Ltd	Common Directors
EBOS Group	Common Directors
-	-
-	-

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price (\$)	Value
Christchurch City Council (CCC)	Rates		7,165
Christchurch City Council (CCC)	Operational Expenditure		146
Christchurch City Council (CCC)	Revenue		-
Christchurch City Council (CCC)	Subvention Payment/Losses		-
Orion NZ Limited	Revenue		-
Connetics	Operational Expenditure		8
Enable Services Ltd	Revenue		-
Enable Services Ltd	Subvention Payment/Losses		-
City Care Limited	Revenue		687
City Care Limited	Operational Expenditure		7,596
RBL Property Ltd	Revenue		-
Venues Otautahi Ltd	Operational Expenditure		2
ChristchurchNZ	Operational Expenditure		39
Orbit Travel & House of Travel Holdings Limited	Travel, Accommodation, Lease Tenancy		147
Skyline Enterprises Ltd	Rental Income		-
EBOS Group	Rental Income		522
-	-		-
-	-		-
-	-		-
Christchurch International Airport Limited	Management compensation of key personnel including Directors and Executive Management, incorporating salaries and other short term employee benefits		
	Directors Fees		355
	Executive Management		3,398

Page 9

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS (cont)

ref Version 5.0

59 **Commentary on Related Party Transactions**

60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76

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 CIAL.

CIAL 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. All transactions with related entities:

- 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 historically are subvention payments. Subvention transactions relate to the full company, and are not able to be allocated to specific activities. CIAL considers that the remaining transactions cannot reasonably be allocated to specified airport activities without considerable and disproportionate effort and expense.

CIAL entered into an agreement with City Care Limited for the provision of asset maintenance services.

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE

ref Version 5.0

6a: Actual to Forecast Expenditure		(\$000)				
	Actual for Current Disclosure Year	Forecast for Current Disclosure Year*	% Variance (a)/(b)-1	Actual for Period to Date	Forecast for Period to Date*	% Variance (a)/(b)-1
	(a)	(b)	(a)/(b)-1	(a)	(b)	(a)/(b)-1
Expenditure by Category						
Capacity growth	6,814	6,726	1.3%	47,010	34,212	37.4%
Asset replacement and renewal	3,063	10,432	(70.6%)	24,803	47,905	(48.2%)
Total capital expenditure	9,877	17,158	(42.4%)	71,813	82,117	(12.5%)
Corporate overheads	7,484	7,645	(2.1%)	37,365	37,318	0.1%
Asset management and airport operations	26,741	30,525	(12.4%)	139,580	150,014	(7.0%)
Asset maintenance	2,736	1,987	37.7%	12,614	9,526	32.4%
Total operational expenditure	36,961	40,157	(8.0%)	189,559	196,858	(3.7%)
Key Capital Expenditure Projects						
Jet Ground Power	–	–	Not defined	3,204	5,258	(39.1%)
Cat 3 Nav 02-20	–	5,540	(100.0%)	–	5,540	(100.0%)
Airfield Pavement Works	4,157	5,390	(22.9%)	23,767	24,049	(1.2%)
Taxiway Widening	–	–	Not defined	922	4,306	(78.6%)
Phase 3a - Regional Stands, Hangar 4 Removal	–	–	Not defined	1,626	2,709	(40.0%)
Terminal Development	207	–	Not defined	12,089	8,539	41.6%
Gate 15 Reconfiguration	–	–	Not defined	4,048	–	Not defined
Water Network	–	–	Not defined	1,566	–	Not defined
Freight Buildings	2,522	–	Not defined	4,566	–	Not defined
Other capital expenditure	2,991	6,228	(52.0%)	20,025	31,716	(36.9%)
Total capital expenditure	9,877	17,158	(42.4%)	71,813	82,117	(12.5%)

Explanation of Variances**Operating Expenditure**

Operating costs for the 2022 disclosure year were lower (-\$1.1m) than forecast when setting prices, at a total of \$36.8m compared to a forecast of \$37.9m (excluding incentives which are discussed in Section 8 of the Executive Summary). See Schedule 7 and Section 8 of the Executive Summary accompanying this disclosure statement for an explanation of the key reasons for this variance.

Capital Expenditure

CIAL's actual Capital Expenditure at \$9.9m was less than the forecast amount of \$17.2m (2021 disclosure year was \$10.0m and \$11.5m respectively). Assets Commissioned this disclosure year (i.e. brought into the regulatory asset base) were \$10.9m against a forecast amount of \$17.2m (2021 disclosure year was \$10.0m and \$11.5m respectively). The Works Under Construction closing value remained low at \$4.1m and decreased by -\$1.1m against an opening value of \$5.2m.

Key variances in Capital Expenditure over the 5 years of PSE3 are:

Jet Ground Power (-\$2.0m)

CIAL delivered the latest stage of investment in jet ground power during the 2020 disclosure year. CIAL remains committed to further increasing the number of stands able to offer this service in the future.

Airfield Pavement Works (-\$0.2m)

When estimating the forecast Capital Expenditure during the PSE3 price setting process, the estimate of airfield pavement works was based on CIAL's 20-year Asset Management Plan. In each individual year, a more detailed assessment is made of the specific maintenance required on the airfield sealed surfaces which will usually result in a variance from the long-term estimates (unders and overs each year) based on specific circumstances observed. The 2021 disclosure year resulted in a -\$0.5m underspend. The 2022 disclosure year's detailed assessment has resulted in an underspend of -\$1.2m against forecast. Over Years 1 to 5 of PSE3 CIAL spent \$23.8m against a forecast of \$24m - we continued to execute our 20-year Asset Management Plan as safely as possible during the Covid-19 pandemic.

Taxiway Widening (-\$3.4m)

At the time of consulting on the Capital Expenditure forecasts for PSE3, CIAL was of the view that this work would be completed in the 2018 disclosure year. However, the work on this project was substantially completed ahead of forecast in the 2017 disclosure year.

Hangar 4 Removal (-\$1.1m)

This project has incurred no Capital Expenditure during the 2022 disclosure year. CIAL remains committed to further developing the airfield space made available from this capital project to support regional passenger travel and passenger aircraft needs ahead of any post Covid-19 operational constraints.

Terminal Development (+\$3.6m)

During the disclosure year CIAL completed the final work on our capital project that created 2 separate international pathways for arriving passengers, a green and a red pathway, introduced to better manage incoming travellers from countries with different Covid-19 classifications at the border.

Gate 15 Reconfiguration (+\$4.0m)

In respect to the Gate 15 development no specific forecast was made for this capital project in our PSE3 Capital Expenditure forecast; the work was not anticipated at that time. However, CIAL did indicate during consultation that terminal reconfiguration projects would be necessary over PSE3 to ensure the most efficient and productive use of the terminal. Substantial customers were consulted on the capital project which was completed in the 2018 disclosure year.

Water Network (+\$1.6m)

Changes imposed on CIAL around the management of our water and well infrastructure to prevent contamination (as a direct result of the Havelock North drinking water contamination incident).

Freight Buildings (+\$4.6m)

With the ever increasing volume of freight our Freight Distribution Centre was expanded to keep up with freight demand. Further development was anticipated however not within PSE3 but was needed to ensure CIAL and key freight operations efficiently and effectively operate ahead of the ever increasing volumes of freight being processed at Christchurch Airport.

Cat 3 Nav 02-20 (-\$5.5m)

This \$5.5m capital project has not progressed as forecast for Year 5 of PSE3 due to a number of factors; such as CIAL carefully managing our Capital Expenditure within the Covid-19 travel environment, the significantly lower actual aircraft movements for the 2022 disclosure year, being unable to consult efficiently and effectively with substantial customers (regarding project scope) and the changes Airways NZ are looking to undertake at Christchurch Airport (as well as other New Zealand airports) in respect to airfield power and lighting assets.

Airport businesses are to provide explanations of material variances between actual and forecast expenditure.

* Disclosure year coincides with Pricing Period Starting Year + 4.

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

ref Version 5.0

6c: Actual to Forecast Adjustments - Items Identified in Price Setting Events

	Units used	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	Estimated present value of the proposed risk allocation adjustment (\$000)
Proposed risk allocation adjustment								
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	

*include additional rows if needed

Total proposed risk allocation adjustments -

Explanation of how the airport produced the estimated present value of each proposed risk allocation adjustment

CIAL did not propose any risk allocation adjustments for PSE3 as defined in our "Decision on the reset of aeronautical prices for the period 1 July 2017 to 30 June 2022" pricing disclosure document. As such this schedule does not apply to CIAL.

Airport Companies must provide a brief explanation of how the airport produced its estimated present value for each risk allocation adjustment specified in rows 111-119.

* Disclosure year Pricing Period Starting Year .

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref Version 5.0

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	(\$000) Airport Business*
6				
7	Airfield Charges	22,866	–	22,866
8	Terminal Charges	19,804	–	19,804
9	Counter Charges	1,142	–	1,142
10	Passenger Service Charges	–	–	–
11	Lease, rental and concession income	5,099	523	8,801
12	Other operating revenue	–	–	–
13	Net operating revenue	26,045	23,389	8,801
14				
15	Gains / (losses) on asset sales	–	–	–
16	Other income	15	15	2
17	Total regulatory income	26,060	23,404	8,803
18				
19	Total operational expenditure	19,478	14,676	2,807
20				
21	Regulatory depreciation	15,960	6,432	219
22				
23	Total revaluations	17,333	18,584	4,372
24				
25	Regulatory tax allowance	(267)	806	1,470
26				
27	Regulatory profit/ loss	8,222	20,073	8,678
28				
29	RAB value	240,815	271,995	68,502
30				
31				

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

Commentary on Segmented Information

This disclosure schedule incorporates the value of tilted depreciation as presented in our "Decision on the reset of aeronautical prices for the period 1 July 2017 to 30 June 2022" pricing disclosure document. The following table shows a comparison of the actual outcomes for the 2022 disclosure year compared to our PSE3 Year 5 forecast. Discussion in respect to revenue from priced services is included in Section 8 of the Executive Summary accompanying these schedules.

Component	Value	Terminal	Airfield	Aircraft and Freight
Lease, Rental and Concession Income	PSE3 Year 5 Forecast	\$ 5,242	\$ 323	\$ 7,404
	Actuals	\$ 5,099	\$ 523	\$ 8,801
	Variance	-\$ 144	\$ 200	\$ 1,397
Explanation of variance: Revenue from non-priced services exceeded CIAL's Year 5 forecast PSE3 by +\$1.5m. This reflected higher than forecast rental income from the Freight Distribution Centre (in our 2021 disclosure year the same freight variance was +\$2.1m). Refer to Section 8 of the Executive Summary for further commentary.				
Operational Expenditure - Asset Maintenance	PSE3 Year 5 Forecast	-\$ 1,524	-\$ 373	89
	Actuals	-\$ 1,856	-\$ 566	315
	Variance	\$ 331	\$ 193	226
Explanation of variance: CIAL has outsourced its maintenance services to City Care Limited (see 2018 disclosure statement). From an allocation perspective this results in an increase in external maintenance costs across all regulated activities offset by a reduction in CIAL payroll costs. Embedding this outsource model has resulted in greater overall costs.				
Operational Expenditure - Asset Management and Airport Operations	PSE3 Year 5 Forecast	-\$ 18,083	-\$ 11,345	1,098
	Actuals	-\$ 13,786	-\$ 10,928	2,027
	Variance	-\$ 4,297	\$ 416	929
Explanation of variance: Overall, CIAL has incurred lower operating costs than forecast due to a cessation of discretionary expenditure and a reduction in terminal and airfield costs to manage the wider impacts of Covid-19 across our regulated business. Actual incentives and trade partner support were - \$4.1m below our Year 5 PSE3 forecast - further discussion around these costs are outlined in Section 8 of the Executive Summary accompanying these schedules. Electricity, heating fuel, and Quarantine costs were under our Year 5 PSE3 forecast but these savings were partly offset by the increased costs of rates, aviation security charges, and a greater allocation of payroll costs included into the regulated business for our Aircraft and Freight activities which were greater than forecast.				
Operational Expenditure - Corporate Overheads	PSE3 Year 5 Forecast	-\$ 4,068	-\$ 3,471	106
	Actuals	-\$ 3,836	-\$ 3,182	465
	Variance	-\$ 232	-\$ 289	359
Explanation of variance: Overall, CIAL has incurred lower operating costs than forecast due to a cessation of discretionary expenditure and a reduction in terminal and airfield costs to manage the wider impacts of Covid-19 across our regulated business. Consultant and travel related costs were under our Year 5 PSE3 forecast but these savings were partly offset by increased insurance costs which were greater than forecast.				
Depreciation	PSE3 Year 5 Forecast	\$ 15,902	\$ 7,468	849
	Actuals	\$ 15,960	\$ 6,432	219
	Variance	\$ 58	-\$ 1,036	630
Explanation of variance: CIAL has incurred capital expenditure of \$71.8m against a forecast of \$82.1m over Years 1 to 5 of PSE3. Assets commissioned over this same period were \$73.6m against a forecast of \$82.1m. Key variances of note are outlined in Schedule 6. To manage the wider impacts of Covid-19 across our regulated business capital expenditure was delayed for this disclosure year which resulted in less assets being commissioned that has resulted in incurring lower than forecast regulated activity tilted depreciation.				
Revaluations	PSE3 Year 5 Forecast	\$ 4,710	\$ 5,170	951
	Actuals	\$ 17,333	\$ 18,584	4,372
	Variance	\$ 12,623	\$ 13,414	3,421
Explanation of variance: CIAL's Year 5 forecast PSE3 CPI value is significantly lower than the 2022 disclosure year actual CPI value (2.0% against 7.3%). If CPI for Year 5 had been 2%, in line with that of our PSE3 forecast, the regulated business revaluation value would have been \$11.0m as against our Year 5 PSE3 forecast revaluation value of \$10.8m.				

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2022

SCHEDULE 8: CONSOLIDATION STATEMENT

ref Version 5.0

8a: CONSOLIDATION STATEMENT

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business- GAAP	Unregulated Activities- GAAP	(\$'000) Airport Company- GAAP
Net income	58,266	(152)	58,114	80,693	138,807
Total operational expenditure	36,961	(152)	36,809	32,335	69,144
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	21,305	-	21,305	48,358	69,663
Depreciation	22,611	5,494	28,105	12,092	40,197
Revaluations	40,289	(32,528)	7,761	44,974	52,735
Tax expense	2,010	(3,010)	(1,000)	(1,043)	(2,043)
Net operating surplus / (deficit) before interest	36,973	(35,012)	1,961	82,283	84,244
Property plant and equipment	581,312	69,046	650,358	743,941	1,394,299

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
Netting Pricing Incentive costs against Net Income	Net Income	(152)
Restoring Pricing Incentive costs within Total Operational Expenditure	Total Operational Expenditure	(152)
Depreciation methodology - on additions and disposals under GAAP	Depreciation	5,494
Revaluation methodology	Revaluations	(32,528)
Tax expense adjustment due to different calculation methodology	Tax Expense	(3,010)
Land held for development and Work in Progress - excluded from RAB	Property Plant and Equipment	74,652
Revaluation variance due to different methods for years 2009-2019	Property Plant and Equipment	59,767
Depreciation differences to date plus changes in allocation %	Property Plant and Equipment	(65,373)

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

Commentary on the Consolidation Statement

Regulatory/GAAP Adjustments

Net Income/Total Operational Expenditure Nil

- Reporting of airline incentives and total operational expenditure is to follow the IM and align with our approach for PSE3 however NZ IFRS 15 required the netting of pricing incentive costs within Net Income (a reduction in Net Income by -\$0.152m and the reduction in Operational Expenditure by -\$0.152m).

Depreciation +\$5.494m

- under the tilted annuity depreciation regime, the depreciation for the regulated assets for this disclosure period was less than the GAAP depreciation for regulated assets (this is expected). GAAP also allows for depreciation to be calculated on additions and disposals in the year they occur rather than the year after they are commissioned.

Revaluations -\$32.528m

- under GAAP, assets are revalued to market value under NZ IAS16 and require the determination of market values for each class of asset. Under the regulatory regime, assets are revalued annually using the change in the CPI index. Land is the only exception to this rule and can be valued either using the MVAU method or against CPI. Land was last revalued by independent valuers for regulatory purposes in June 2013.
- the difference in such values and previous CPI valuation indexations are treated as revenue in the disclosure period in which such CPI or MVAU revaluations occurred.

Tax expense -\$3.010m

- reasons for this adjustment are the variances in depreciation and revaluations under the regulatory regime which alter the regulatory tax expense compared with the equivalent GAAP tax expense.

Property plant and equipment +\$69.046m

- asset value differences under GAAP, as compared with regulatory values, are the result of differing methodologies for asset valuations and depreciation. The adjustment value shown is a summation of variances from 2009 through to 2022.

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.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

ref Version 5.0

9a: Asset Allocations

(\$000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	–	107,150	16,131	123,281		123,281
Assets not directly attributable	1,155	694	–	1,849	1,083	2,932
Total value land				125,130		
Sealed Surfaces						
Directly attributable assets	–	143,613	240	143,853		143,853
Assets not directly attributable	–	2	–	2	2	4
Total value sealed surfaces				143,855		
Infrastructure and Buildings						
Directly attributable assets	362	5,564	48,747	54,673		54,673
Assets not directly attributable	236,634	7,212	2,858	246,704	54,620	301,324
Total value infrastructure and buildings				301,377		
Vehicles, Plant and Equipment						
Directly attributable assets	–	6,692	19	6,711		6,711
Assets not directly attributable	2,664	1,068	507	4,239	2,816	7,055
Total value vehicles, plant and equipment				10,950		
Total directly attributable assets	362	263,019	65,137	328,518		328,518
Total assets not directly attributable	240,453	8,976	3,365	252,794	58,521	311,315
Total assets	240,815	271,995	68,502	581,312	58,521	639,833

Asset Allocators

Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
Terminal - Non-Contestable	Direct cost	Causal Relationship	Assets that are used solely for specified terminal activities are allocated 100% to this segment	Land, Infrastructure and Buildings, Vehicles, Plant and Equipment
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 and Buildings, Vehicles, Plant and Equipment
Aircraft and Freight - Non-Contestable	Direct cost	Causal Relationship	Assets that are used solely for Aircraft and Freight activities are allocated 100% to this segment	Land, Sealed Surfaces, Infrastructure and Buildings, Vehicles, Plant and Equipment
Roading - Airfield	Company/RAB asset values	Proxy Cost Allocator	Assets associated with a shared relationship for their existence are split 50/50 between our regulatory and unregulatory businesses	Land, Sealed Surfaces, Infrastructure and Buildings
Roading - Terminal	Company/RAB asset values	Proxy Cost Allocator	Assets associated with a shared relationship for their existence are split 50/50 between our regulatory and unregulatory businesses	Land, Infrastructure and Buildings
Administration Assets	Company/RAB asset values	Proxy Cost Allocator	Administration assets are used to maintain the existing company assets	Infrastructure and Buildings, Vehicles, Plant and Equipment
Maintenance Assets	Company/RAB asset values	Proxy Cost Allocator	Maintenance assets are used to maintain the existing company assets	Land, Infrastructure and Buildings, Vehicles, Plant and Equipment
Infrastructure Campus	Company/RAB asset values	Proxy Cost Allocator	Infrastructure assets are used to maintain the existing company assets	Land, Infrastructure and Buildings, Vehicles, Plant and Equipment
Infrastructure Terminal	Company/RAB asset values	Proxy Cost Allocator	Infrastructure assets are used to maintain the existing company assets adjusted for the Terminal Regional Lounge lease arrangement	Infrastructure and Buildings, Vehicles, Plant and Equipment

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 5.0

Asset Allocators (cont)				
Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
Terminal - Total	Floor area	Proxy Cost Allocator	Assets that service all of the terminal are 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 and Buildings, Vehicles, Plant and Equipment
Regional Lounge - Total	Floor area	Proxy Cost Allocator	Assets that service all of the regional lounge are allocated over the total regional lounge area. Analysis of the regional lounge floor space into aeronautical areas is deemed to be a fair allocator of terminal assets that relate to the regional lounge	Land, Infrastructure and Buildings
International Terminal - Total	Floor area	Proxy Cost Allocator	Assets that service all of the international terminal are allocated over the total international terminal area. Analysis of the international terminal floor space into aeronautical areas is deemed to be a fair allocator of terminal assets that relate to the international terminal	Land, Infrastructure and Buildings, Vehicles, Plant and 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	Infrastructure and Buildings
Terminal - International Ground Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the international ground floor are allocated according to international ground floor space split into aeronautical / non aeronautical	Infrastructure and Buildings, Vehicles, Plant and Equipment
Terminal - International First Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the international first floor are allocated according to international first floor space split into aeronautical / non aeronautical	Infrastructure and Buildings
Terminal - International Second Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the international second floor are allocated according to international second floor space split into aeronautical / non aeronautical	Infrastructure and Buildings
Integrated Terminal - Total	Floor area	Proxy Cost Allocator	Assets that service all of the integrated terminal are allocated over the total integrated terminal area. Analysis of the integrated terminal floor space into aeronautical areas is deemed to be a fair allocator of terminal assets that relate to the integrated terminal	Land, Infrastructure and Buildings, Vehicles, Plant and Equipment
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	Infrastructure and Buildings
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	Infrastructure and Buildings
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	Infrastructure and Buildings
Terminal - Integrated First Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the integrated terminal on the first floor are allocated according to integrated terminal floor space split into aeronautical / non-aeronautical	Infrastructure and Buildings
Terminal - Integrated Second Floor	Floor area	Proxy Cost Allocator	Specific terminal assets that are located in the integrated terminal on the second floor are allocated according to integrated terminal floor space split into aeronautical / non-aeronautical	Infrastructure and Buildings
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[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 2022

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 5.0

77 **9b: Notes to the Report**

78 **9b(i): Changes in Asset Allocators**

			Effect of Change Current Year		
			CY-1 30 Jun 21	(CY) 30 Jun 22	CY+1 30 Jun 23
79	Asset category				
80	Original allocator or components				
81	New allocator or components				
82	Rationale				
83					
84					
85	Asset category				
86	Original allocator or components				
87	New allocator or components				
88	Rationale				
89					
90					
91	Asset category				
92	Original allocator or components				
93	New allocator or components				
94	Rationale				
95					
96					
97	Asset category				
98	Original allocator or components				
99	New allocator or components				
100	Rationale				
101					
102					
103	Asset category				
104	Original allocator or components				
105	New allocator or components				
106	Rationale				
107					
108					
109	Asset category				
110	Original allocator or components				
111	New allocator or components				
112	Rationale				
113					

114 **Commentary on Asset Allocations**

115 Changes in Asset Allocators
 116 CIAL has used the same asset allocator methodology for this disclosure statement as that used in preparing our PSE3 pricing forecast published in our associated pricing disclosure
 117 statement. There has been no change in asset allocator methodology for 2022 therefore schedule 9b(i) has not been completed.

118 2022 Terminal Cost Allocations
 119 The terminal floor space for the 2022 cost allocation process is based on the relevant terminal spatial maps produced by CIAL based on the relevant terminal configuration as at 30
 120 June 2022. The terminal is a highly dynamic asset; below is a summary of terminal floor space changes that have occurred since CIAL published our PSE3 associated pricing
 121 disclosure document. For the 2022 disclosure year there were no significant terminal floor space changes.

- 122 • 2019 disclosure : Gate 15 reconfiguration project and the introduction of the digital lounge which resulted in an increase to the terminal regulatory space.
- 123 • 2020 disclosure : introduction of additional retail offerings taking -\$2.0m out of the RAB.
- 124 • 2021 disclosure : inclusion of restricted commercial areas for aeronautical activities increasing the terminal regulatory space, the introduction of Pathway 2, and an overall
 125 increase to the total terminal footprint due to the inclusion of 'void spaces that manage facilities' (as measured by CIAL's new mapping software). These terminal changes were
 126 the driver for the majority of the +\$6.8m 'Infrastructure and Buildings adjustment resulting from cost allocation' on Schedule 4 of our 2021 disclosure statement).

127 Overview
 128 Where possible, assets are attributed to the relevant specified airport activities based on direct attribution of activity to each segment.
 129 There are several assets however that do not directly relate to one individual segment and may overlap several segments. These asset values have been allocated to the regulatory
 130 asset segment according to the relevant asset allocation drivers.
 131 The various asset allocation drivers have been determined based on the use of the asset, with the allocators and the rationale for the calculation described above.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref Version 5.0

10a: Cost Allocations							(\$000)
	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total	
Corporate Overheads							
Directly attributable operating costs	2,125	1,964	293	4,382		4,382	
Costs not directly attributable	1,711	1,218	172	3,101	4,973	8,074	
Asset Management and Airport Operations							
Directly attributable operating costs	8,397	9,651	1,809	19,857		19,857	
Costs not directly attributable	5,389	1,277	218	6,884	14,103	20,987	
Asset Maintenance							
Directly attributable operating costs	53	207	178	438		438	
Costs not directly attributable	1,803	359	137	2,299	3,267	5,566	
Total directly attributable costs	10,575	11,822	2,280	24,677		24,677	
Total costs not directly attributable	8,903	2,854	527	12,284	22,343	34,627	
Total operating costs	19,478	14,676	2,807	36,961	22,343	59,304	

Cost Allocators					
Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items	
Terminal - Non-contestable	Direct cost	Causal Relationship	P&L amounts 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 amounts directly attributable to specified airfield activities is allocated 100% to this segment	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance	
Aircraft and Freight - Non-contestable	Direct cost	Causal Relationship	P&L amounts directly attributable to Aircraft and Freight activities is allocated 100% to this segment	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance	
Promotions	Revenue generated by aircraft, passenger service and concession charges for the year	Causal Relationship	The spend on Promotion that will give rise to increased passenger numbers should be allocated by the revenue that is generated by those passengers	Asset Management and Airport Operations	
Administration Costs	Proportion of direct administration 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, Asset Maintenance	
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	

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 5.0

91 **10b: Notes to the Report**

92 **10b(i): Changes in Cost Allocators**

		Effect of Change Current Year		
		CY-1 30 Jun 21	(CY) 30 Jun 22	CY+1 30 Jun 23
93	Operating cost category			
94	Original allocator or components			
95	New allocator or components			
96	Rationale			
97				
98				
99	Operating cost category			
100	Original allocator or components			
101	New allocator or components			
102	Rationale			
103				
104	Operating cost category			
105	Original allocator or components			
106	New allocator or components			
107	Rationale			
108				
109	Operating cost category			
110	Original allocator or components			
111	New allocator or components			
112	Rationale			
113				
114	Operating cost category			
115	Original allocator or components			
116	New allocator or components			
117	Rationale			
118				
119	Operating cost category			
120	Original allocator or components			
121	New allocator or components			
122	Rationale			
123				

124 **Commentary on Cost Allocations**

125 Changes in Cost Allocators

126 CIAL has used the same cost allocator methodology for this disclosure statement as that used to prepare our PSE3 pricing forecast published in our associated pricing disclosure document. CIAL is committed to reporting actual outcomes as against our PSE3 forecast.

127 2022 Terminal Cost Allocations

128 The terminal floor space for the 2022 cost allocation process is based on the relevant terminal spatial maps produced by CIAL based on the relevant terminal configuration as at 30 June 2022. The terminal is a highly dynamic asset; below is a summary of terminal floor space changes that have occurred since CIAL published our PSE3 associated pricing disclosure document. For the 2022 disclosure year there were no significant terminal floor space changes.

- 129 • 2019 disclosure : Gate 15 reconfiguration project and the introduction of the digital lounge which resulted in an increase to the terminal regulatory space.
- 130 • 2020 disclosure : introduction of additional retail offerings and a slight reduction in the terminal regulatory space.
- 131 • 2021 disclosure : inclusion of restricted commercial areas for aeronautical activities increasing the terminal regulatory space, the introduction of Pathway 2, and an overall increase to the total terminal footprint due to the inclusion of 'void spaces that manage facilities' (as measured by CIAL's new mapping software).

132 Because of our Cost Allocation Process (detailed below), the year on year terminal floor space changes don't have a significant impact on this schedule's cost allocations against those of our PSE3 forecasts for operational expenditure, which is not the case for Schedule 9 - our asset allocations.

133 Cost Allocation Process

134 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 allocation. 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.

135 The process of allocation follows several steps to achieve this and these are listed below:

136 Step One: Direct Costs

137 All income and expense items are reviewed to ensure any costs that can be directly attributed are allocated wherever possible.

138 Step Two: Review Costs for Causal Allocators

139 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 2022 are listed above.

140 Step Three: Run Cost Allocation Model

141 The cost allocation model then allocates the residual values in the Administration, Maintenance, and Terminal categories between the specified airport activities and commercial categories of the business. The allocators for 2022 and their rationale for application are also detailed above.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref Version 5.0

	Number	Total Duration	
		Hours	Minutes
6 Runway			
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			
The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14 Airports	-	-	-
15 Airlines/Other	1	2	41
16 Undetermined reasons	-	-	-
17 Total	1	2	41
18 Remote stands and means of embarkation/disembarkation			
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			
The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26 Airports	1	-	27
27 Airlines/Other	1	-	28
28 Undetermined reasons	1	-	16
29 Total	3	1	11
30 Baggage sortation system on departures			
The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
32 Airports	1	9	30
33 Airlines/Other	-	-	-
34 Undetermined reasons	-	-	-
35 Total	1	9	30
36 Baggage reclaim belts			
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			
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	67	19	17
45 Airlines/Other	1,308	470	45
46 Undetermined reasons	12	2	59
47 Total	1,387	493	1

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref Version 5.0

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

55 The percentage of time that FEGP is unavailable due to interruptions*

0%

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

57 **Commentary concerning reliability measures**

58 Determining Responsibility and Validity of Interruptions

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

60 This data is then reviewed by management to ensure it meets the relevant criteria for Schedule 11 in accordance with the definitions detailed in the Determination. This review also includes a review of the party responsible for the interruption and includes discussion with other internal and external parties where necessary.

63 Operational Improvements

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

65 Fixed Electricity Ground Power

66 Fixed electrical ground power is available at stands 18, 19, 20, 21, 22, 26, 27, 28, 29, 30, 31, 32 and 34. CIAL remains committed to increasing the number of stands able to offer this service in the future where CIAL believes such a service would be beneficial.

68 On-Time Departure Delay

69 CIAL requires input from the airlines to meet our regulatory obligations within this schedule on reporting 'On-Time Departure Delays'.

70 As previously reported CIAL experiences difficulty in obtaining this data from the airlines using Christchurch Airport and as with other disclosure periods only one airline provided this data to CIAL in the 2022 disclosure year. This airline historically accounts for between 75% to 80% of departing flights from CIAL within a typical disclosure year.

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

74 Page 23

Regulated Airport **Christchurch International Airport Ltd**
 For Year Ended **30 June 2022**

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

ref Version 5.0

Runway

Description of runway(s)	Designations	Runway #1	Runway #2	Runway #3
		Length of pavement (m)	3288	1741
Width (m)	45	45	N/A	
Shoulder width (m)	30	N/A	N/A	
Runway code	4E	3D	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

Description of main taxiway(s)	Name	Taxiway #1	Taxiway #2	Taxiway #3
		Length (m)	2996	785
Width (m)	23	23	23	
Status	Full Length	Part Length	Part Length	
Number of links	6	1	1	

Aircraft parking stands

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

Air passenger services	International	Contact stand-airbridge	Contact stand-walking	Remote stand-bus
		Domestic jet	5	0
	Domestic turboprop	0	12	0
Total parking stands		14	14	3

Busy periods for runway movements

Date	
Runway busy day	28 January 2022
Runway busy hour start time (day/month/year hour)	9 Jul 2021 4 pm

Aircraft movements

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

Air passenger services	International	Contact stand-airbridge	Contact stand-walking	Remote stand-bus	Total
		Domestic jet	56	-	-
	Domestic turboprop	-	130	-	130
Total		57	130	-	187
Other (including General Aviation)					106
Total aircraft movements during the runway busy day					293

Number of aircraft runway movements during the runway busy hour

30

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

Parking Stand Assumptions (in support of the above numbers)

Domestic Turboprop aircraft = Contact stand – walking
 Domestic Jet aircraft = Contact stand – airbridge
 International flights aircraft = Contact stand – walking – airbridge

CIAL has 6 stands that can operate across different aircraft type: 1 covering walking access for both domestic aircraft, 1 with either walking or contact access for both domestic aircraft, and 4 with the ability to swing between Domestic Jet and International aircraft. These 6 stands have been included within this Schedules measures by their primary aircraft usage only. CIAL developed Gate 15 during the 2018 disclosure year to further enhance our ability to service multiple aircraft across the Integrated Terminal; with this gate commissioned in June 2018.

In addition, CIAL has 17 remote stands that are generally used for freight and servicing the operations of the Antarctic program. These stands are located 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. There have been no changes to the runways in the 2022 disclosure year.

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 2022

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

ref Version 5.0

	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)	5 May 2022 9 am	16 Jan 2022 6 pm	6 May 2022 6 pm
9 Floor space (m ²)	27	607	2,208
10 Passenger throughput during the passenger busy hour (passengers/hour)	305	817	850
12 Utilisation (busy hour passengers per 100m ²)	1,130	135	38
13 Check-in			
14 Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	6 May 2022 6 pm
15 Floor space (m ²)	N/A	N/A	2,499
16 Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	850
17 Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	34
18 Baggage (outbound)			
19 Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	6 May 2022 6 pm
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	422
23 Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	850
24 Utilisation (% of processing capacity)	Not defined	Not defined	18%
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)	5 May 2022 9 am		
28 Floor space (m ²)	71		
29 Number of emigration booths and kiosks	9		
30 Notional capacity during the passenger busy hour (passengers/hour) *	823		
31 Passenger throughput during the passenger busy hour (passengers/hour)	305		
32 Utilisation (busy hour passengers per 100m ²)	430		
34 Utilisation (% of processing capacity)	37%		
35 * Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
36 Security screening			
37 Passenger busy hour for security screening—start time (day/month/year hour)	5 May 2022 9 am	16 Jan 2022 6 pm	
38 Facilities for passengers excluding international transit & transfer			
39 Floor space (m ²)	602	363	
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)	305	817	
43 Utilisation (busy hour passengers per 100m ²)	51	225	
44 Utilisation (% of processing capacity)	38%	101%	
45 Facilities for international transit & transfer passengers			
46 Floor space (m ²)	49		
47 Number of screening points	—		
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 Ended

Christchurch International Airport Ltd
30 June 2022

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

ref Version 5.0

	International terminal	Domestic terminal	Common area †
60			
61			
62			
63			
64			
65			
66			
67			
68			
69			
70			
71			
72			
73			
74			
75			
76			
77			
78			
79			
80			
81			
82			
83			
84			
85			
86			
87			
88			
89			
90			
91			
92			
93			
94			
95			
96			
97			
98			
99			
100			
101			
102			
103			
104			
105			
106			
107			
108			
109			
110			
111			
112			
113			
114			
115			
116			
117			

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

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

ref Version 5.0

	International terminal	Domestic terminal	Common area †
Arrivals concourse			
Passenger busy hour for arrivals concourse—start time (day/month/year hour)	5 Jun 2022 5 pm	18 Jul 2021 11 am	N/A
Floor space (m ²)	1,590	177	N/A
Passenger throughput during the passenger busy hour (passengers/hour)	288	760	N/A
Utilisation (busy hour passengers per 100m ²)	18	429	Not defined
Total terminal functional areas providing facilities and service directly for passengers			
Floor space (m ²)	20,316	10,110	6,772
Number of working baggage trolleys available for passenger use at end of disclosure year	450	450	340

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 and airlines data. This is used to calculate busy hour/day information and corresponding passenger throughput. These data sources are cross checked where possible and are considered to be materially accurate.

Source of Data for Capacity Calculations:

Security Screening
The notional capacity has been based on Aviation Security National standards of 270 passengers 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.

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 2,400 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. This year the actual bags belonging to passengers who travelled in the busy hour have been included in this report.

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 5 desks and 4 smart gates servicing International Departures.

International Arrivals
There are 10 desks and 8 smart gates servicing International Arrivals.

Seating
Numbers listed excludes General, Food Court, and Tenancy seats.

Floor Space
The terminal floor space is based on the relevant terminal spatial maps produced by CIAL based on the terminal's current configuration as at 30 June 2022.

Notional Capacity Review
Notional capacity indices have remained constant. CIAL is conducting a review of these estimates with the review currently incomplete.

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 2022

SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref Version 5.0

6 **Survey organisation**

7 Survey organisation used

ACI

8 If "Other", please specify

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

11 **Domestic terminal**

	Quarter	1	2	3	4	Annual
	for year ended	30 Sep 21	31 Dec 21	31 Mar 22	30 Jun 22	average
13 Ease of finding your way through an airport		4.37	4.29	4.02	4.35	4.26
14 Ease of making connections with other flights		4.36	4.36	4.02	4.13	4.22
15 Flight information display screens		4.31	4.27	4.09	4.24	4.23
16 Walking distance within and/or between terminals		4.35	4.32	4.08	4.18	4.23
17 Availability of baggage carts/trolleys		4.30	4.27	–	4.38	4.32
18 Courtesy, helpfulness of airport staff (excluding check-in and security)		4.50	4.46	4.20	4.47	4.41
19 Availability of washrooms/toilets		4.38	4.39	4.03	4.29	4.27
20 Cleanliness of washrooms/toilets		4.32	4.33	3.95	4.20	4.20
21 Comfort of waiting/gate areas		4.25	4.17	3.84	4.16	4.11
22 Cleanliness of airport terminal		4.50	4.57	4.14	4.34	4.39
23 Ambience of the airport		4.24	4.20	3.92	4.04	4.10
24 Security inspection waiting time		4.40	4.30	4.32	4.34	4.34
25 Check-in waiting time		4.60	4.47	4.53	4.37	4.49
26 Feeling of being safe and secure		4.52	4.45	4.09	4.49	4.39
27 Average survey score		4.39	4.35	4.09	4.28	4.28

28 **International terminal**

	Quarter	1	2	3	4	Annual
	for year ended	30 Sep 21	31 Dec 21	31 Mar 22	30 Jun 22	average
30 Ease of finding your way through an airport		–	–	–	–	–
31 Ease of making connections with other flights		–	–	–	–	–
32 Flight information display screens		–	–	–	–	–
33 Walking distance within and/or between terminals		–	–	–	–	–
34 Availability of baggage carts/trolleys		–	–	–	–	–
35 Courtesy, helpfulness of airport staff (excluding check-in and security)		–	–	–	–	–
36 Availability of washrooms/toilets		–	–	–	–	–
37 Cleanliness of washrooms/toilets		–	–	–	–	–
38 Comfort of waiting/gate areas		–	–	–	–	–
39 Cleanliness of airport terminal		–	–	–	–	–
40 Ambience of the airport		–	–	–	–	–
41 Passport and visa inspection waiting time		–	–	–	–	–
42 Security inspection waiting time		–	–	–	–	–
43 Check-in waiting time		–	–	–	–	–
44 Feeling of being safe and secure		–	–	–	–	–
45 Average survey score		–	–	–	–	–

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.

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

48 CIAL monitors passenger experience ratings principally using the ASQ Survey. The survey results reflect the perceived passenger travel experience (the weighted average response) from using the airport terminals. The survey includes consistent sample survey questions, involving a five-point rating scale of poor (1), fair (2), good (3), very good (4) or excellent (5), which passengers rate at the departure gate.

49 For the 2022 disclosure year, CIAL contracted ACI to complete an ASQ survey covering the first three quarters of the financial year (1 July 2021 - 31 March 2022). For the fourth quarter, covering the period from 1 April 2022 to 30 June 2022, CIAL commissioned an in-house developed survey to be undertaken based on the same questions and rating scale as the ASQ survey.

50 CIAL's average passenger survey ratings historically are high. CIAL's continued high scores for the domestic terminal in the 2022 disclosure year, continue to emphasise that the quality of CIAL's services meets their demands and reflect the benefits of CIAL's ongoing investment in terminal facilities and the overall commitment of our service focused team. CIAL uses the survey results to identify additional improvements and we consult with interested parties as to the benefits such changes could have in improving the end-to-end passenger journey.

56 International Passenger Measures

57 CIAL has been granted an exemption from completing and publicly disclosing a passenger satisfaction survey for international passengers covering the quarters starting 1 July 2021 and ending 30 June 2022 (this disclosure year). See this link for further comments from the Commerce Commission <https://comcom.govt.nz/search?query=ID+Exemption+Application>

59 Location of Survey Fieldwork Documentation

60 Survey fieldwork documentation is available on CIAL's website (www.christchurchairport.co.nz).

63 *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.*

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref Version 5.0

Disclosure of the operational improvement process

6 CIAL has a continuous improvement focus to improve operational service excellence. This is achieved through several business as usual
7 operational stakeholder forums which are held on a regular basis to consider operational matters and operational improvement. The
8 objective of these groups is to ensure a coordinated approach to operations at Christchurch Airport, a joint commitment to efficiency
9 improvements, pursue opportunities for innovation and to manage event exceptions or non-performance.

10 *CIAL Covid-19 Working Group (CWG)*

11 The CWG comprises of senior management and subject matter expert representatives from across the business who, at the request of the
12 Executive Team, formed a working group to understand and manage the risks relating to the impacts of the global coronavirus pandemic. A
13 leader, and a delegated second in command, were appointed to focus on areas including airfield/airside operations, terminal/landside
14 operations, security and compliance, safety, people, logistics and resources, communications and response support (which included
15 management of a CWG Document Library including action plans, internal CIAL staff comms, airport stakeholder updates, MoT operator
16 guidance, MoH border advisories and Alert Level Restriction legislation etc.) The CWG continued to meet if/when/as required (daily,
17 weekly, fortnightly, monthly) subject to NZ Government announcements and changes, and during the Covid-19 Alert Level restriction
18 period (often daily) online via MS Teams. Chaired by the CIAL Head of Customer & Commercial Park to Plane. Representatives from the
19 Executive Team also attended when required. A final CWG Debrief Meeting was held on 28 April 2022 with the group subsequently
20 disestablished.

21 *Christchurch Airport Emergency Committee*

22 The committee meets 3 times per annum and manages/discusses matters including significant incidents, emergency manuals and plans,
23 emergency preparedness, training and response exercises, aviation security, and global and topical aviation risks. Attendees include Key
24 Emergency Responders, Border Agencies, Airlines, Airways NZ, Welfare Organisations, MoH, and CIAL. Chaired by the CIAL Head of
25 Aviation Operations.

26 *Airside Safety Committee*

27 This group meets bi-monthly to discuss airside operational and safety issues, to communicate rule, process or procedure changes, improve
28 driving and parking standards, to discuss any airside incidents/events, and inform members of any impending airside work. Chaired by the
29 CIAL Apron and Wildlife Manager. It was communicated at the end of the disclosure year that this meeting will change to a quarterly
30 schedule and will be known as the 'Aviation Operations Forum' to more appropriately acknowledge the broader meeting content and
31 audience. Participants will include airside representatives (stakeholders and operators) and topics will include airside operations and safety
32 (runway and apron), security, wildlife and habitat management, airfield facilities and projects, environment and sustainability, plus invited
33 guest presenters.

34 *Dakota Park Freight Apron Users Group*

35 This group meets quarterly to discuss safety and operational specific concerns for the Freight Apron. Stakeholders include Air Freight
36 operators and their Ground Handling Agents, and Fuel Companies. Chaired by an external Freight Operator or Airline representative
37 operating out of this space.

38 *New Zealand Aviation Wildlife Hazard Group*

39 The audience for this forum comprises of Aviation Specialists and Airport Representatives with responsibility for wildlife control and/or
40 habitat from all major and regional Airports nationwide. This group gathers a minimum of 3 times per year to discuss aviation wildlife
41 hazard management and methods for reducing the associated risk. CIAL will host this meeting at Christchurch Airport at least once per
42 year, however all meetings are co-chaired by the CIAL Apron and Wildlife Manager.

43 *Terminal Workplace Health and Safety Committee*

44 This group meets quarterly and focuses on new and existing hazards/incidents. The group includes HS&W representatives and operational
45 leads from Border Agencies, Airlines, Ground Handlers, Tenants, Te Mana Ora (National Public Health Service), Contractors, and CIAL
46 personnel operating in the Terminal Environment. Chaired by the CIAL Head of Health, Safety & Wellbeing.

47 *Airfield Projects Meetings*

48 Monthly meeting held with Airways NZ to discuss Airfield Operations, Aviation Safety, Security and Airfield Facilities. Discussion focuses on
49 upcoming or ongoing projects or required maintenance Airside, APMW schedules, AIP procedures, and incidents/accidents. Chaired by the
50 CIAL Head of Aviation Operations.

51 *Weekly Operations Meeting*

52 This group meets weekly to discuss and highlight new or upcoming activity or process/procedure changes that may impact business as
53 usual operations. The audience includes representatives from both Airside and Landside Operational Departments plus 1 regular external
54 contractor (OCS). Chaired by the CIAL Integrated Operations Centre Duty Manager.

55 *HS&W Kaitiaki Group Meeting*

56 Internal working group of CIAL Health, Safety and Wellbeing representatives meet to discuss latest dashboard
statistics (accidents/incidents/near miss events etc). Focus is on outcomes of workplace inspection checklists, identifying new hazards and
risks, improved processes or new equipment on campus, identifying safety challenges in the workplace, acknowledging HS&W outstanding
performance (individual or team) and safety investigation (ICAM) discussion and outcomes. The Kaitiaki Group meet monthly, and
sometimes invite external guest speakers and/or conduct site visits for additional exposure. Chaired by the CIAL Head of Health, Safety &
Wellbeing.

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 2022

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES (cont)

ref Version 5.0

62 **Disclosure of the operational improvement process (cont)**

63 Below are a number of initiatives, improvements or events associated with the disclosure year. The Executive Summary also provides
64 further details around some of these items.

65 Safety Leadership

- 66 • Continued execution of CIAL's pandemic plan
- 67 • Made available building infrastructure to support our health authorities in providing Covid testing for airport personnel and then as a
68 community vaccination centre that anyone across the campus, city and region utilised. The centre delivered 151,114 vaccinations and at
69 its peak delivered an average of around 1,200 vaccinations per day with the last vaccination being delivered on 2 April 2022
- 70 • Provided bespoke interactive webinars delivered by a Clinical Psychologist focusing on staying well in the face of Omicron

71 Sustainability and Environment

- 72 • CIAL successfully re-financed an existing loan converting it into our first Sustainability Linked Loan. Through this loan CIAL's interest
73 costs are linked to the achievement of appropriately ambitious sustainability targets
- 74 • The Airport Council International awarded CIAL the highest achievement for Carbon Reduction in Airports, the 'Green Airports
75 Recognition 2022 Platinum Award'
- 76 • CIAL's Waste Minimisation Service provider, Sustainably, conducted an exhaustive 3 day waste audit thought to be one of New
77 Zealand's largest waste audits that showcased ways we could improve our operations. CIAL is implementing 3 priority workstreams that
78 will be reported on once complete

79 Customer Experience

- 80 • St John Therapy Pets volunteers and their pets were introduced to the Airport through the creation of the P.A.W.S program, within the
81 terminal, to focus on decreasing stress, anxiety levels, and improving families/travellers physical and emotional health when in the
82 airport environment during the school holidays
- 83 • Established a team of PRIDE champions within the business with the majority of the wider organisation, including ELT and the Board of
84 Directors, participated in Rainbow Inclusion training to celebrate and support the diverse rainbow communities travellers/visitors that
85 come to the Airport. We also opened an all gender toilet block during the disclosure year
- 86 • Introducing our humanoid robot Pepper into the terminal to help people prepare for security screening ahead of domestic jet travel
- 87 • New 'giving back' initiatives were activated during the year including funds from a sale of pre-donated clothing going to Women's Refuge
88 and 20 shoeboxes being filled with presents for children for Christmas

89 Operational Efficiency

- 90 • Further deploying the Building Management System (BMS) Analytics programme within the terminal by including the international
91 building into the programme. The BMS Analytics programme actively looks to identify energy saving opportunities

92 Innovation

- 93 • CIAL was named one of the 5 'world airports of the future' by Traveller magazine (traveller.com.au) and the only southern hemisphere
94 airport of the 5
- 95 • The introduction of sensors to the entry of terminal amenities to digitalize/model the necessary cleaning times of each terminal amenity.
96 Our cleaning provider OCS has found this innovation has realised significant efficiency gains which has seen CIAL and OCS co-
investing in robotic cleaners that operate out of hours and are expected to deliver further efficiency gains which CIAL and OCS will
transfer into providing above the national average living wages for our cleaning workers
- CIAL is continuing to investigate the opportunity for development beyond a single site to support creating economic, environmental and
social development opportunities for future generations across the South Island, through our Central Otago Airport Project
- CIAL is facilitating the Kowhai Park development, a large scale renewable energy precinct at the airport, to provide renewable energy
required by the aviation sector in the future, whilst also providing stability and resilience to the price and supply of that renewable energy
across the airport campus and potentially beyond.

95 *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
96 reflected in the indicators.*

Page 30

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref Version 5.0

16a: Aircraft statistics

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	24	1,848
Airbus A320NEO	136	10,744
Airbus A321NEO	77	7,207
Airbus A350-900 XWB	209	58,520
Boeing 737 Max 8	25	2,055
Boeing 737-800	148	11,694
Boeing 767-200	3	429
Boeing 787-900	7	1,756
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
Total	629	94,253

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont)

ref Version 5.0

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	5,475	400,312
Airbus A320NEO	575	45,425
Airbus A321NEO	529	49,749
Boeing 787-900	3	753
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
Total	6,582	496,239

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
ATR-72-500	508	11,445
ATR-72-600	12,188	274,230
Convair 580	3	73
DHC-8-300 Dash 8	3,780	73,729
Pilatus PC-12	1,389	6,251
Saab 340	1	13
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
Total	17,869	365,741

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref Version 5.0

(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)
94 Air passenger service aircraft less than 3 tonnes MCTOW	–	–
95 Freight aircraft	2,430	275,368
96 Military and diplomatic aircraft	268	22,606
97 Other aircraft (including General Aviation)	9,875	44,509

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

	Total number of landings	Total MCTOW (tonnes)
99 Total	37,653	1,298,716

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
105 International air passenger service movements	1,266	–	–	1,266
106 Domestic jet air passenger service movements	13,026	–	–	13,026

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

16c: Passenger statistics

The total number of passengers during disclosure year

	Domestic	International	Total
111 Inbound passengers [†]	1,554,103	75,325	1,629,428
112 Outbound passengers [†]	1,550,240	77,746	1,627,986
113 Total (gross figure)	3,104,343	153,071	3,257,414
114 less estimated number of transfer and transit passengers		–	–
115 Total (net figure)			3,257,414

[†] 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
123	Air Nelson	Air New Zealand
124	Mount Cook Airlines	Qantas
125	Air New Zealand	Jetstar
126	Jetstar	Fiji Airways
127	Air Chathams	Air Vanuatu
128	Sounds Air	Singapore
129		
130		
131		
132		
133		
134		
135		
136		

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref Version 5.0

143 **16e: Human Resource Statistics**

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total	
144					
145	Number of full-time equivalent employees	54.0	77.0	5.0	136.0
146	Human resource costs (\$000)				15,590

147 **Commentary concerning the report on associated statistics**

148 Source of Data

149 Data collated for air passenger services is obtained from CIAL's Airline Billing Database, which is compiled from information electronically provided monthly from the Airways Corporation information system. The data for terminal access figures originates from airlines, customs, and FIDs (Flight information data system).

150 The human resource statistics have been calculated from payroll figures as at the end of June 2022.

151 Human Resource Movements

152 CIAL continues to look for efficiency and productivity gains across our entire business. Between 2021 and 2022 our regulated business full-time equivalent employee numbers changed by +1 (our 2021 disclosure statement has a -1 movement).

153 Other Movements

154 CIAL did not collect International Transit/Transfer numbers for the 2022 disclosure year.

155 Air passenger services on aircraft less than 3 tonnes MCTOW are not collected by CIAL due to the small number of passenger services in this category.

156 PSE3 Forecast to Actual Comparison

157 The following table shows a comparison between our pricing forecasts to actual outcomes for all 5 years of the current PSE3 pricing period. This comparison includes passenger movements, landings, and MCTOW. Other flights have been included this disclosure year.

	PSE3-2022			PSE3 Year 5			PSE3-Period To Date		
	Pricing Forecast	Actual	Variance	Pricing Forecast	Actual	Variance	Pricing Forecast	Actual	Variance
Passengers Movements									
International Arrivals	946,151	75,325	-92.0%	4,424,346	2,508,846	-43.3%	4,424,343	2,534,931	-42.7%
International Departures	946,150	77,746	-91.8%	8,848,689	5,043,777	-43.0%	8,848,689	5,043,777	-43.0%
Total International	1,892,301	153,071	-91.9%	13,275,412	10,437,124	-21.4%	13,275,412	10,474,272	-21.1%
Domestic Arrivals	2,789,974	1,554,103	-44.3%	26,550,821	20,911,396	-21.2%	26,550,821	20,911,396	-21.2%
Domestic Departures	2,789,973	1,550,240	-44.4%	35,399,510	25,955,173	-26.7%	35,399,510	25,955,173	-26.7%
Total Domestic	5,579,947	3,104,343	-44.4%	35,399,510	25,955,173	-26.7%	35,399,510	25,955,173	-26.7%
Total Passenger Movements	7,472,248	3,257,414	-56.4%	48,674,922	36,432,347	-25.1%	48,674,922	36,432,347	-25.1%
Landings									
Domestic Flight (3 tonnes or more but <30 tonnes)	16,753	17,869	6.7%	79,849	93,540	17.1%	79,849	93,540	17.1%
Domestic Flights (30 tonnes MCTOW or more)	18,358	6,582	-64.1%	87,358	42,371	-51.5%	87,358	42,371	-51.5%
Total Domestic	35,111	24,451	-30.4%	167,207	135,911	-18.7%	167,207	135,911	-18.7%
International Flights	5,809	629	-89.2%	27,986	15,741	-43.8%	27,986	15,741	-43.8%
Other Flights	6,470	12,571	94.3%	32,350	67,970	110.1%	32,350	67,970	110.1%
Total Landings	47,390	37,651	-20.6%	227,543	219,622	-3.5%	227,543	219,622	-3.5%
MCTOW									
Domestic Flight (3 tonnes or more but <30 tonnes)	351,810	365,741	4.0%	1,673,593	1,958,041	17.0%	1,673,593	1,958,041	17.0%
Domestic Flights (30 tonnes MCTOW or more)	991,314	496,239	-49.9%	4,711,046	3,190,435	-32.3%	4,711,046	3,190,435	-32.3%
International Flights	805,134	94,253	-88.3%	3,847,363	2,207,348	-42.6%	3,847,363	2,207,348	-42.6%
Other Flights	187,274	342,472	82.9%	936,370	1,285,262	37.3%	936,370	1,285,262	37.3%
Total MCTOW	2,335,532	1,298,705	-44.4%	11,168,372	8,641,086	-22.6%	11,168,372	8,641,086	-22.6%

177 Covid-19 and the resulting limitations it imposed on aircraft travel had a significant impact on available seats and hence passenger numbers as compared to the PSE3 forecast (Years 3 to 5). Dramatically fewer seats were available across all categories than was originally indicated in the schedules used as a basis for the PSE3 pricing forecast. In line with this actual Landings and MCTOW were also dramatically lower compared to the PSE3 forecast (Years 3 to 5) with the exception of 3 tonne to <30 tonne aircraft and other flights.

178 - total passenger movements were -27% against our Y1 to Y5 PSE3 forecast driven by a Y3 -27% variance, a Y4 -49% variance and a Y5 -56% variance

179 - total actual Landings were -4% against our Y1 to Y5 PSE3 forecast driven by a Y3 -27% variance, a Y4 -12% variance and a Y5 -21% variance however with the removal of the 'other flights' category total actual Landings were -22% against our Y1 to Y5 PSE3 forecast driven by a Y3 -27% variance, a Y4 -35% variance and a Y5 -39% variance

180 - total MCTOW were -23% against our Y1 to Y5 PSE3 forecast driven by a Y3 -23% variance, a Y4 -43% variance and a Y5 -44% variance however with the removal of the 'other flights' category total actual MCTOW were -28% against our Y1 to Y5 PSE3 forecast driven by a Y3 -26% variance, a Y4 -53% variance and a Y5 -56% variance

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2022

SCHEDULE 17: REPORT ON PRICING STATISTICS

ref Version 5.0

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	8,090
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	12,070
Net operating charges from airfield activities relating to international flights	2,430
Net operating charges from specified passenger terminal activities relating to domestic passengers	18,211
Net operating charges from specified passenger terminal activities relating to international passengers	1,123
	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,530,238
Number of domestic passengers on flights of 30 tonnes MCTOW or more	1,574,105
Number of international passengers	153,071
	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	767,890
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	1,430,629
Total MCTOW of international flights	381,898

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	5.29	10.53
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	7.67	8.44
Average charge from airfield activities relating to international flights	15.88	6.36
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from specified passenger terminal activities	5.87	7.34
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	12.36	23.21

Commentary on Pricing Statistics

As outlined in CIAL's PSE3 price setting disclosure, its primary goal is increasing the productivity and efficient use of its existing assets. Accordingly, CIAL proposed setting its PSE3 prices on a per passenger basis. Per passenger prices allows CIAL to increase and incentivise flexible and efficient use of its airfield and terminal. They are also simple to understand, transparent and (as the Commission identified) likely to reduce airlines' exposure to demand risk. CIAL considers (and the majority of airlines agreed) per passenger prices align CIAL's and airlines' interests.

CIAL's PSE3 price structure involves a re-balancing of prices compared to PSE2. Key features of the re-balancing (that will occur over PSE3 up to the 2022 disclosure year) are:

- prices for International passengers are reducing over PSE3 when considered at a per passenger level.
- Domestic prices for non-regional services remain similar to PSE2.
- prices for regional services are increasing over PSE3, largely as a result of CIAL's long term price structure taking full account of terminal services provided in conjunction with the Regional Lounge.

Further discussion in respect to passenger numbers and related net revenue is included in the Executive Summary preceding this disclosure statement.

SCHEDULE 25: TRANSITIONAL REPORT ON REGULATORY ASSET BASE VALUE FOR LAND

ref Version 5.0

25: Regulatory Asset Base Value for Land

	Unallocated RAB (\$000)	RAB (\$000)
Estimated value of land assets for the 2009 year	-	
Capital expenditure on land for disclosure year 2010	-	
Value of disposed assets on land for disclosure year 2010 (negative amount)	-	
Estimated value of land assets for the 2011 year	-	
Capital expenditure on land for disclosure year 2011	-	
Value of disposed assets on land for disclosure year 2011 (negative amount)	-	
Initial RAB value	-	-

Commentary

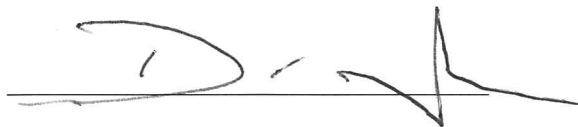
CIAL revalued its land under the MVAU valuation methodology in 2013. As such CIAL has not provided the land valuation information above as the MVAU valuation increased the RAB by +\$4.407m in our 2013 disclosure statement.

**SCHEDULE 21 – CERTIFICATION FOR DISCLOSED INFORMATION – YEAR ENDED
30 JUNE 2022**

We, Catherine Drayton and Kathryn Mitchell, being directors of Christchurch International Airport Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Christchurch International Airport Limited prepared for the purposes of clauses 2.3(1) and 2.4(1) of the Airport Services Input Methodologies Determination 2010 in all material respects complies with that determination.

In making this certification we advise that:

- Christchurch International Airport Limited has been granted an exemption, covering the quarters starting 1 July 2021 and ending 30 June 2022, from the requirements of clause 2.4(2)(b) of the determination in respect to the completion of a passenger satisfaction survey for passengers about to board an international flight
- Consequently Schedule 14 does not include information in respect to the International terminal for all four quarters of this disclosure year which is required under clause 2.4(1)(a)(iv) of the determination



Catherine Drayton
Chair
30 November 2022



Kathryn Mitchell
Director
30 November 2022

Independent Assurance Report

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

The Auditor-General is the auditor of Christchurch International Airport Limited (the company). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand to undertake a reasonable assurance engagement, on his behalf, on whether schedules 1 to 17 ('the Airport Disclosure Schedules') prepared by the company for the year ended 30 June 2022 under the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 as amended in 2019 (the 'Determination'), comply, in all material respects, with the Determination.

Opinion

In our opinion:

- Subject to clause 2.6(3) of the Determination, and as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Airport Disclosure Schedules have been kept by the company and the Airport Disclosures Schedules are based on these records;
- Subject to clause 2.6(2) of the Determination, the disclosure information in schedules 1 to 17 complies, in all material respects, with the Determination.

Basis of opinion

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

These standards require that we comply with ethical requirements and plan and perform our engagement to provide reasonable assurance about whether the Airport Disclosure Schedules have been prepared in all material respects in compliance with the Determination.

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

The engagement also involves evaluating:

- the appropriateness of assumptions used and whether they have been consistently applied; and
- the reasonableness of the significant judgements made by the directors of the company.

We have obtained sufficient recorded evidence and explanations that we required to provide a basis for our opinion.

Directors' responsibility for the Airport Disclosure Schedules

The directors of the company are responsible for preparation and fair presentation of the Airport Disclosure Schedules in compliance with the Determination. This responsibility includes such internal control as Directors determine is necessary to enable proper records to be kept by the Company to enable complete and accurate compilation of Airport Disclosure Schedules that are free from material misstatement or non-compliance whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a reasonable assurance opinion on whether the Airport Disclosure Schedules have been prepared and presented, in all material respects, in compliance with the Determination.

Inherent limitations

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement or non-compliance when it exists. Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control, it is possible that fraud, error, or non-compliance may occur and not be detected.

We did not examine every transaction, adjustment or event underlying the Airport Disclosure Schedules nor do we guarantee complete accuracy of the Airport Disclosure Schedules. Also, we did not evaluate the security and controls over the electronic publication of the Airport Disclosure Schedules.

Further, a reasonable assurance engagement for the year ended 30 June 2022 does not provide assurance on whether compliance with the requirements of the Determination will continue in the future.

Use of this report

This report has been prepared for the directors of the company and for the Commerce Commission for the purpose of providing those parties with independent reasonable assurance about whether the Airport Disclosure Schedules have been prepared, in all material respects, in compliance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

The Determination is the criteria which the Airport Disclosure Schedules were evaluated against. The Airport Disclosure Schedules may not be suitable for other purposes.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the company for our work, for this independent reasonable assurance report, or for the opinions we have reached.

Our report is released to the company on the basis that it will be published along with the Airport Disclosure Schedule on the Company's website and distributed to the Commerce Commission.

Our report provides assurance that the forecast information included in the disclosures required for the forecast information included in the Airport Disclosure Schedules required by schedules 1, 2, 4 and 6 of the Determination, our procedures were limited to checking that the information agreed to the Final Pricing Information Templates for the period 1 July 2017 to 30 June 2022. These procedures do not provide any assurance that the forecast information was accurate or reasonable or achievable, or that it subsequently proved to be accurate.

As permitted by clause 2.6(3) of the Determination we have relied on records that have been sourced from a third party in respect of certain non-financial information. For these items, our procedures were limited to confirming that the information in schedules 11 to 17 agreed to the third-party records provided to us.

Independence and quality control

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

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



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
30 November 2022