

EXECUTIVE SUMMARY

1. Introduction

This is the fifth annual disclosure by Christchurch International Airport Limited ("CIAL") under Part 4 of the Commerce Act. The disclosure report is for the year ending 30 June 2015 ("2015 Disclosure"). This executive summary gives an overview of the information the 2015 Disclosure provides on the performance of the company for this period.

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

We initially reported on these prices in two earlier disclosures (the 2012 Price Setting Event disclosure and our annual disclosure for the year ended 30 June 2013). After feedback from the Commerce Commission that greater transparency of returns was needed, which we accepted, we sought expert advice on how to report on our long-term levelised prices in a way that makes transparent the return of our investment over the pricing period and for each year of the pricing period.

A report on the appropriate methodology was prepared by Incenta Economic Consulting (Incenta) and can be found on our website at www.christchurchairport.co.nz/en/about-us/corporate-information/regulatory-disclosures. The key element of our revised disclosure methodology was a change from using a standard straight line depreciation method to using a method that calculates the depreciation implied by the long-run price path. We also adopted a post-tax approach.

In 2014 we used this revised methodology to re-issue the two previous disclosures and as the basis for our annual disclosure for the year ended 30 June 2014. The two re-issued disclosures and the 2014 disclosure are available on our website at www.christchurchairport.co.nz/en/about-us/corporate-information/regulatory-disclosures. We have used the methodology advised by Incenta in preparing the 2015 Disclosure.

This 2015 Disclosure should be compared to the two re-issued disclosures (the Price Setting Event disclosure for the period to 30 June 2017 and the annual disclosure for the year ended 30 June 2013) and the annual disclosure for the year ended 30 June 2014 to get a picture of the performance of CIAL's regulated activities over time.

2. Information provided in this disclosure

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

Financial information

In this disclosure report we report on:

- Our asset base and how it is rolled forward during the year (e.g. depreciation, additions, disposals, revaluations);

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

Quality, innovation and service performance information

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

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

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

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

3. What does this 2015 Disclosure show?

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

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

3.1 Financial information

Impact of our price reset

Our new aeronautical charges took effect on 1 December 2012, part way through the 2013 disclosure year. This 2015 Disclosure is the second full year under our new aeronautical charges.

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

Impact of market conditions

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

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

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

As noted in our 2014 annual disclosure, the market experience has been quite different to that forecast in the pricing consultation in that:

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

The combination of all these factors has resulted in CIAL not recovering its forecast revenue for the 31 months to date of the current pricing period (i.e. the period from the price reset in 1 December 2012 to 30 June 2015).

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

Revenue Gap Analysis - Dec-2012 to June 2015 - Including PSC					
Type	Aircraft Type	2013	2014	2015	Total
Pricing Forecast	Dom Jet Total	13.2	26.1	31.1	70.3
	Dom Turbo Prop Total	4.5	8.5	9.7	22.8
	Int Jet Total	15.1	27.7	31.3	74.1
Pricing Total		32.8	62.3	72.1	167.2
Actual Results	Dom Jet Total	11.5	22.6	28.5	62.6
	Dom Turbo Prop Total	4.0	7.6	8.4	20.0
	Int Jet Total	13.9	25.8	28.8	68.4
Pricing Total		29.4	56.0	65.7	151.1
Revenue Gap	Dom Jet Total	-1.7	-3.5	-2.5	-7.7
	Dom Turbo Prop Total	-5	-9	-1.4	-2.7
	Int Jet Total	-1.2	-1.9	-2.6	-5.7
Pricing Total		-3.4	-6.3	-6.4	-16.1

A more detailed analysis of the demand variances is included in Schedule 16. For the 31 months to date of the current pricing period the negative variance to that forecast when setting prices has remained relatively consistent at approximately 10% less than forecast.

Looking forward, airlines are adding capacity into Christchurch during the 2015/16 year. We expect a 550,000, or 7.5%, seat increase in the year to 30 June 2016. This is driven by new capacity from China, increased trans-Tasman services and growth in domestic capacity predominantly on main trunk routes.

Operating efficiency

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

Accordingly this is a particular area of focus for CIAL. It is a specific area of attention in the on-going master planning processes to maximise the productivity and operating cost of our new infrastructure.

A number of initiatives have been progressed over the 2015 year designed to improve service performance and ensure a safe and secure operating environment is maintained. These are detailed in Schedule 15 of this disclosure report. In progressing these initiatives, CIAL has actively consulted with customers and/or border agencies on a regular basis.

Efficiency initiatives have included:

- *Gilsonnite Asphalt Treatment* – treatment of asphalt surfaces on airfield to reduce maintenance program cost and extend life of asphalt surfaces
- *BIC System* – enabling real-time allocation for arrivals belt by Ground Handlers to improve resource utilisation, customer information and handler turn processes
- *Master Planning* – Effort and resource in vested in updating the CIAL Master Plan for the airport to cater for future growth projections per the next 10 – 20 years
- *Autogate Operation* – Incorporation of Autogate 5 operations into existing AFS routines to reduce costs associated with CAA changes to cost allocations for this functions

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

In this 2015 Disclosure we discuss our operating expenditure variances in Schedule 6. As explained in Schedule 6 the operating costs for both the current 2015 Disclosure and the period to date are above that forecast when setting prices. In summary the key causes are:

- Promotions and incentives to specific airlines or route destinations that were excluded from the forecast used for pricing after consultation with our airline customers;
- Insurance and rate increases have been greater than we forecast;
- CAA has ruled that labour costs for airfield security gates are an airport cost rather than an Aviation Security cost. This charge was a cost that commenced in 2013 and was not included in the forecast;
- Other costs including maintenance, cleaning and personnel costs that have been higher than forecast and to some degree reflect the difficulty of forecasting operating costs for a significantly larger and different terminal;
- Increased emergency service personnel costs required in line with the Task and Resource Analysis carried out to ensure compliance with CAA guidelines;
- The structure and processes associated with the current District Plan review and other Master Planning activity have driven planning costs higher than originally forecast;
- A difference in approach for how a lease termination cost should be recovered; annual disclosure requirements treat this as an operating cost whereas our pricing forecasts treated it as an asset addition to be amortised over the residual lease term.

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

Capital expenditure

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

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

In aggregate we have spent \$1.6m more than we forecast for 2015 and \$4.9m more than forecast for the pricing period to date.

- Period to date we have spent \$2.8m less than forecast in the area of airfield pavement maintenance works, after a detailed assessment of the airfield to understand options for enhancing airfield productivity over the next 10-15 years. Focus is on producing significant maintenance and capital savings over this future time period;
- We have also deferred the removal of Regional Stands and Hangar 4 in response to the longer than expected use of this facility by Air New Zealand. This removal expenditure is now expected to be incurred in a later period once Air New Zealand's need for the facility has ceased;
- The main area in the period to date where we have invested more capital than we forecast was in the completion of the terminal;
- Current year capital expenditure includes the purchase of a new fire appliance equipped with a High Reach Extendable Turret which was not forecast.

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

Earnings performance

The adjusted regulatory profit of \$18.002m (which incorporates the implied depreciation value disclosed in the supplementary PSE2 price reset disclosure) has increased by \$4.504m as compared to 2014. This results in a return of 3.67% on the Regulatory Investment Value of \$490.122m for 2015. (compared with the Commerce Commission post-tax benchmark range of 6.39% to 8.36%).

When comparing the 2015 return to that achieved in the prior year, the main point to note is that the improved return was predominantly driven by growth in the regulatory income this year. This reflects the aeronautical pricing reset following the investment in the new terminal, coupled with growth in both domestic and international passenger numbers.

Despite the improved revenue performance in 2015, the increase in asset values and operating costs, following the commissioning of the new terminal, continues to have an impact on CIAL's returns for the financial year ending 30 June 2015.

The Regulatory Investment Value at \$490.122m remained essentially unchanged in 2015 with the value of assets commissioned and indexed revaluations being offset by regulatory depreciation.

The following table outlines the trend of performance for the periods 2011 to 2015:

Item	\$'000				
	2011	2012	2013	2014	2015
Regulatory Profit	18,884	7,517	7,213	14,591	19,239
Adjusted Regulatory Profit	17,873	6,386	6,247	13,498	18,002
Regulatory Investment value	315,328	404,058	428,960	489,229	490,122
ROI - comparable to post tax WACC	5.67%	1.58%	1.46%	2.76%	3.67%
Post Tax WACC *1	8.06%	7.56%	6.49%	6.77%	7.37%

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

This identifies that the return of regulatory profit on regulatory investment value has reduced from 5.67% in 2011 to 3.67% in 2015. These rates of return are significantly below the Commerce Commission post-tax WACC benchmark used to monitor performance, and reflect the extended risk CIAL has been exposed to post the Canterbury earthquakes in 2010/11.

3.2 Quality and statistics

The quality of our services

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

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

Many instances of great passenger experience has been communicated to CIAL and these are regularly published to all staff across the campus - including CIAL, our airline customers and border agencies, through a number of avenues, including Airport Voice and the 2015 Annual Report, both of which are designed to share an integrated message of the total airport and its many contributors. Positive comments continue to be made by many parties, including the airlines, on the benefits this approach is providing to customer service being provided at Christchurch airport.

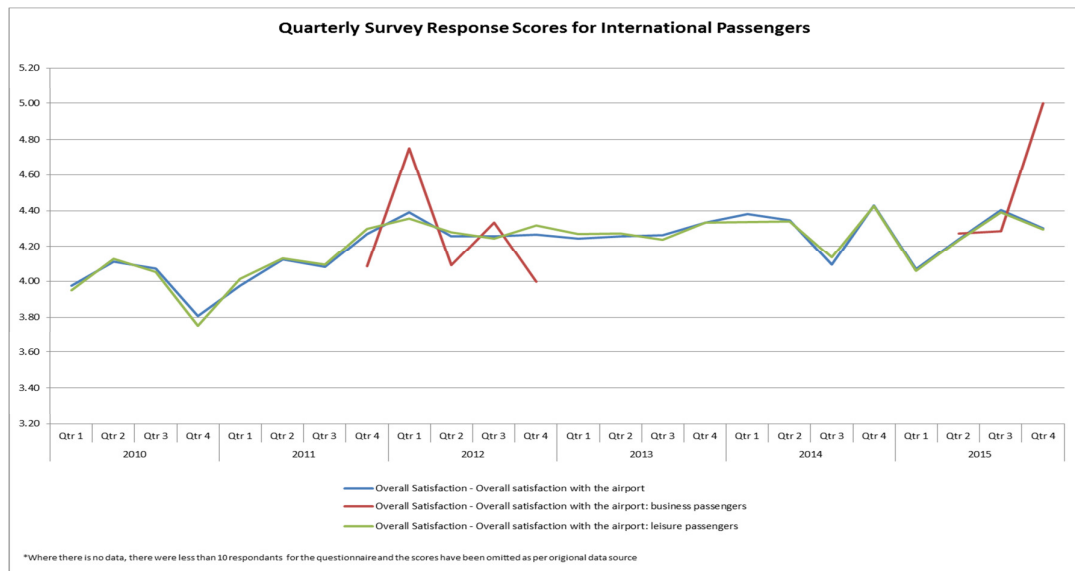
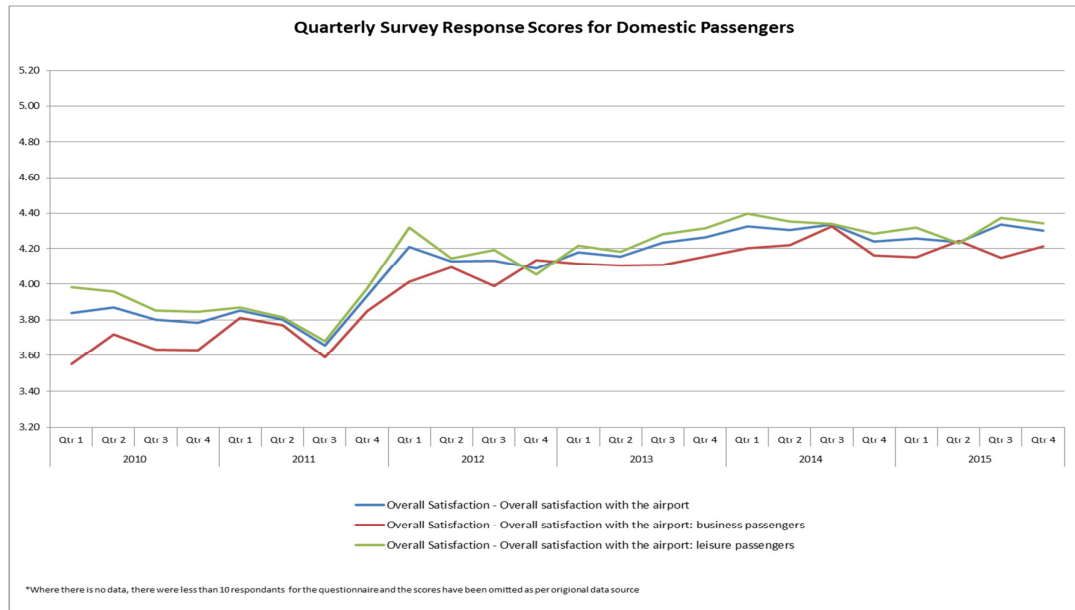
Specific examples of customer experience initiatives that have been implemented in 2015 include:

- *RFID tracking ("Radio Frequency Identification")* – extensive use of RFID passenger tracking in International arrivals to provide in-depth analysis of process in conjunction with Customs and MPI to assist in identifying process improvements and efficiencies;
- *Multi-Lingual FIDS ("Flight Information Display")* – provision of multi-lingual FIDS information for China flights;
- Toilet Block 6 Upgrade – refurbishment of older toilet block in International terminal to improve customer facilities and experience;

- *Furniture Upgrades* – Upgrades completed to furnishings in the International Departures lounge to improve passenger comfort

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

The following charts demonstrate the trends in passenger satisfaction over the past 6 years.



- The level of passenger satisfaction for both domestic and international passengers has remained consistently high during 2015.
- When reviewing the response scores for international passengers, it should be noted that there is limited survey data for international business travellers. Wherever there are less than 10 respondents then the ASQ does not average them and leaves them blank as they are statistically weak.

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

In this 2015 Disclosure we continue with our annual reporting of reliability, capacity utilisation and passenger satisfaction statistics (including statistics on time departure delay, as provided by our airline customers). Considering the trend in measures over the last year, this identifies that:

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

Innovation

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

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

Particular initiatives that have occurred during this disclosure year to improve the customer experience and operational efficiency, have been highlighted earlier in this section. They are further disclosed in Schedule 15.

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

Health, Safety, Security & Environment

Health & Safety is a core pillar of our business and culture and we are committed to developing, implementing, maintaining and constantly improving safety strategies and outcomes. Our safety focus includes the public, customers, suppliers, tenants, contractors and sub-contractors.

As the gateway to the South Island, great importance is placed on being a guardian for "our Place in the World" and minimising our impacts on the environment and New Zealand's natural resources.

Key initiatives which have been undertaken in these areas in 2015 include:

- *Traffic Counters for Apron* – Continuous speed measurement of vehicle traffic on Apron road to provide more detailed info and analysis for users to change driver behaviour;
- *FOD ("Foreign Object Damage") and Apron Incident Reporting System* – provide efficient and simple way to report and thus track occurrences of FOD and operational incidents on apron for improved education and engagement with stakeholders ;
- *Friction trailer* – Trailer to accurately measure a range of surface frictions encountered operationally on runways to ensure they remain appropriate for aircraft landing and take-off;

- *HRET Rosenbauer* – Introduction of new fire appliance equipped with a High Reach Extendable Turret (HRET) increases the effectiveness for response and safety of personnel for large aircraft, multi-storey and fuel farm related incidents;
- *Runway Intersection Pavement Maintenance* – Completed the resurfacing of the runway intersection segment of the Christchurch airport runways as part of our APMW (“Airfield Pavement Maintenance Works”) program. This program is essentially to ensure our runways remain safe, usable and attractive to airline operators and in compliance with Civil Aviation regulations;
- Terminal Building Tuning – Significant tuning of new terminal to gain 6% reduction in energy consumption;
- Waste Management – significant investment in waste management processes resulting in increase in overall waste diversion rates to 38% - up 8% on previous year

Overall comment

It is clear that our airport has 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 South Island as a whole.

We also know that we have to compete hard for our air networks. International tourism underpins a good portion of our domestic air networks and the majority of our international air networks. Consequently we will continue to take a lead role in stimulating tourism traffic to Christchurch and the wider South Island.

This involves working with Christchurch city on developing a strategy to realise opportunities to drive social, commercial and economic outcomes for communities from the visitor sector. In addition we continue to lead the “South” program which is active with all regions in the South Island growing its profile in key tourism markets.

CIAL is working with its airline customers and other tourism partners to develop new routes and services across the Australian market and also to new long-haul destinations in Asia, particularly China. Our longer-term growth plan is to build from the position reported in this 2015 Disclosure of 5.92 million passengers to 8.5 million passengers annually by 2025. There are no easy fixes. Growth requires significant and at times lengthy investment with our tourism partners, but the goal is and must be achieved to the benefit of all stakeholders.

Tidy cursor position and sheet scaling

Set sheet protection

Remove sheet protection

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

Company Name	Christchurch International Airport Ltd
Disclosure Date	30 November 2015
Disclosure Year (year ended)	30 June 2015
Pricing period starting year (year ended) ¹	30 June 2013

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

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

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Schedule	Description
1	REPORT ON RETURN ON INVESTMENT
2	REPORT ON THE REGULATORY PROFIT
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4	REPORT ON REGULATORY ASSET BASE ROLL FORWARD
5	REPORT ON RELATED PARTY TRANSACTIONS
6	REPORT ON ACTUAL TO FORECAST EXPENDITURE
7	REPORT ON SEGMENTED INFORMATION
8	CONSOLIDATION STATEMENT
9	REPORT ON ASSET ALLOCATIONS
9	REPORT ON ASSET ALLOCATIONS (2010)
9	REPORT ON ASSET ALLOCATIONS (2009)
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
23	REPORT ON INITIAL REGULATORY ASSET BASE VALUE

Disclosure Template Guidelines for Information Entry

Internal consistency check

OK

Templates

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

Data entry cells and calculated cells

Data entered into this workbook may be entered only into the data entry cells. Data entry cells are the bordered, unshaded areas in each template. Under no circumstances should data be entered into the workbook outside a data entry cell.

In some cases, where the information for disclosure is able to be ascertained from disclosures elsewhere in the workbook, such information is disclosed in a calculated cell. Under no circumstances should the formulas in a calculated cell be overwritten. All cells that are not data entry cells may be locked using worksheet protection to ensure they are not overwritten.

Validation settings on data entry cells

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

Data entry cells for text entries

Data input cells that display the data validation input message "Short text entry cell" have a maximum text length of 253 characters. Because of page layout constraints, this text length is unlikely to be approached. The amount of text that may be entered in the comment boxes is restricted only by the capacity of the spreadsheet program and page layout constraints. Should a comment box within a template be inadequate to fully present the disclosed comments, comments may be continued outside the template. The comment box must then contain a reference to identify where in the disclosure the comment is continued.

Row widths can be adjusted to increase the viewable size of text entries.

A paragraph feed may be inserted in an entry cell by holding down both the {alt} and the {shift} keys.

Data entry cells that contain conditional formatting

A limited number of data entry cells may change colour or disappear from view in response to data entries (including date entries) made in the workbook. This feature has been implemented to highlight data being entered that is not internally consistent with other data currently entered, and to hide data entry cells for conditionally disclosed information when the determination does not require the data be disclosed.

a) Internal consistency checks

To assist with data entry, the shading of the following data entry cells will change if the cell content becomes inconsistent with data elsewhere in the template:

Schedule 4, cells N110:N118, J30;

Schedule 7, cells K8:K14, K16:K18, K20, K22, K24, K26, K28, K30, K32.

Should such inconsistency be identified, the shading of the internal consistency check cell C4 at the top of the Guidelines worksheet will also change and the check cell will show "Error" instead of "OK".

b) Conditionally disclosed information

The determination allows in some circumstances that data do not need to be disclosed. Accordingly, the following cells are conditionally formatted to disappear from view (the borders are removed and the interior of the cells takes on the colour of the template background) in some circumstances:

Schedule 1, cells F9:F12, F14:F15, F17:F18, G9:G12, G14:G15, G17:G18;

In schedule 1, the column F cells listed above disappear if the determination does not require Part 4 disclosure in respect of year CY – 2 (CY is the current disclosure year). Similarly, the column G cells disappear if disclosure is not required in respect of year CY – 1.

Schedule 6 comparison of actual and forecast expenditures

Clause 6a of schedule 6 compares actual expenditures with expenditures forecast in respect of the most recent price setting event.

The calculated cells G10:G11, G14:G16, G19:G28 determine, from clause 6b, the forecast expenditure for the current disclosure year.

The calculated cells M10:M11, M14:M16, M19:M28 determine, from clause 6b, the forecast expenditure to date.

The formulas in the calculated cells assume that the current disclosure falls within the five year pricing period. Cell C65 notes which of the pricing period years disclosed in clause 6b coincides with the current disclosure year.

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2015

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

ref Version 2.0

(\$'000 unless otherwise specified)

6 1a: Return on Investment

		CY-2 *	CY-1 *	Current Year CY
	for year ended	30 Jun 13	30 Jun 14	30 Jun 15
7	8 Return on Investment (ROI)			
9	Regulatory profit / (loss)	7,213	14,591	19,239
10	less Notional interest tax shield	966	1,093	1,237
11	Adjusted regulatory profit	6,247	13,498	18,002
12	Regulatory investment value	428,960	489,229	490,122
13				
14	ROI—comparable to a post tax WACC (%)	1.46%	2.76%	3.67%
15	Post tax WACC (%)	6.49%	6.77%	7.37%
16				
17	ROI—comparable to a vanilla WACC (%)	1.68%	2.98%	3.93%
18	Vanilla WACC (%)	6.75%	7.01%	7.64%

19 Commentary on Return on Investment

21 These disclosure statements have incorporated the value of implied depreciation as contained in the
22 Supplementary Price Reset Disclosure provided in 2014, to reflect the "return of capital" implicit in the
23 levelised price path.

24 The adjusted regulatory profit (which incorporates the implied depreciation value disclosed in the
25 supplementary PSE2 price reset disclosure) has increased by \$4.504 m or 33.4% as compared to 2014.
26 This results in a return of 3.67% on the Regulatory Investment Value of \$490.122m for 2015. This result
27 is well below the Commerce Commission benchmark of 7.37% and above the 2014 return of 2.76%.

Item	2013 \$'000	2014 \$'000	2015 \$'000
Regulatory Profit	7,213	14,591	19,239
Adjusted Regulatory Profit	6,247	13,498	18,002
Regulatory Investment Value	428,960	489,229	490,122
ROI – comparable to a post-tax WACC	1.46%	2.76%	3.67%
Post-tax WACC	6.49%	6.77%	7.37%

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

When comparing the 2015 return to that achieved in the prior year, the main point to note is that the improved return was predominantly driven by growth in the regulatory income this year. This reflects the continued aeronautical pricing reset following the investment in the new terminal, coupled with growth in both domestic and international passenger numbers.

The Regulatory Investment Value at \$490.122m remained essentially unchanged in 2015 with the value of assets commissioned and indexed revaluations being offset by regulatory depreciation.

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)

ref Version 2.0

(\$000 unless otherwise specified)

59 **1b: Notes to the Report**

60 **1b(i): Deductible Interest and Interest Tax Shield**

61	RAB value - previous year	485,826
62	Debt leverage assumption (%)	17%
63	Cost of debt assumption (%)	5.35%
64	Notional deductible interest	4,419
65	Tax rate (%)	28.0%
66	Notional interest tax shield	1,237

67 **1b(ii): Regulatory Investment Value**

68	Regulatory asset base value - previous year	485,826
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	Assets Commissioned— RAB Value (\$000)	Proportion of Year Available (%)	Proportionate Regulatory Value	
69	Commissioned Projects			
70	Fire Engine	1,833	33%	610
71	Runway Maintenance	5,773	25%	1,443
72				–
73				–
74				–
75				–
76				–
77				–
78				–
79	plus Other assets commissioned	4,507	50%	2,254
80	plus Adjustment for merger, acquisition or sale activity			–
81	less Asset disposals	22	50%	11
82	RAB investment	12,091		
83	RAB proportionate investment			4,296
84				
85	Regulatory investment value			490,122

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2015

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref Version 2.0

6 2a: Regulatory Profit

Income		(\$000)
Airfield Charges	30,266	
Terminal Charges	19,838	
Counter Charges	2,309	
Passenger Service Charges	15,868	
Lease, rental and concession income	8,574	
Other operating revenue	3,860	
Net operating revenue		80,715
Gains / (losses) on sale of assets	-	
Other income	-	
Total regulatory income		80,715
Expenses		
Operational expenditure:		
Corporate overheads	8,649	
Asset management and airport operations	26,861	
Asset maintenance	2,331	
Total operational expenditure		37,841
Operating surplus / (deficit)		42,874
Regulatory depreciation		19,464
plus Indexed revaluation	2,030	
plus Non-indexed revaluation	-	
Total revaluations		2,030
Regulatory Profit / (Loss) before tax & allowance for long term credit spread		25,440
less Allowance for long term credit spread		25
Regulatory Profit / (Loss) before tax		25,415
less Regulatory tax allowance		6,176
Regulatory Profit / (Loss)		19,239

43 Commentary on Regulatory Profit

Item	2013 \$'000	2014 \$'000	2015 \$'000
Total Regulatory Income	52,275	57,233	80,715
Total Operational Expenditure	30,461	32,753	37,841
Regulatory Depreciation	21,138	17,587	19,464
Total Revaluations	6,611	7,819	2,030
Regulatory Tax Allowance	56	96	6,176
Regulatory Profit	7,213	14,591	19,239

- These disclosure statements have incorporated the value of implied depreciation as contained in the Supplementary Price Reset disclosure to reflect the "return of capital" implied in the levelised price path.
- Regulatory Profit for 2015 was \$19,239m.
- Net operating revenue from specified airport activities was \$80,715m (2014: \$57,283m, +40.9%). This reflecting the continued aeronautical pricing reset following the investment in the new terminal. In addition the airport has seen a growth in aircraft MCTOW and passenger numbers in 2015, compared to the prior year (albeit that 2015 passenger numbers are still some way short of what was forecast in the original pricing reset).
- Operating expenses for the period were \$37,841m (2014: \$32,753m, +15.5%). During 2015 there were a number of material cost increases that were beyond CIAL's control, including increases in rates, increased aviation security costs and increased emergency service personnel costs. In addition CIAL has continued to increase its investment in aeronautical promotional activity to stimulate air capacity growth, as well as incurring increasing costs in respect to district plan reviews and other planning matters.
- Regulatory Depreciation at \$19,464m increased by \$1,877m, reflecting an increase in the implied depreciation to reflect the "return of capital" implicit in the levelised price path.
- Revaluations for 2015 were \$2,030m (2014: \$7,819m). This revaluation relates to the annual revaluation of assets (Indexed at CPI of 0.42%).

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Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref Version 2.0

(\$000 unless otherwise specified)

2b: Notes to the Report

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

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

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

89

Attribution Rate (%) 28.00%

Allowance for long term credit spread 25

2b(ii): Financial Incentives

		(\$000)
Pricing incentives	1,617	
Other incentives	878	
Total financial incentives		2,495

2b(iii): Rates and Levy Costs

	(\$000)
Rates and levy costs	1,134

2b(iv): Merger and Acquisition Expenses

	(\$000)
Merger and acquisition expenses	-

Justification for Merger and Acquisition Expenses

There were no merger and acquisition expenses.

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2015**SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE**

ref	Version 2.0			
6		3a: Regulatory Tax Allowance		(\$000)
7		Regulatory profit / (loss) before tax		25,415
8				
9		plus Regulatory depreciation	19,464	
10		Other permanent differences—not deductible	47	*
11		Other temporary adjustments—current period	747	*
12				20,258
13				
14		less Total revaluations	2,030	
15		Tax depreciation	16,186	
16		Notional deductible interest	4,419	
17		Other permanent differences—non taxable	—	*
18		Other temporary adjustments—prior period	981	*
19				23,616
20				
21		Regulatory taxable income (loss)		22,057
22				
23		less Tax losses used	—	
24		Net taxable income		22,057
25				
26		Statutory tax rate (%)	28.0%	
27		Regulatory tax allowance		6,176
28		* Workings to be provided		
29		3b: Notes to the Report		
30		3b(i): Disclosure of Permanent Differences and Temporary Adjustments		
31		<i>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).</i>		
32				
33		Details of the tax differences are as follows:		
34		• Permanent differences represent 50% of entertainment expenses which are not deductible for tax purposes.		
35		• 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.		
36		• Other temporary adjustments – prior period are the reversal of the previous year's accruals.		
37				
38				
39				
40				
41				
42				
43		3b(ii): Tax Depreciation Roll-Forward		
44			(\$000)	
45		Opening RAB (Tax Value)	200,255	
46		plus Regulatory tax asset value of additions	12,450	
47		less Regulatory tax asset value of disposals	4	
48		plus Regulatory tax asset value of assets transferred from/(to) unregulated asset base	—	
49		less Tax depreciation	16,186	
50		plus Other adjustments to the RAB tax value	(44)	
51		Closing RAB (tax value)		196,471
52		3b(iii): Reconciliation of Tax Losses (Airport Business)		
53			(\$000)	
54		Tax losses (regulated business)—prior period	—	
55		plus Current year tax losses	—	
56		less Tax losses used	—	
57				
58		Tax losses (regulated business)		—
59				

Regulated Airport **Christchurch International Airport Ltd**
For Year Ended **30 June 2015**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref	Version 2.0	Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
6					
7					
8			553,578		485,826
9	less				
10	Regulatory depreciation		23,906		19,464
11	plus				
12	Indexed revaluations	2,314		2,030	
13	Non-indexed revaluations	-		-	
14	Total revaluations	2,314		2,030	
15	plus				
16	Assets commissioned (other than below)	15,944		12,113	
17	Assets acquired from a regulated supplier	-		-	
18	Assets acquired from a related party	-		-	
19	Assets commissioned	15,944		12,113	
20	less				
21	Asset disposals (other)	31		22	
22	Asset disposals to a regulated supplier	-		-	
23	Asset disposals to a related party	-		-	
24	Asset disposals	31		22	
25					
26	plus Lost and found assets adjustment		-		-
27					
28	Adjustment resulting from cost allocation				1,565
29					
30	RAB value †	547,899		478,918	

Commentary

These disclosure statements have incorporated the value of implied depreciation as contained in the Supplementary Price Reset disclosure to reflect the "return of capital" implied in the levelised price path.

Assets were revalued using the CPI index of 0.42% which resulted in an increase to the RAB of \$2.03m.

Regulatory Depreciation has increased from the prior year, reflecting an increase in the implied depreciation to reflect the "return of capital" implicit in the levelised price path.

The Information Disclosure regulations require implied depreciation to be allocated to classes of assets. In the current year, a more detailed allocation has been performed against individual assets which has slightly changed the opening RAB value allocations shown in Schedule 4b(vii).

The assets commissioned included replacement assets on the runway and a new fire engine.

The adjustment resulting from cost allocation of (\$1.565m) is the result of changes in the allocation of certain assets within the terminal. These assets had previously been fully allocated to the specified terminal but have now been found to be only partially used.

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

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

4b: Notes to the Report**4b(i): Regulatory Depreciation**

	Unallocated RAB (\$000)	RAB (\$000)
Standard depreciation	4,012	3,267
Non-standard depreciation	19,894	16,197
Regulatory depreciation	23,906	19,464

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Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

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

ref Version 2.0

(\$000 unless otherwise specified)

66 4b(ii): Non-Standard Depreciation Disclosure

67	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
68	Calculation of Depreciation to a method that calculates the depreciation implied by the long-run price path.	16,197	2013	478,918	474,268
69					
70					
71					
72					

73 4b(iii): Non-Standard Depreciation Disclosure for Year of Change

74			
75			
76			

77 4b(iv): Calculation of Revaluation Rate and Indexed Revaluation of Fixed Assets

79	CPI at CPI reference date—previous year (index value)		1,195
80	CPI at CPI reference date—current year (index value)		1,200
81	Revaluation rate (%)		0.42%
82		Unallocated RAB	RAB
83	RAB value—previous disclosure year	553,578	485,826
84	less Revalued land	-	-
85	less Assets with nil physical asset life	550	559
86	less Asset disposals	31	22
87	less Lost asset adjustment		
88	Indexed revaluation	2,314	2,030

89 4b(v): Works Under Construction

90		Unallocated works under construction	Allocated works under construction
91	Works under construction—previous disclosure year	4,536	3,052
92	plus Capital expenditure	16,005	12,164
93	less Asset commissioned	15,944	12,113
94	less Offsetting revenue	-	-
95	plus Adjustment resulting from cost allocation		1,025
96	Works under construction	4,597	4,128

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Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

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

ref Version 2.0

104 4b(vi): Capital Expenditure by Primary Purpose

105	Capacity growth		3,247	
106	plus Asset replacement and renewal		8,917	
107	Total capital expenditure			12,164

108 4b(vii): Asset Classes

	Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *	
109						
110	RAB value—previous disclosure year	95,452	104,101	278,074	8,199	485,826
111	less Regulatory depreciation	—	9,275	9,548	641	19,464
112	plus Indexed revaluations	399	439	1,157	35	2,030
113	plus Non-indexed revaluations	—	—	—	—	—
114	plus Assets commissioned	—	5,774	3,120	3,219	12,113
115	less Asset disposals	—	—	—	22	22
116	plus Lost and found assets adjustment	—	—	—	—	—
117	plus Adjustment resulting from cost allocation	—	—	(1,300)	(265)	(1,565)
118	RAB value	95,851	101,039	271,503	10,525	478,918

* Corresponds to values in RAB roll forward calculation.

119 4b(viii): Assets Held for Future Use

	Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total	
120						
121	Assets held for future use—previous disclosure year	41,578	15,655	56	5,382	62,559
122	plus Assets held for future use—additions ¹	—	—	—	193	193
123	less Transfer to works under construction	—	—	—	—	—
124	less Assets held for future use—disposals	—	—	—	—	—
125	Assets held for future use ²	41,578	15,655	56	5,575	62,752

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

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

127	Highest rate of finance applied (%)				—
-----	-------------------------------------	--	--	--	---

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref Version 2.0

5(i): Related Party Transactions

(\$000)

Net operating revenue	63
Operational expenditure	6,285
Related party capital expenditure	-
Market value of asset disposals	-
Other related party transactions	40,087

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
Christchurch City Holdings Limited	Majority Shareholder
Christchurch City Council	Owner of Majority Shareholder
Connetics	Subsidiary of Majority Shareholder
Red Bus Limited	Subsidiary of Majority Shareholder
Eco Central Ltd	Subsidiary of Majority Shareholder
Enable Services Ltd	Subsidiary of Majority Shareholder
City Care Limited	Subsidiary of Majority Shareholder
Vbase Limited	Subsidiary of Majority Shareholder
Tuam Limited	Subsidiary of Majority Shareholder
BECA Group Limited	Common Directors
House of Travel Holdings Limited	Common Directors

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price (\$)	Value (\$000)
Christchurch City Holdings Limited (CCHL)	Subordinated Loan balance payable		25,000
Christchurch City Holdings Limited (CCHL)	Interest paid		2,623
Christchurch City Holdings Limited (CCHL)	Group Loss offset		606
Christchurch City Council (CCC)	Rates		3,919
Christchurch City Council (CCC)	Operational Expenses		279
Christchurch City Council (CCC)	Subvention payment/Losses		256
City Care Limited	Operational Expenses		221
Connetics	Operational Expenses		932
Red Bus Limited	Revenue		24
Vbase Limited	Operational Expenses		32
Enable Services Ltd	Subvention payment/Losses		862
Civic Building Limited	Subvention payment/Losses		6,373
Red Bus Limited	Subvention payment/Losses		1,649
BECA Group Limited	Structural Engineering Services		290
House of Travel Holdings Limited	Travel, Accommodation, lease tenancy		644
Other related party transactions	Various		7
Christchurch International Airport Limited	Management compensation of key personnel including Directors and Executive Management, incorporating salaries and other short term employee benefits		
	- Directors fees		300
	- Executive management		2,418

Commentary on Related Party Transactions

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

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

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

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST EXPENDITURE

ref Version 2.0

6a: Actual to Forecast Expenditure

(\$000)

Expenditure by Category	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1
Capacity growth	3,247	-	-	10,296	-	-
Asset replacement and renewal	8,917	7,366	21.1%	46,307	53,060	(12.7%)
Total capital expenditure	12,164	7,366	65.1%	56,603	53,060	6.7%
Corporate overheads	8,649	8,864	(2.4%)	28,275	25,687	10.1%
Asset management and airport operations	26,861	18,171	47.8%	64,957	52,660	23.4%
Asset maintenance	2,331	2,239	4.1%	7,823	6,488	20.6%
Total operational expenditure	37,841	29,274	29.3%	101,055	84,835	19.1%

Key Capital Expenditure Projects

Airfield Pavement Maintenance works	5,774	5,400	6.9%	15,654	18,500	(15.4%)
Terminal Project	-	-	100.0%	5,795	-	100.0%
Phase 3a - regional Stands, Hangar 4 removed	-	3,130	(100.0%)	-	4,890	(100.0%)
Pound road realignment and RESA	-	-	-	41	3,130	(98.7%)
Terminal Lighting Upgrade	-	-	-	-	500	(100.0%)
Disaster recovery and high availability	-	-	-	-	-	-
International Stand Optimisation	-	-	-	-	-	-
Apron/taxiway Remediation	-	-	-	18,060	18,675	-
Land transfers into Specified Airport activities	-	-	-	5,527	-	-
Other capital expenditure	6,339	1,966	222.4%	12,910	7,365	75.3%
Total capital expenditure	12,113	10,496	15.4%	57,987	53,060	9.3%

Explanation of Variances

Operational Expenditure

Total operational expenditure was \$8.567m above the forecast of \$29.274m. The following analysis identified the key items of variance making up this total.

Cost Item	Variance	Reason for variance	Actual Cost Category
Promotions & Airline incentives	+\$1.3m	Costs directly attributable to specific airlines or route destinations are specifically excluded from pricing as a consequence of consultation.	Asset Management & Airport Operations
Rates	+\$0.35m	Cost overrun owing to dispute on rating methodology applied to certain sections of the new integrated terminal plus unexpectedly high rate increases.	Asset Management & Airport Operations
Maintenance	+\$0.3m	Actual costs exceeded forecast due to higher than expected costs relating to the Terminal. In addition there was a variation between forecast and final footprint allocation to specified terminal activities.	Asset Maintenance
Aviation Security Charge	+\$0.55m	A cost that commenced in 2013 and was not included in the forecast.	Asset Management & Airport Operations
Other operating costs	+\$0.6m	Primarily due to amortisation of lease cost (+0.589m). This item was included as a capital cost and recovered through return of and on capital components.	Asset Management & Airport Operations
Personnel Costs	+\$1.5m	Higher than forecast personnel needs to service the new terminal footprint and maintain customer service. In addition CIAL has experienced increased emergency service personnel costs.	Corporate Overheads
Planning Costs	+\$1.3m	Higher than forecast costs in respect to district plan reviews and other planning matters.	Corporate Overheads

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

Total Capital Expenditure (+\$1.617m)

Airfield pavement maintenance works (+\$0.374m)

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

Regional Stands (-\$3.130m)

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

Other Capital Expenditure (+\$4.373m)

This includes the purchase of a new fire engine

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

* Disclosure year coincides with Pricing Period Starting Year + 2.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

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

ref Version 2.0

79 **6b: Forecast Expenditure**

80 *From most recent disclosure following a price setting event*

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

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

92 Key Capital Expenditure Projects	for year ended				
	Pricing Period Starting Year	Pricing Period Starting Year + 1	Pricing Period Starting Year + 2	Pricing Period Starting Year + 3	Pricing Period Starting Year + 4
	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
94 Airfield Pavement Maintenance works	6,400	6,700	5,400	5,000	6,300
95 Apron/taxiway Remediation	18,675	-	-	-	-
96 Pound road realignment and RESA	4,890	-	-	-	-
97 Phase 3a - regional Stands, Hangar 4 removed	-	3,130	-	-	-
98 Terminal Lighting Upgrade	500	-	-	-	-
99 Disaster recovery and high availability	-	-	-	-	500
100 International Stand Optimisation	-	-	-	5,916	-
101					
102					
103 Other capital expenditure	3,092	2,307	1,966	2,415	2,283
104 Total forecast capital expenditure	33,557	12,137	7,366	13,331	9,083

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2015

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref	Version 2.0	(\$000)			
		Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*
6					
7					
8	Airfield Charges	-	30,266	-	30,266
9	Terminal Charges	19,838	-	-	19,838
10	Counter Charges	2,309	-	-	2,309
11	Passenger Service Charges	15,868	-	-	15,868
12	Lease, rental and concession income	3,881	239	4,454	8,574
13	Other operating revenue	1,613	1,698	549	3,860
14	Net operating revenue	43,509	32,203	5,003	80,715
15					
16	Gains / (losses) on asset sales	-	-	-	-
17	Other income	-	-	-	-
18	Total regulatory income	43,509	32,203	5,003	80,715
19					
20	Total operational expenditure	20,934	15,996	911	37,841
21					
22	Regulatory depreciation	8,522	10,475	467	19,464
23					
24	Total revaluations	1,098	870	62	2,030
25					
26	Allowance for long term credit spread	13	11	1	25
27					
28	Regulatory tax allowance	3,745	1,426	1,005	6,176
29					
30	Regulatory profit/ loss	11,393	5,165	2,681	19,239
31					
32	Regulatory investment value	265,268	209,971	14,883	490,122

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

Commentary on Segmented Information

The regulatory profit for the year ending 30 June 2015, prior to the inclusion of the interest rate shield, is \$19.239m. These Disclosure statements have incorporated the value of implied depreciation as contained in the Supplementary Price Reset disclosure to reflect the "return of capital" implicit in the levelised price path. Regulatory investment value for the year ending 30 June 2015 was \$490.122m compared to \$489.229m at 30 June 2014 (\$0.893m/+0.18%). The returns on investment for the respective specified airport activity categories is detailed below, with the 2014 comparative performance included in brackets.

Specified Terminal	Specified Airfield	Specified Aircraft & Freight
4.3% (3.2%)	2.5% (1.9%)	18.0% (13.2%)

Considering each of these segments in turn:

Specified Passenger Terminal Activities

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

- increased revenue reflecting the continued aeronautical pricing reset following the investment in the new terminal, coupled with aircraft movement and passenger growth.
- increased depreciation for 2015 as calculated by the "Implied Depreciation" methodology.
- Revaluations at CPI are lower given much lower index in 2015.
- Regulatory investment value has remained largely unchanged.

Specified Airfield Activities

The return on airfield activities has increased due to:

- increased revenue reflecting the continued aeronautical pricing reset following the investment in the new terminal, coupled with aircraft movement and passenger growth.
- This is offset to some extent by higher operational expenditure as explained in Schedule 2.
- Revaluations at CPI are lower given much lower index in 2015.
- Regulatory investment value has remained largely unchanged.

Specified Aircraft and Freight

The return on aircraft and freight has increased due to:

- Increased revenue from lease and rental income.
- Regulatory investment value has remained largely unchanged.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 8: CONSOLIDATION STATEMENT

ref Version 2.0

8a: CONSOLIDATION STATEMENT

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business- GAAP	Unregulated Activities- GAAP	(\$000) Airport Company- GAAP
Net income	80,715	14	80,729	96,654	177,383
Total operational expenditure	37,841	-	37,841	33,142	70,983
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	42,874	14	42,888	63,512	106,400
Depreciation	19,464	8,075	27,539	7,429	34,968
Revaluations	2,030	(2,030)	-	(7,824)	(7,824)
Tax expense	6,176	(2,945)	3,231	7,700	10,931
Net operating surplus / (deficit) before interest	19,264	(7,146)	12,118	40,559	52,677
Property plant and equipment	478,918	110,724	589,642	338,381	928,023

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

Description of Regulatory / GAAP Adjustment	Affected Line Item	(\$000) Regulatory / GAAP Adjustments *
Depreciation methodology - on additions and disposals under GAAP	Depreciation	8,075
Sale of assets - depreciation on disposal increases the gain on sale	Net income	14
CPI index revaluation - excluded under GAAP	Revaluations	(2,030)
Revaluation of Assets - included under GAAP	Revaluations	-
Tax expense adjustment due to different calculation of surplus as well as per/temp diffs	Tax expense	(2,945)
Land held for development and Work in Progress - excluded from RAB	Property plant & equipment	27,362
Revaluation variance due to different methods for years 2009-2015	Property plant & equipment	100,244
Depreciation differences to date plus changes in allocation %	Property plant & equipment	(16,882)

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

Commentary on the Consolidation Statement

Regulatory/GAAP Adjustments

Depreciation \$8.075m – under the implied depreciation regime the depreciation for the pricing assets for the 2015 year was less than the GAAP depreciation for those assets. GAAP also allows for depreciation to be calculated on additions and disposals in the year they occur.

Revaluations (\$2.03m) – under GAAP, assets revalued to market value are allowed under NZ IAS16 and require the determination of market values for each class of asset. Under regulatory rules, all assets are initially established at values in the 2009 base year and then revalued annually using the change in the CPI index. Land is the only exception to this rule and can be valued using the MVAU method or CPI. Land was revalued by independent valuers as at 30 June 2013.

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

Tax expense (\$2.945m) - reasons for this adjustment are the variances in depreciation and revaluations under disclosure rules alter the regulatory tax expense compared with the GAAP tax expense.

Property plant and equipment (\$110.724m) - asset values under GAAP compared with Information Disclosure values are the result of differing methodologies for asset valuations and depreciation. The adjustment value shown is a summation of variances from 2009 through to 2015.

Finally, neither Work in Progress nor land held for future development is included in the initial RAB calculation whilst it is included in asset values under GAAP. This amounted to a GAAP value of \$23.2m (Land) and \$4.1m (WIP) at 30 June 2015.

Regulated Airport **Christchurch International Airport Ltd**
For Year Ended **30 June 2015**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

ref Version 2.0

9a: Asset Allocations (\$000)						
	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	-	89,224	5,037	94,261		94,261
Assets not directly attributable	1,221	351	24	1,596	1,213	2,809
Total value land				95,857		
Sealed Surfaces						
Directly attributable assets	-	102,177	-	102,177		102,177
Assets not directly attributable	-	-	-	-	-	-
Total value sealed surfaces				102,177		
Infrastructure and Buildings						
Directly attributable assets	48,565	3,833	7,924	60,322		60,322
Assets not directly attributable	203,112	4,940	1,484	209,536	63,707	273,243
Total value infrastructure and buildings				269,858		
Vehicles, Plant and Equipment						
Directly attributable assets	1,021	5,961	27	7,009		7,009
Assets not directly attributable	2,640	1,222	155	4,017	4,061	8,078
Total value vehicles, plant and equipment				11,026		
Total directly attributable assets	49,586	201,195	12,988	263,769		263,769
Total assets not directly attributable	206,973	6,513	1,663	215,149	68,981	284,130
Total assets	256,559	207,708	14,651	478,918	68,981	547,899

Asset Allocators

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

Regulated Airport **Christchurch International Airport Ltd**
 For Year Ended **30 June 2015**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 2.0

Asset Allocators (cont)

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

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

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 2.0

105 **9b: Notes to the Report**

106 **9b(i): Changes in Asset Allocators**

		Effect of Change (\$000)		
		CY-1	Current Year (CY)	CY+1
		30 Jun 14	30 Jun 15	30 Jun 16
109	Asset category			
110	Original allocator or components			
111	New allocator or components			
112	Rationale			
113				
114	Asset category			
115	Original allocator or components			
116	New allocator or components			
117	Rationale			
118				
119	Asset category			
120	Original allocator or components			
121	New allocator or components			
122	Rationale			
123				
124	Asset category			
125	Original allocator or components			
126	New allocator or components			
127	Rationale			
128				
129	Asset category			
130	Original allocator or components			
131	New allocator or components			
132	Rationale			
133				
134	Asset category			
135	Original allocator or components			
136	New allocator or components			
137	Rationale			
138				
139	Asset category			
140	Original allocator or components			
141	New allocator or components			
142	Rationale			
143				

144 **Commentary on Asset Allocations**

145 **Changes in Asset Allocators**

146 CIAL has used the same asset allocators for the years ended 2011, 2012, 2013, 2014 and 2015. Accordingly schedule 9b(i) has not been completed.

147 **Overview:**

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

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

150 The various asset allocation drivers have been determined based on the use of the asset, with the causal allocators and the rationale for calculation described in the schedule above. The integrated terminal assets have been allocated on the same basis as outlined in the 2013 schedule.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref Version 2.0

10a: Cost Allocations							(\$000)
	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total	
Corporate Overheads							
Directly attributable operating costs	1,045	2,399	291	3,735		3,735	
Costs not directly attributable	3,325	1,531	58	4,914	5,048	9,962	
Asset Management and Airport Operations							
Directly attributable operating costs	3,191	8,767	476	12,434		12,434	
Costs not directly attributable	11,984	2,397	45	14,426	26,951	41,377	
Asset Maintenance							
Directly attributable operating costs	24	709	38	771		771	
Costs not directly attributable	1,365	192	3	1,560	2,037	3,597	
Total directly attributable costs	4,260	11,875	805	16,940		16,940	
Total costs not directly attributable	16,674	4,120	106	20,900	34,036	54,936	
Total operating costs	20,934	15,995	911	37,840	34,036	71,876	

Cost Allocators

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 2.0

46 Cost Allocators (cont)					
47	Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
48			[Select one]		
49			[Select one]		
50			[Select one]		
51			[Select one]		
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* A description of the metric used for allocation, e.g. floor space.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 2.0

110 **10b: Notes to the Report**

111 **10b(i): Changes in Cost Allocators**

		(\$000)		
		Effect of Change		
		CY-1 30 Jun 14	Current Year (CY) 30 Jun 15	CY+1 30 Jun 16
114	Operating cost category			
115	Original allocator or components	Original		
116	New allocator or components	New		
117	Rationale	Difference	-	-
118				
119				
120	Operating cost category			
121	Original allocator or components	Original		
122	New allocator or components	New		
123	Rationale	Difference	-	-
124				
125	Operating cost category			
126	Original allocator or components	Original		
127	New allocator or components	New		
128	Rationale	Difference	-	-
129				
130	Operating cost category			
131	Original allocator or components	Original		
132	New allocator or components	New		
133	Rationale	Difference	-	-
134				
135	Operating cost category			
136	Original allocator or components	Original		
137	New allocator or components	New		
138	Rationale	Difference	-	-
139				
140	Operating cost category			
141	Original allocator or components	Original		
142	New allocator or components	New		
143	Rationale	Difference	-	-
144				
145	Operating cost category			
146	Original allocator or components	Original		
147	New allocator or components	New		
148	Rationale	Difference	-	-

149 **Commentary on Cost Allocations**

150 **Changes in Cost Allocators**

151 CIAL has used the same cost allocators for the years ended 2011, 2012, 2013, 2014 and 2015. Accordingly schedule 10b(i) has not been completed.

152 **Cost Allocation Process:**

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

157 **Step One: Direct Costs**

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

159 **Step Two: Review Costs for Causal Allocators**

160 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 2015 are listed above.

162 **Step Three: Run Cost Allocation Model**

163 The cost allocation model then allocates the residual values in the administration, maintenance and terminal categories between the specified airport and commercial sides of the business. The allocators for 2015 and their rationale for application are detailed above.

165 **2015 Terminal Cost Allocations**

166 As a consequence of the completion of the integrated terminal at the end of March 2015, the final building footprint plans of the completed terminal have been used as the basis for the 2015 cost allocation process.

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref Version 2.0

6	Runway	Number	Total Duration	
			Hours	Minutes
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8	Airports	-	-	-
9	Airlines/Other	-	-	-
10	Undetermined reasons	-	-	-
11	Total	-	-	-
12	Taxiway			
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14	Airports	-	-	-
15	Airlines/Other	-	-	-
16	Undetermined reasons	-	-	-
17	Total	-	-	-
18	Remote stands and means of embarkation/disembarkation			
19	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
20	Airports	-	-	-
21	Airlines/Other	-	-	-
22	Undetermined reasons	-	-	-
23	Total	-	-	-
24	Contact stands and airbridges			
25	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26	Airports	2	1	05
27	Airlines/Other	-	-	-
28	Undetermined reasons	-	-	-
29	Total	2	1	05
30	Baggage sortation system on departures			
31	The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
32	Airports	4	7	56
33	Airlines/Other	2	1	35
34	Undetermined reasons	-	-	-
35	Total	6	9	31
36	Baggage reclaim belts			
37	The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible			
38	Airports	-	-	-
39	Airlines/Other	-	-	-
40	Undetermined reasons	-	-	-
41	Total	-	-	-
42	On-time departure delay			
43	The total number of flights affected by on time departure delay and the total duration of the delay during disclosure year by party primarily responsible			
44	Airports	16	5	58
45	Airlines/Other	12	6	23
46	Undetermined reasons	-	-	-
47	Total	28	12	21

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref Version 2.0

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

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

N/A

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

57

58 **Commentary concerning reliability measures**

Determining Responsibility and Validity of Interruptions

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

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

Operational Improvements

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

On Time Departure Delay

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

75

76

77

78

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

Regulated Airport **Christchurch International Airport Ltd**
 For Year Ended **30 June 2015**

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

ref Version 2.0

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

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

Aircraft parking stands		Contact stand-airbridge	Contact stand-walking	Remote stand-bus
Air passenger services	International	10	2	3
	Domestic jet	8	1	-
	Domestic turboprop	-	12	-
Total parking stands		18	15	3

Busy periods for runway movements		Date
Runway busy day		24 April 2015
Runway busy hour start time (day/month/year hour)		19 Aug 2014 8 p.m.

Aircraft movements		Contact stand-airbridge	Contact stand-walking	Remote stand-bus	Total
Air passenger services	International	24	-	-	24
	Domestic jet	76	-	-	76
	Domestic turboprop	-	113	-	113
	Total	100	113	-	213
Other (including General Aviation)					
Total aircraft movements during the runway busy day					213
Number of aircraft runway movements during the runway busy hour		23			

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

Parking Stand Assumptions:

- Turboprop aircraft = Contact stand - walking
- Domestic jet = Contact stand - airbridge - walking
- International flights = Contact stand - airbridge

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

Runway

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

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2015

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

ref Version 2.0

	International terminal	Domestic terminal	Common area †
6 Outbound (Departing) Passengers			
7 Landside circulation (outbound)			
8 Passenger busy hour for landside circulation (outbound)—start time (day/month/year hour)	7 Apr 2015 3 p.m.	20 Mar 2015 8 a.m.	17 Feb 2015 4 p.m.
9 Floor space (m ²)	262	607	2,356
11 Passenger throughput during the passenger busy hour (passengers/hour)	741	926	1,359
12 Utilisation (busy hour passengers per 100m ²)	283	153	58
13 Check-in			
14 Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	17 Feb 2015 4 p.m.
15 Floor space (m ²)	N/A	N/A	2,527
16 Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,359
17 Utilisation (busy hour passengers per 100m ²)	N/A	N/A	54
18 Baggage (outbound)			
19 Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	17 Feb 2015 4 p.m.
20 Make-up area floor space (m ²)	N/A	N/A	5,033
21 Notional capacity during the passenger busy hour (bags/hour)*	N/A	N/A	2,400
22 Bags processed during the passenger busy hour (bags/hour)*	N/A	N/A	1,019
23 Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,359
24 Utilisation (% of processing capacity)	N/A	N/A	42%
25 <i>* Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.</i>			
26 Passport control (outbound)			
27 Passenger busy hour for passport control (outbound)—start time (day/month/year hour)	7 Apr 2015 3 p.m.		
28 Floor space (m ²)	489		
29 Number of emigration booths and kiosks	10		
31 Notional capacity during the passenger busy hour (passengers/hour) *	823		
32 Passenger throughput during the passenger busy hour (passengers/hour)	741		
33 Utilisation (busy hour passengers per 100m ²)	152		
34 Utilisation (% of processing capacity)	90%		
35 <i>* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.</i>			
36 Security screening			
37 Passenger busy hour for security screening—start time (day/month/year hour)	7 Apr 2015 3 p.m.	20 Mar 2015 8 a.m.	
38 Facilities for passengers excluding international transit & transfer			
39 Floor space (m ²)	512	135	
40 Number of screening points	3	3	
41 Notional capacity during the passenger busy hour (passengers/hour) *	810	810	
42 Passenger throughput during the passenger busy hour (passengers/hour)	741	926	
43 Utilisation (busy hour passengers per 100m ²)	145	686	
44 Utilisation (% of processing capacity)	91%	114%	
45 Facilities for international transit & transfer passengers			
46 Floor space (m ²)	49		
47 Number of screening points	1		
48 Notional capacity during the passenger busy hour (passengers/hour)*	270		
49			
50 Estimated passenger throughput during the passenger busy hour (passengers/hour)	—		
51 Utilisation (busy hour passengers per 100m ²)	—		
52 Utilisation (% of processing capacity)	—		
53 <i>* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.</i>			
54			

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

ref Version 2.0

	International terminal	Domestic terminal	Common area †
61			
62	Airside circulation (outbound)		
63	Passenger busy hour for airside circulation (outbound)—start time (day/month/year hour)		
64	7 Apr 2015 3 p.m.	20 Mar 2015 8 a.m.	
65	Floor space (m ²)	1,389	1,730
66	Passenger throughput during the passenger busy hour (passengers/hour)		
67	741	926	
	Utilisation (busy hour passengers per 100m ²)	53	54
68	Departure lounges		
69	Passenger busy hour for departure lounges—start time (day/month/year hour)		
70	7 Apr 2015 3 p.m.	20 Mar 2015 8 a.m.	
71	Floor space (m ²)	4,656	1,946
72	Number of seats	854	623
73	Passenger throughput during the passenger busy hour (passengers/hour)		
74	741	926	
	Utilisation (busy hour passengers per 100m ²)	16	48
	Utilisation (passengers per seat)	0.9	1.5
75	Inbound (Arriving) Passengers		
76	Airside circulation (inbound)		
77	Passenger busy hour for airside circulation (inbound)—start time (day/month/year hour)		
78	5 Jul 2014 12 a.m.	11 Dec 2014 6 p.m.	N/A
79	Floor space (m ²)	3,824	1,713
80	Passenger throughput during the passenger busy hour (passengers/hour)		
81	703	912	N/A
	Utilisation (busy hour passengers per 100m ²)	18	53
82	Passport control (inbound)		
83	Passenger busy hour for passport control (inbound)—start time (day/month/year hour)		
84	5 Jul 2014 12 a.m.		
85	Floor space (m ²)	1,210	
86	Number of immigration booths and kiosks	24	
87	Notional capacity during the passenger busy hour (passengers/hour) *		
88	850		
89	Passenger throughput during the passenger busy hour (passengers/hour)		
90	703		
91	Utilisation (busy hour passengers per 100m ²)	58	
	Utilisation (% of processing capacity)	83%	
92	Landside circulation (inbound)		
93	Passenger busy hour for landside circulation (inbound)—start time (day/month/year hour)		
94	5 Jul 2014 12 a.m.	11 Dec 2014 6 p.m.	27 Feb 2015 6 p.m.
95	Floor space (m ²)	133	607
96	Passenger throughput during the passenger busy hour (passengers/hour)		
97	703	912	1,135
	Utilisation (busy hour passengers per 100m ²)	529	150
98	Baggage reclaim		
99	Passenger busy hour for baggage reclaim—start time (day/month/year hour)		
100	5 Jul 2014 12 a.m.	11 Dec 2014 6 p.m.	
101	Floor space (m ²)	4,166	3,153
102	Number of reclaim units	4	4
103	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*		
104	5,400	5,400	
105	Bags processed during the passenger busy hour (bags/hour)*		
106	478	912	
107	Passenger throughput during the passenger busy hour (passengers/hour)		
	703	912	
	Utilisation (% of processing capacity)	9%	17%
	Utilisation (busy hour passengers per 100m ²)	17	29
108	Bio-security screening and inspection and customs secondary inspection		
109	Passenger busy hour for bio-security screening and inspection and customs secondary inspection—start time (day/month/year hour)		
110	5 Jul 2014 12 a.m.		
111	Floor space (m ²)	974	
112	Notional MAF secondary screening capacity during the passenger busy hour (passengers/hour)*		
113	900		
114	Passenger throughput during the passenger busy hour (passengers/hour)		
115	703		
116	Utilisation (% of processing capacity)	78%	
117	Utilisation (busy hour passengers per 100m ²)	72	
118	Arrivals concourse		
119	Passenger busy hour for arrivals concourse—start time (day/month/year hour)		
120	5 Jul 2014 12 a.m.	11 Dec 2014 6 p.m.	N/A
121	Floor space (m ²)	1,664	180
122	Passenger throughput during the passenger busy hour (passengers/hour)		
123	703	912	N/A
	Utilisation (busy hour passengers per 100m ²)	42	507

* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.

* Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.

* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.

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

ref Version 2.0

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

Commentary concerning capacity utilisation indicators for Passenger Terminal Activities

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

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

Source of Data for Capacity Calculations:

Security Screening

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

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

Bio-Security

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

Trolleys

Trolley allocation is based on Company figures and internal policy.

Baggage Handling

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

The number of bags processed during the busy hour have been supplied by the operators of the Baggage system, who manage this for CIAL under an outsourced service provision contract. As the busy hour includes the departure of international flights, the number of bags processed during that hour may not include the bags for those international flights. For operational reasons bags for international flights are processed in the 2 hours prior to departure. A more representative assessment of the number of bags handled for the passengers processed during the busy hour will be the number of bags handled during the two hours prior to the busy hour.

Baggage Reclaim

Baggage system notional capacity numbers have been calculated from figures supplied by the system supplier, Glidepath. Notional capacity is however reduced by the recirculation rate (25% approx.) of bags relative to the length of reclaim belts. At this time actual baggage reclaim figures are not recorded by the system and again the bags processed have been estimated based on approximate bags per passenger figures.

Passport Control

International Departures

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

International Arrivals

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

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

Seating

Numbers listed include General, Food Court and Tenancy seats.

Floor Space

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

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

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

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SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref Version 2.0

6 **Survey organisation**
7 Survey organisation used

ACI

8 If "Other", please specify

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9

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

12 Domestic terminal	Quarter				Annual average
	1 30 Sep 14	2 31 Dec 14	3 31 Mar 15	4 30 Jun 15	
14 Ease of finding your way through an airport	4.2	4.1	4.3	4.3	4.2
15 Ease of making connections with other flights	4.4	4.2	4.3	4.3	4.3
16 Flight information display screens	4.2	4.2	4.2	4.3	4.2
17 Walking distance within and/or between terminals	4.1	4.1	4.2	4.3	4.2
18 Availability of baggage carts/trolleys	4.0	4.8	4.4	4.2	4.3
19 Courtesy, helpfulness of airport staff (excluding check-in and security)	4.4	4.3	4.5	4.4	4.4
20 Availability of washrooms/toilets	4.2	4.2	4.3	4.3	4.2
21 Cleanliness of washrooms/toilets	4.1	4.1	4.2	4.1	4.1
22 Comfort of waiting/gate areas	4.0	4.0	4.2	4.2	4.1
23 Cleanliness of airport terminal	4.4	4.4	4.4	4.4	4.4
24 Ambience of the airport	4.2	4.1	4.2	4.2	4.2
25 Security inspection waiting time	4.1	4.3	4.2	4.4	4.2
26 Check-in waiting time	4.4	4.4	4.4	4.5	4.4
27 Feeling of being safe and secure	4.3	4.4	4.4	4.5	4.4
28 Average survey score	4.2	4.3	4.3	4.3	4.3

29 International terminal	Quarter				Annual average
	1 30 Sep 14	2 31 Dec 14	3 31 Mar 15	4 30 Jun 15	
31 Ease of finding your way through an airport	4.1	4.3	4.4	4.3	4.3
32 Ease of making connections with other flights					
33 Flight information display screens	4.0	4.2	4.4	4.2	4.2
34 Walking distance within and/or between terminals	4.1	4.2	4.4	4.2	4.2
35 Availability of baggage carts/trolleys	4.0	4.0	4.2	4.2	4.1
36 Courtesy, helpfulness of airport staff (excluding check-in and security)	4.2	4.3	4.6	4.4	4.4
37 Availability of washrooms/toilets	4.1	4.1	4.2	4.2	4.2
38 Cleanliness of washrooms/toilets	4.1	4.2	4.3	4.1	4.2
39 Comfort of waiting/gate areas	3.9	4.0	4.2	4.1	4.0
40 Cleanliness of airport terminal	4.2	4.4	4.5	4.4	4.4
41 Ambience of the airport	4.0	4.1	4.3	4.0	4.1
42 Passport and visa inspection waiting time	4.2	4.1	4.6	4.4	4.3
43 Security inspection waiting time	4.2	4.1	4.4	4.4	4.3
44 Check-in waiting time	4.0	4.1	4.2	4.2	4.1
45 Feeling of being safe and secure	4.2	4.4	4.5	4.6	4.4
46 Average survey score	4.1	4.2	4.4	4.3	4.2

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

Commentary concerning report on passenger satisfaction indicators

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

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

Location of Survey Fieldwork Documentation

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

Accuracy of Passenger Data to prepare Utilisation Indicators

CIAL receives detailed passenger information for international passengers from customs. Domestic passenger data is received monthly from the airlines. These data sources are the best available to CIAL and CIAL considers them to be materially accurate.

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

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2015**SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES**

ref Version 2.0

6 Disclosure of the operational improvement process

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

12 As a result of these forums, a number of initiatives have been implemented in 2015, these include:

Safety

- 13 • *Traffic Counters for Apron* – Continuous speed measurement of vehicle traffic on Apron road to provide more detailed
14 info and analysis for users to change driver behaviour
- 15 • *FOD and Apron Incident Reporting System* – provide efficient and simple way to report and thus track occurrences of
16 FOD and operational incidents on apron for improved education and engagement with stakeholders
- 17 • *Friction trailer* – Trailer to accurately measure friction coefficient on runways at any time it is required
- 18 • *Bow Tie* – introduction of Bow Tie Risk analysis tool business wide to improve risk analysis and mitigations to
19 minimise business impact and safety risks
- 20 • *HRET Rosenbauer* – Introduction of new fire appliance equipped with a High Reach Extendable Turret (HRET)
21 increases the effectiveness for response and safety of personnel for large aircraft, multi-storey and fuel farm related
22 incidents
- 23 • *Runway Intersection Pavement Maintenance* – Completed the resurfacing of the runway intersection segment of the
24 CHC airport runways as part of our APMW program
- *Pavement Conditioning Index System* - Implementation of an innovative solution to measure the progressive wear of
pavement surfaces to better plan efficient resurfacing and remedial activities.

Customer Experience

- *RFID tracking* – extensive use of RFID passenger tracking in Intl arrivals to provide in-depth analysis of process in
conjunction with Customs and MPI to assist in identifying process improvements and efficiencies
- *Multi-Lingual FIDS* – provision of multi-lingual FIDS information for China flights
- *Toilet Block 6 Upgrade* – refurbishment of older toilet block in Intl to improve customer facilities and experience
- *Furniture Upgrades* – Upgrades completed to furnishings in the Intl Departures lounge to improve passenger comfort

Environment

- *Stage 3 of LED lighting* - role-out Intl terminal reduction in maintenance costs and energy consumption
- *Terminal Building Tuning* – Significant tuning of new terminal to gain 6% reduction in energy consumption
- *Waste Management* – significant investment in waste management processes resulting in increase in overall waste
diversion rates to 38% up 8% on previous year

Process Efficiency

- *Gilsonnite Asphalt Treatment* – treatment of asphalt surfaces on airfield to reduce maintenance program cost and
extend life of asphalt surfaces
- *BIC System* – enabling real-time allocation for arrivals belt by Ground Handlers to improve resource utilisation,
customer information and handler turn processes
- *Master Planning* – Effort and resource in vested in updating the CIAL Master Plan for the airport to cater for future
growth projections per the next 10 – 20 years
- *Autogate Operation* – Incorporation of Autogate 5 operations into existing AFS routines to reduce costs associated
with CAA changes to cost allocations for this functions

A summary of the various operational forums are as follows:

Airline Working Group

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

Facilitation Group

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

Airline Operating Committee

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

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

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Christchurch International Airport Ltd
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref Version 2.0

6 16a: Aircraft statistics

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

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

9	Aircraft type	Total number of landings	Total MCTOW (tonnes)
10	Boeing 777-300ER	366	128,545
11	Boeing 777-200	384	91,532
12	Boeing 787-800	3	684
13	Boeing 767-300	43	8,036
14	Boeing 737-800	1,255	99,166
15	Airbus A320	2,203	158,616
16	Boeing 737-700	3	208
17	Airbus A333	43	10,019
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53	Total	4,300	496,806

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Christchurch International Airport Ltd
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref Version 2.0

(iii) The total number and MCTOW of landings of aircraft not included in (i) and (ii) above during disclosure year		Total number of landings	Total MCTOW (tonnes)
123	Air passenger service aircraft less than 3 tonnes MCTOW	34	77
124	Freight aircraft	2,703	123,795
125	Military and diplomatic aircraft	292	28,339
126	Other aircraft (including General Aviation)	8,418	36,308

(iv) The total number and MCTOW of landings during the disclosure year		Total number of landings	Total MCTOW (tonnes)
128			
129	Total	44,827	1,831,955

16b: Terminal access

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

	Contact stand-airbridge	Contact stand-walking	Remote stand-bus	Total
133				
134	International air passenger service movements	8,600	–	8,600
135	Domestic jet air passenger service movements	22,248	–	22,248

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

16c: Passenger statistics

	Domestic	International	Total	
137				
138				
139	The total number of passengers during disclosure year			
140	Inbound passengers [†]	2,223,309	727,702	2,951,011
141	Outbound passengers [†]	2,258,717	719,196	2,977,913
142	Total (gross figure)	4,482,026	1,446,898	5,928,924
143				
144	less estimated number of transfer and transit passengers	–	–	–
145				
146	Total (net figure)			5,928,924

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

16d: Airline statistics

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

	Domestic	International
150		
151	Air Chathams	Air NZ
152	Air Nelson	Fiji Airways
153	Air NZ	Emirates
154	Eagle Airways	Jetstar
155	Jetstar	Qantas
156	Mt Cook Airlines	Singapore Airlines
157	Mainland Air	Virgin Australia
158		China Airlines
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Christchurch International Airport Ltd
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref Version 2.0

173 **16e: Human Resource Statistics**

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
174 Number of full-time equivalent employees	76	73	2	151.0
175 Human resource costs (\$000)				13,635

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

178 **Source of Data**

179 Data collated for the air passenger services is obtained from CIAL's Airline Billing Database, which is compiled from information electronically provided on a monthly basis from the Airways Corporation information system.
180 The data for terminal access figures originates from Airlines, customs and FIDs (Flight information data system).
181 The human resource statistics have been calculated from payroll figures as at the end of 2015.

182 **Additional Notes**

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

185 The following tables show a comparison of pricing forecasts to actual results for the 2015 period in passenger movements, landings and MCTOW.

	2015		
	Pricing Forecast	Actual	Variance
International Arrivals	803,408	727,702	-9.4%
International Departures	799,543	719,196	-10.0%
Total International	1,602,951	1,446,898	-9.7%
Domestic Arrivals	2,133,324	2,223,309	+4.2%
Domestic Departures	2,167,207	2,258,717	+4.2%
Total Domestic	4,300,531	4,482,026	+4.2%
Total Passenger Movements	5,903,482	5,928,924	+0.4%

Total Landings

	2015		
	Pricing Forecast	Actual	Variance
Domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	22,211	17,956	-19%
Domestic flights of 30 tonnes MCTOW or more	12,052	11,124	-8%
International Flights	5,237	4,300	-18%
Other Flights	11,573	11,447	-1%
Total Landings	51,073	44,827	-12%

Total MCTOW

	2015		
	Pricing Forecast	Actual	Variance
Domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	436,526	350,415	-20%
Domestic flights of 30 tonnes MCTOW or more	866,020	796,215	-8%
International Flights	588,444	496,806	-16%
Other Flights	182,924	188,519	3%
Total MCTOW	2,073,914	1,831,955	-12%

The above summary provides a very clear indication of the effect of the reduced aircraft movements in the 2015 year. This has been further supplemented by the effect of the substitution of aircraft type over 2015 to maximise aircraft and route yields.

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SCHEDULE 17: REPORT ON PRICING STATISTICS

ref Version 2.0

17a: Components of Pricing Statistics

	(\$000)
Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	5,811
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	14,237
Net operating charges from airfield activities relating to international flights	10,218
Net operating charges from specified passenger terminal activities relating to domestic passengers	17,637
Net operating charges from specified passenger terminal activities relating to international passengers	20,377
	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,508,663
Number of domestic passengers on flights of 30 tonnes MCTOW or more	2,973,363
Number of international passengers	1,446,898
	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	350,415
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	796,215
Total MCTOW of international flights	496,806

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	3.85	16.58
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	4.79	17.88
Average charge from airfield activities relating to international flights	7.06	20.57
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from specified passenger terminal activities	3.94	14.08
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	8.41	21.15

Commentary on Pricing Statistics

- The pricing outcomes above reflect:
- The increase in terminal and airfield charges reflecting the continued aeronautical pricing reset following the investment in the new terminal.
 - The change in aircraft type from jet to turbo prop to service domestic routes as airlines continue to look to improve route yields.

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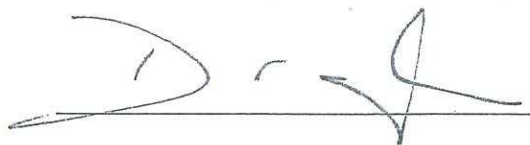
**Commerce Act (Specified Airport Services Information Disclosure) Determination
2010 dated 22 December 2010**

Schedule 20 – Certification for Disclosed Information – year ended 30 June 2015

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



David Mackenzie
Chairman
30 November 2015



Catherine Drayton
Director
30 November 2015

Independent Auditor's Report

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

The Auditor-General is the auditor of Christchurch International Airport Limited (the company). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to provide an opinion, on her behalf, on Schedules 1 to 17 for the regulatory year ended 30 June 2015 ('the Airport Disclosure Schedules'), prepared by the company in accordance with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 (the 'Determination').

Directors' responsibility for the Airport Disclosure Schedules

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

Auditor's responsibility

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

Basis of opinion

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

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

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

An audit 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.

Use of this report

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

Scope and inherent limitations

Because of the inherent limitations of an audit engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

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.

The opinion expressed in this report has been formed on the above basis.

Independence

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

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

Opinion

In our opinion:

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

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



Andy Burns
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
30 November 2015