CHRISTCHURCH INTERNATIONAL AIRPORT LTD

SPECIFIED AIRPORT SERVICES - ANNUAL INFORMATION DISCLOSURE

FOR THE YEAR ENDED 30 JUNE 2023

30 November 2023

CHRISTCHURCH AIRPORT

EXECUTIVE SUMMARY

INTRODUCTION

1. CIAL's Regulatory Context

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

- Under the Airport Authorities Act 1966 ("AAA"), currently CIAL is entitled to set prices for airport services and facilities, so long as it consults with its substantial customers in the price setting process.
- CIAL is also governed by the Input Methodologies regime, which influences how CIAL calculates its allowable revenue, sets prices, and makes public disclosures. Under the Input Methodologies regime:
  - Specific guidance is established by the Commerce Act (Specified Airport Services Input Methodologies) Determination, explaining how airports ought to calculate (for the purposes of pricing) certain inputs such as cost of capital and depreciation;
  - Airports are required by the Airport Services Information Disclosure Determination ("ID Determination") to disclose information on costs and profitability in accordance with the Input Methodologies ***annually*** *(this being one such disclosure)* and ***following a price setting event*** *(the last disclosure relating to the reset of aeronautical prices being published in August 2022);* and
  - The Commerce Commission ("the Commission") is required by section 53B(2)(b) of the Commerce Act to review CIAL's disclosures and publish a summary and analysis of the disclosed information for the purpose of understanding CIAL's performance.

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

The Commerce Act requires the Commission to review all IMs no later than 7 years after its date of publication, and after that, at intervals of no more than 7 years. The Commission completed the first IM review in December 2016 (2016 IM review) and has now substantially completed its second review with the final decisions to be published by the end of December 2023.

The focus of the current review has been initially on identifying the key topics, issues, risks and opportunities facing the relevant sectors to ensure that the IM framework is appropriately set-up to be able to manage these evolving trends moving forward. More specifically for airports the review has focused on specific matters relating to the cost of capital.

On 5 April 2023, the Civil Aviation Bill received Royal assent and became the Civil Aviation Act 2023. The new Act will be in force from 5 April 2025, repealing and replacing the Civil Aviation Act 1990 and the Airport Authorities Act 1966 with a single, new statute covering safety, security and economic regulation of civil aviation into the future.

2. Background

On 23 June 2022 CIAL set its prices for the period 1 July 2022 to 30 June 2027 ("PSE4"). CIAL's pricing decision was sent to airlines and the Commission and was the outcome of six months of detailed consultation with CIAL's substantial customers which included multiple rounds of customer feedback and the opportunity for customers to ask specific questions.

On 18 August 2022 CIAL disclosed information related to "specified airport activities"[1] and CIAL's price setting event PSE4 in accordance with the ID Determination.

CIAL now discloses, alongside and within this document, the annual information disclosure requirements, and additional information for context and to aid understanding, for the year ending 30 June 2023 ("2023 Disclosure").

The 2023 Disclosure represents the first annual disclosure under PSE4, being the period from 1 July 2022 to 30 June 2027.

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

It also provides an overview of the information the 2023 Disclosure templates provide on the performance of the company for this current year.

As noted above this is the first annual disclosure under PSE4, so should be read in conjunction with CIAL's PSE4 price setting event disclosures published on 18 August 2022, to get a picture of the performance of CIAL's regulated activities over the first year of PSE4.

3. Availability of Information

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

- were preceded by the following notice in the *Gazette* on 30 November 2023: https://gazette.govt.nz/notice/id/2023-gs5573
- are available on CIAL's website: www.christchurchairport.co.nz;
- are available for inspection at CIAL's office between 8.30am to 5.00pm, Monday to Friday;

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

- will be provided to the Commerce Commission by 7 December 2023; and
- will be provided to any person by post or for collection from CIAL's offices within 10 working days of a request.

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

4. Previous Regulatory Engagement

In 2017, as part of PSE3, CIAL introduced some material changes to its pricing approach. CIAL implemented a pricing structure that better aligned with its long-term objectives, which involved moving to a long term, transparent tilted annuity approach to depreciation of the terminal assets and aligning the pricing model with the Commission's IMs and ID models where possible.

The key features of CIAL's approach to setting prices in PSE4 are continuity, predictability and transparency. CIAL did not make any material changes to its approach or methodology. The operating environment for our customers and for airports over the next five-year pricing period (and beyond) is subject to some major forces driving change and innovation, including the Covid-19 pandemic, climate change and evolving regulatory requirements. CIAL's aim is to set a pricing platform that is stable, predictable and facilitates innovation by CIAL and its customers.

On 26 September 2023, the Commission published an initial draft report under section 53B(2) of the Commerce Act 1986 in respect to CIAL's PSE4 pricing decision. The Commission's draft conclusions noted that:

- it was broadly satisfied that CIAL is not targeting excessive profits over the PSE4 period and that CIAL's overall targeted return is reasonable; and
- other decisions made in PSE4 were reasonable and aligned with the purpose of the Act.

Submissions and cross-submissions on the Commission's draft report have now been completed and a final report is expected by the end of January 2024.

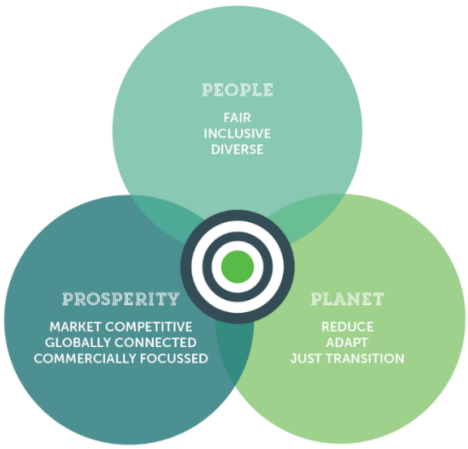
OVERVIEW OF CIAL AS A BUSINESS

5. Purpose and Philosophy

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

The 2014-2019 period was focused on the rebuild of aviation volumes and the re-engineering of CIAL as a diversified portfolio business.

The 2020-2022 years were heavily characterised by the global pandemic and CIAL's approach over this period was to remain true to our core philosophy of stakeholder equity, being supportive of our customers, fair to all our staff, true to our shareholders and funders, and mindful of the 1:50 economic multiplier the airport has on the South Island economy.



The 2023 Disclosure year has triggered a transition to a post-pandemic environment with CIAL being in a strong position to restart and grow our engine room at our home base of Christchurch.

6. Aviation Environment

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

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

As such, while the exact rate and shape of the recovery of passenger demand over the next five-year period covered by PSE4 remains somewhat uncertain, it is widely expected to have an initial recovery phase followed by a subsequent growth phase.

With aviation and tourism now moving towards a more stable post-pandemic phase, it is clear that that there are headwinds and tailwinds in respect to future passenger demand forecasts. Destination Christchurch provides a unique window of opportunity over the next two to three years where we are likely to see Christchurch grow above trend as it attracts new market segments and is reborn as a world-class destination.

To counter this future demand risks remain evident including ongoing capacity constraints in the aviation industry globally, potential soft economic performance in New Zealand and abroad, or further escalation of geo-political conflicts. The current high inflation and interest rate environments in New Zealand and globally also add some risk to future growth trajectories.

In respect to the 2023 Disclosure year, as noted below in section 8 of this document which discusses passenger demand as compared to forecast, total passenger numbers for the 2023 Disclosure year were essentially aligned with our forecast recovery trajectory in the first year of PSE4.

7. CIAL's Long Term Pricing Objectives

Consistent with PSE3, CIAL's long term objectives for the use of its assets fall into three categories:

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

CIAL has also noted that a medium-term objective over the PSE4 period is to actively support the recovery of the commercial aviation sector to assist with the rebuild and future growth of aeronautical activity into Christchurch.

CIAL's primary long-term goal is increasing the productivity and efficient use of its existing assets, without the need for substantial additional capital expenditure.

For PSE4, CIAL has continued to set its prices on a per passenger basis. Per passenger prices ensure that CIAL's interests are aligned with airlines, with both being directly impacted by passenger volume movements and hence have equal incentives in respect of growth. They are also simple to understand and transparent.

A single terminal passenger price also supports flexible operation of the terminal and fits with the reality that the terminal is used as one integrated asset to cater for all airlines and passengers in a dynamic and productive way.

2023 REGULATORY REPORTING SUMMARY

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

As noted above this is the first annual disclosure under PSE4. In the following sections, we outline the key points that the 2023 Disclosure presents in respect to the performance of CIAL's regulated activities over the first year of PSE4 and should be read in conjunction with CIAL's PSE4 price setting event disclosures published on 18 August 2022.

8. Financial Information

Revenue Outcomes

Aeronautical services that were the subject of the PSE4 pricing decision were priced via consultation with airline customers and using the "building blocks" approach. This approach sets headline prices aimed at achieving a target revenue based on a build-up of CIAL's costs. CIAL is then open to commercial discussions with its customers about price and agrees to a variety of arrangements to facilitate demand growth.

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

The aeronautical charges under PSE4 took effect on 1 July 2022 and were described in detail in our PSE4 price setting event disclosure report (dated 18 August 2022 and available on our website).

Passenger Demand

	FY23 & PSE4 Period To Date ***Actual***	FY23 & PSE4 Period To Date ***Forecast***	***Variance***
International	1,058,565	977,211	+8.3%
Domestic	4,630,845	4,723,790	-2.0%
TOTAL	5,689,410	5,701,001	-0.2%

The start of the 2023 Disclosure Year signalled the move to a post-pandemic environment for New Zealand. For CIAL it represented the true commencement of our aviation restart following the challenges of the previous year which proved to be the toughest year of the pandemic.

The key feature through the 2023 Disclosure Year has been supply side challenges in aviation. Whilst the industry was able to quickly scale down at the onset of the pandemic, scaling back up has proved somewhat challenging. The impact of this has been that demand was outstripping supply for the majority of the 2023 Disclosure Year.

Total passenger numbers for the 2023 Disclosure Year were 5.69 million, compared to 3.26 million in the prior year and just under 7 million pre-pandemic. Full year passenger numbers were 82.5% of pre-pandemic levels (domestic 90.2% and international 60.0%), improving consistently through the year.

Total passenger numbers for the year were essentially aligned with our Year 1 PSE4 forecast. The shortfall in domestic passenger movements (-93k) being offset by higher than forecast international passenger movements (+81k).

Priced Revenue

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

Whilst passenger numbers for the year were essentially aligned with forecast, revenue* from priced services was $1.21m (or 1.6%) lower than the PSE4 pricing forecast for the 2023 Disclosure year. This reflecting a slightly higher proportion of passengers arriving or departing using regional services which attract a lower price as explained in our PSE4 price setting event disclosures.

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

Non-Priced Revenue

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

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

For the 2023 Disclosure year, CIAL's revenue from non-priced services was very slightly higher than the PSE4 pricing forecast by $0.24m (or 1.6%). This reflecting slightly higher than forecast rental income from the freight distribution centre.

Operating Expenditure *

Annual disclosure reports under the information disclosure regime require us to report our actual operational expenditure against that forecast during the PSE4 price setting process, both for the current disclosure year and pricing period to date. This provides interested parties with a measure of our operating cost efficiency and prompts more informed discussions about what is causing departures from the expenditure forecasts set during the PSE4 price setting event process and consultation.

In this 2023 Disclosure we discuss our operating expenditure variances in Schedules 6 and 7.

As explained in these schedules the operating costs for the 2023 Disclosure year were $0.33m higher than forecast when setting prices (0.8%), at a total of $43.06m compared to a forecast of $42.73m.

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

The very slightly higher than forecast operating costs reflect:

- lower than forecast levels of discretionary expenditure specifically in the areas of promotions, trade partner support and marketing, offset by:
- higher than forecast costs across airfield activities specifically in respect to payroll and maintenance/cleaning of fire truck vehicles; and
- higher than forecast costs in several areas of regulation including updating noise contours for planning processes, airport noise monitoring and the IM review process being undertaken by the Commission.

Operating Efficiency

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

Several initiatives have continued through the 2023 Disclosure year, including:

- *Strategy-Led Asset Management* – a continued transition towards more proactive asset maintenance works and the development of more detailed terminal and infrastructure asset management plans. CIAL will continue to investigate the most appropriate partnership model to ensure that we will proactively identify preventative and innovative maintenance to keep longer term maintenance costs down across the terminal and runway.
- *Energy Efficiency* – a continued focus on energy efficiency and a reduction in energy consumption, including:
  - Energy efficiency and ongoing reduction in energy consumption driven by CIAL's award winning artesian water heating and cooling energy centre in the Integrated Terminal;
  - Continued LED lighting replacements;
  - Further deployment of our Building Management automated System ('BMS'), that identifies energy inefficiencies in real-time, so our building managers can respond immediately.
- *Circularity* – Enviro NZ has helped CIAL design a new sortation room and recruit four new people to go through our general waste bins and pull out anything that can be re-used, composted or recycled. This is producing significant improvements in CIAL's diversion rate as we look to reach our target of diverting 80% of our terminal waste away from landfill.

Incentives

CIAL undertakes two forms of market stimulation:

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

Only the costs of the first kind of market stimulation were included in CIAL's PSE4 price setting model (as operating costs), as preferred by airlines in previous price setting rounds. For the purposes of total regulatory disclosure, CIAL is required to disclose both forms of incentives and its disclosures reflect that requirement.

Both kinds of market stimulation activities are considered when forecasting demand. The PSE4 demand forecasts were made based on these market stimulation activities occurring, both marketing spend and agreed arrangements.

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

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

In respect to the 2023 Disclosure year, the marketing costs and incentives forecast in the PSE4 price setting disclosures of $1.8m, reflected an expectation of general costs associated with marketing the airport ($0.8m) together with a forecast of bilateral arrangements with returning airlines that would be required to meet capacity and demand forecasts ($1.0m).

The total financial incentives incurred for the 2023 Disclosure year, of $1.0m was lower than forecast due to reduced levels of expenditure in the areas of promotions, trade partner support and marketing (as noted above). This reflecting the ongoing strength of underlying passenger demand during the year.

The input methodologies require us to record as pricing incentives, charges that are discounted from that shown in our PSE4 pricing schedule (as well as grossing up the related revenue received).

Capital Expenditure

When consulting on and setting our aeronautical charges in the first half of 2022, we consulted on the capital expenditure we had planned for the period to June 2027. Changes were made to our planned capital expenditure during the consultation process, and the finalised capital expenditure plan was presented in our PSE4 pricing disclosure report.

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

In respect to the 2023 Disclosure year, CIAL's actual capital expenditure at $12.2m, was less than the forecast amount of $24.5m.

As noted in Schedule 6a, key variances for Year 1 of the PSE4 period included delayed timing of receipt of first Airport Rescue and Fire Fighting electric fire truck (-$0.4m), reduced spend related to our annual airfield pavement works (-$1.1m), delayed timing of capital expenditure related to further regional stand development and delayed spend on waste, water and toilet infrastructure.

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

Depreciation

CIAL set its PSE4 prices using, and has used in this disclosure, a tilted annuity method of depreciation. This method was chosen with expert input from Incenta.

CIAL's substantial customers and the Commission supported CIAL's use of tilted annuity depreciation in price setting for PSE4.

9. Internal Rate of Return

The key focus for profitability assessment under PSE4 is based on an internal rate of return approach ('IRR') using an opening investment value (including a carry forward adjustment mechanism), a forecast closing investment value and forecast cash-flows during each year.

Discussion around revenue, operating expenditure and capital expenditure outcomes for the 2023 Disclosure year is outlined above in this summary.

Carry Forward Adjustment

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

CIAL identified an anomaly, limited to PSE2 only, related to the allocation of "implied depreciation" to individual assets. To correct this anomaly, CIAL used an opening RAB adjustment in our 2018 disclosure statement, under the mechanism the Commission added during its review of the Information Disclosure templates. CIAL is continuing to carry this adjustment forward in our 2023 Disclosure statement.

A detailed explanation of the anomaly and calculation is included in CIAL's PSE3 Price Setting Disclosure document and use of the adjustment was reviewed by Deloitte during CIAL's PSE3 price consultation, at airlines' request.

IRR Outcomes

The actual IRR outcome for the 2023 Disclosure year is noted below:

- Annual IRR for 2023 Disclosure year was 8.27%, compared with forecast of 5.09%

When looking at the actual current year IRR outcome, it is important to note that this was significantly influenced by the impact of CPI indexed revaluations. CPI indexed revaluations were $19.9m above forecast – adding 3.4% to the current year IRR outcome. The increased revaluation stems from the difference between the forecast CPI rate within the pricing model of 2.61% compared to an actual rate for FY23 of 6.03%.

Excluding CPI revaluations, the underlying IRR for the 2023 year was 4.85% as compared to the forecast of 5.09%. This reflecting the fact that for the first year of the PSE4 pricing period, the actual outcomes were closed aligned to the PSE4 forecasts across the material areas of regulatory income, operational expenditure, tax and regulatory depreciation.

10. Service Quality

Passenger Satisfaction

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

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

The key source of information on service quality is the ASQ customer satisfaction surveys and these are commissioned for each quarter of the relevant disclosure year. The "Availability of Baggage Carts/Trolleys" passenger satisfaction survey score required by Schedule 14 (for both the Domestic and International terminals) has not been part of the ASQ sample questions since the third disclosure quarter of the 2022 Disclosure year (the first quarter of calendar year 2022). As such, Schedule 14 does not include any results for this question. It is considered that this omission is not material to Schedule 14 and the disclosure statements as a whole.

The survey data detailed in Schedule 14 demonstrates a continuing high level of passenger satisfaction across both the domestic and international terminal. CIAL's continued high scores across both terminals, despite the ongoing constraints in the aviation network, continue to emphasise that the quality of CIAL's services meets their demands and reflects the benefits of CIAL's ongoing investment in terminal facilities and the overall commitment of our service focused team.

Passenger Experience Initiatives

- New art has been installed in the airport plaza to communicate and support rainbow Awareness at our airport. The company's Pride Working Group's (a team of PRIDE champions across the business) efforts were recognised by the airport being named a finalist in the emerging category of the New Zealand Rainbow excellence Awards;
- CIAL has introduced the world recognised Sunflower Lanyard scheme, a program for people with Hidden Disabilities wanting more assistance at the airport without having to ask for it, as part of our Diversity & inclusion program of work.

Customers

Overall our airline customer base has navigated the previous challenges of the pandemic well. Despite significant uncertainty as to how markets would respond once global borders were fully opened, CIAL has now secured all our airline customers for the upcoming summer 2023/24 season.

- United Airlines announced a new direct service between San Francisco and Christchurch, with three flight per week on a Boeing 787 Dreamliner, starting in December 2023;
- Emirates and the Airbus A380 resumed its Christchurch to Dubai via Sydney daily service from March 2023;
- Cathay Pacific intends to re-establish its Christchurch operations, with three flights per week on an Airbus A350 to its hub in Hong Kong;
- Singapore Airlines quickly re-introduced a daily service to its mega-hub at Changi Airport. Extremely high load factors have now encouraged the airline to add an additional three Airbus A350 services here during our peak summer months;
- China Southern Airlines has resumed air links to its southern gateway in Guangzhou, with three flights a week during our summer season using the Boeing 787 Dreamliner.

11. Operational Improvement & Innovation

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

CIAL's approach to its long-term pricing objectives, as articulated in its PSE4 price setting process, reflects this primary goal, in particular through single per passenger prices.

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

Innovation

CIAL's innovation focus has two limbs:

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

Examples of CIAL's ongoing innovations include:

- Rosenbauer is constructing the first of CIAL's four RT ARFF ('Airport Rescue and Fire Fighting') electric fire trucks, which will be the world's first electric fire truck to operate at an airport. The first truck will be hybrid/electric with further developments to hydrogen operation in the future. Indications are the new fire truck could reduce fire service diesel usage by more than 75%;
- Use of humanoid robots to enhance customer experience as a source for traveller information;
- Ongoing work to enable electric plane operators to further enhance and develop existing e-plane charging infrastructure and ultimately support the needs of our substantial airline customers;
- Ongoing investigation of the potential for building a world-class sustainable airport to keep future generations of South Island residents and businesses connected to the rest of the world.

12. Health, Safety, Security and Environment

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

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

CIAL's approach to sustainability is centred in the Maori concept of kaitiakitanga (responsibility, care and guardianship). CIAL's focus is to seek out, develop and implement enduringly sustainable processes for its business and the Airport.

CIAL's sustainability strategy sees CIAL currently focusing its efforts in five key areas being – Climate, Water, Circularity, Biodiversity and broadening our approach within the social and governance areas.

Our commitment to climate action and accelerating the decarbonisation of our sector ahead of our science-based targets remains at the forefront of our thinking – with the focus moving from scope 1 reductions towards how best we can impact our Scope 2 and 3, whilst also building climate risk resilience into our operational processes and development of our physical climate risk adaptation plan.

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

Health, Safety & Wellbeing Leadership

- CIAL's Airfield Safety & Wellbeing Week activities were undertaken as part of a wider campaign across Australia and New Zealand to promote safety awareness throughout the aerodrome and associated companies and communities.

Sustainability

- CIAL is facilitating the Kowhai Park development, a large-scale renewable energy precinct at the airport, to provide renewable energy required by the aviation sector in the future, whilst also providing stability and resilience to the price and supply of that renewable energy across the airport campus and potentially beyond;
- CIAL and three other New Zealand companies (Air New Zealand, Sounds Air, and Wellington Airport) joined the 21-member Industry Advisory Board to help fast-track the release of the ES-30 electric airplane being constructed by Swedish electric airplane maker Heart Aerospace;
- Christchurch and Hamburg Airports have partnered to work on green hydrogen infrastructure for aviation to help deliver on each airports ambitious Net Zero climate goals;
- CIAL hosted a Ministerial delegation, including then-Minister of Energy and Resources Dr Megan Woods, previous Climate Change Minister James Shaw, and the Australian Minister for Climate Change and Energy Chris Bowen, to engage on the opportunity to decarbonise the Trans-Tasman aviation sector;
- CIAL has been selected as a pilot airport, the only airport outside Europe, by the Airport Carbon Accreditation (ACA) with regards to working towards their Level 5 certification. ACA also recognised Christchurch Airport for our efforts by confirming us as their first 'Airport Carbon Accreditation - Mentor'.

OVERALL COMMENT

The purpose of Part 4 information disclosure regulation of airports will be met if consumers are fully informed about the performance of airports and airports are unlikely to target excessive profits (as the Commission has identified CIAL is unlikely to be doing for its priced services in PSE4).

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

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

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

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

Company Name	Christchurch International Airport Ltd
Disclosure Date	30 November 2023
Disclosure Year (year ended)	30 June 2023
Pricing period starting year (year ended)	30 June 2023

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

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Disclosure Template Guidelines for Information Entry

Internal consistency check | OK

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

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

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

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

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

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

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**
Pricing period starting year (year ended)	**30 June 2023**

SCHEDULE 1: REPORT ON PROFITABILITY

ref *Version 5.0*

1a: Internal Rates of Return

	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
Post-tax IRR - pricing period to date (%)	8.27%	5.09%	3.18%
Post-tax IRR - current year (%)	8.27%	5.09%	3.18%

1a(i): Pricing Period to Date IRR

($000 unless otherwise specified)

		Actual for Period to Date	Forecast for Period to Date	Variance
	Opening RAB	581,312	579,752	1,560
	Opening carry forward adjustment	(9,122)	(9,036)	(86)
	Opening investment value	590,434	588,788	1,646
plus	Total regulatory income	91,336	92,308	(972)
less	Assets commissioned	11,652	24,510	(12,859)
plus	Asset disposals	13	–	13
less	Operational expenditure	43,057	42,729	328
less	Unlevered tax	10,297	9,864	433
	RAB value	602,791	594,570	8,221
	Closing carry forward adjustment	(9,362)	(8,974)	(388)
	Closing investment value	612,153	603,544	8,609
	Post-tax IRR for pricing period to date (%)	8.27%	5.09%	3.18%

1a(ii): Current Year Annual IRR

		Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
	Opening RAB	581,312	579,752	1,560
	Opening carry forward adjustment	(9,122)	(9,036)	(86)
	Opening investment value	590,434	588,788	1,646
plus	Total regulatory income	91,337	92,308	(971)
less	Assets commissioned	11,652	24,510	(12,858)
plus	Asset disposals	13	–	13
less	Operational expenditure	43,057	42,729	328
less	Unlevered tax	10,297	9,864	433
	RAB value	602,791	594,570	8,221
	Closing carry forward adjustment	(9,362)	(8,974)	(388)
	Closing investment value	612,153	603,544	8,609
	Post-tax IRR for current year (%)	8.27%	5.09%	3.18%

Explanation of variances

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

The actual post-tax annual IRR for the 2023 disclosure year calculates to 8.27% as against a forecast annual IRR of 5.09%. Key variances are as follows:

- CIAL's regulatory operating revenue (and hence surplus) was -$1.21m less than forecast. This loss of revenue had a -0.21% negative impact on the current year post-tax IRR calculation
- actual lease, rental and concession income is above forecast by approximately +$0.24m. On a current year post-tax IRR basis this amounts to a variance of +0.04%
- actual operational expenditure was above forecast by around +$0.33m. On a current year post-tax IRR basis this amounts to a variance of -0.06%
- actual depreciation was above forecast by around +$0.77m. On a current year post-tax IRR basis this amounts to a variance of -0.13%
- actual CPI revaluations are above forecast by around +$19.88m. On a current year post-tax IRR basis this amounts to a variance of +3.42%

When looking at the actual current year IRR outcome, it is important to note that this was significantly influenced by the CPI revaluations. Removing the CPI revaluation variance, the underlying IRR for the year was 4.85%. So operating IRR (exclusive of CPI value discrepancies) for Year 1 of PSE4 compares well between actuals and our forecast.

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

Regulated Airport	Christchurch International Airport Ltd
For Year Ended	30 June 2023
Pricing period starting year (year ended)	30 June 2023

SCHEDULE 1: REPORT ON PROFITABILITY (cont)

ref *Version 5.0*

1b: Actual IRR Inputs

	Pricing Period Starting Year 30 June 2023	Pricing Period Starting Year + 1 30 June 2024	Pricing Period Starting Year + 2 30 June 2025	Pricing Period Starting Year + 3 30 June 2026	Pricing Period Starting Year + 4 30 June 2027
Opening RAB	581,312	–	–	–	–
Opening carry forward adjustment	(9,122)	–	–	–	–
Opening investment value	590,434	–	–	–	–
Total regulatory income	91,336	–	–	–	–
Assets commissioned - 1st month	139	–	–	–	–
Assets commissioned - 2nd month	238	–	–	–	–
Assets commissioned - 3rd month	28	–	–	–	–
Assets commissioned - 4th month	127	–	–	–	–
Assets commissioned - 5th month	58	–	–	–	–
Assets commissioned - 6th month	2,206	–	–	–	–
Assets commissioned - 7th month	16	–	–	–	–
Assets commissioned - 8th month	19	–	–	–	–
Assets commissioned - 9th month	66	–	–	–	–
Assets commissioned - 10th month	857	–	–	–	–
Assets commissioned - 11th month	1,126	–	–	–	–
Assets commissioned - 12th month	6,772	–	–	–	–
Asset disposals	13	–	–	–	–
Operational expenditure	43,057	–	–	–	–
Unlevered tax	10,297	–	–	–	–
RAB value	602,791	–	–	–	–
Closing carry forward adjustment	(9,362)	–	–	–	–
Closing investment value	612,153	–	–	–	–
Post-tax IRR - pricing period to date (%)	8.27%		–	–	–

1c: Carry Forward Balance

	Actual	Forecast	Variance
Opening carry forward adjustment	(9,122)	(9,036)	(86)
Default revaluation gain/loss adjustment	–	–	–
Risk allocation adjustment	–	–	–
Other carry forward adjustment – forecast	(240)	62	(302)
Other carry forward adjustment – not forecast	–		–
Closing carry forward adjustment	(9,362)	(8,974)	(388)

Commentary on Carry forward balance

The carry forward adjustments are in respect to an anomaly, limited to PSE2 only, that relate to the allocation of implied depreciation. To correct this anomaly CIAL used an opening RAB adjustment in our 2018 disclosure statement, under the mechanism the Commission added during its review of the Input Methodologies. CIAL is continuing to carry this adjustment forward in our 2023 disclosure statement.

The Forecast Opening Carry Forward Adjustment is what was included in our PSE4 price setting disclosures and relates to the implied depreciation correction based off a 30 June 2022 forecast closing RAB value (when PSE4 was still in the consultation phase).

The Actual Opening Carry Forward Adjustment is the final implied depreciation correction calculation based on CIAL's 30 June 2022 closing RAB value. As mentioned CIAL is carrying this adjustment forward in our 2023 disclosure statement.

1d: Cash flow timing assumptions

	Forecast cash flow timing assumption
Cash flow timing - revenues - days from year end	148
Cash flow timing - expenditure - days from year end	182

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref *Version 5.0*

2a: Regulatory Profit

($000 unless otherwise specified)

		Actual	Forecast	Variance
Income				
	Airfield Charges	34,219	33,829	390
	Terminal Charges	39,902	40,898	(996)
	Counter Charges	1,788	2,391	(603)
	Passenger Service Charges	–	–	–
	Lease, rental and concession income	15,395	15,154	241
	Other operating revenue	–	–	–
	Net operating revenue	91,304	92,272	(968)
	Gains / (losses) on sale of assets	–	–	–
	Other income	33	36	(3)
	Total regulatory income	91,337	92,308	(971)
Expenses				
	Operational expenditure:			
	Corporate overheads	9,066	7,388	1,678
	Asset management and airport operations	30,812	32,496	(1,684)
	Asset maintenance	3,179	2,845	334
	Total operational expenditure	43,057	42,729	328
Operating surplus / (deficit)		48,280	49,579	(1,299)
	Regulatory depreciation	25,590	24,816	774
plus	Indexed revaluation	35,007	15,124	19,883
plus	Periodic land revaluations	–	–	–
	Total revaluations	35,007	15,124	19,883
Regulatory Profit / (Loss) before tax		57,697	39,887	17,810
less	Regulatory tax allowance	8,760	9,864	(1,104)
Regulatory Profit / (Loss)		48,937	30,023	18,914

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref *Version 5.0*

2b: Notes to the Report

2b(i): Financial Incentives

48	Pricing incentives	865	
49	Other incentives	175	
50	Total financial incentives		1,040

2b(ii): Rates and Levy Costs

53	Rates and levy costs	2,808

2b(iii): Merger and Acquisition Expenses

56	Merger and acquisition expenses	–

Justification for Merger and Acquisition Expenses

Merger and Acquisition Expenses

There were no merger and acquisition expenses.

Financial Incentives

CIAL undertakes two forms of market stimulation:

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

Only the costs of the first kind of activity were included in CIAL's PSE4 price setting model (as operating expenditure), as preferred by the Airlines in previous price setting rounds. For the purposes of regulatory disclosure, CIAL is required to disclose both forms of incentives and this disclosure statement reflects that requirement.

Further discussion around incentives incurred in the 2023 disclosure year as compared to Year 1 of our PSE4 forecast is outlined in Section 8 of the Executive Summary accompanying these schedules.

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

Version 5.0

3a: Regulatory Tax Allowance

				($000)
		Regulatory profit / (loss) before tax		57,697
	plus	Regulatory depreciation	25,590	
		Other permanent differences—not deductible	40 *	
		Other temporary adjustments—current period	2,182 *	
				27,812
	less	Total revaluations	35,007	
		Tax depreciation	11,469	
		Notional deductible interest	5,489	
		Other permanent differences—non taxable	– *	
		Other temporary adjustments—prior period	2,258 *	
				54,223
		Regulatory taxable income (loss)		31,286
	less	Tax losses used	–	
		Net taxable income		31,286
		Statutory tax rate (%)	28.0%	
		Regulatory tax allowance		8,760
		Notional interest tax shield	1,537	
		Unlevered tax		10,297

** Workings to be provided*

3b: Notes to the Report

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

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

Details of the tax differences are as follows:

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

3b(ii): Tax Depreciation Roll-Forward

	Opening RAB (Tax Value)	251,415	
plus	Regulatory tax asset value of additions	11,652	
less	Regulatory tax asset value of disposals	10	
plus	Regulatory tax asset value of assets transferred from/(to) unregulated asset base	–	
less	Tax depreciation	11,469	
plus	Other adjustments to the RAB tax value	249	
	Closing RAB (tax value)		251,837

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

	Tax losses (regulated business)—prior period	–	
plus	Current year tax losses	–	
less	Tax losses used	–	
	Tax losses (regulated business)		–

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

RAB value - previous year	581,312
Debt leverage assumption (%)	19%
Cost of debt assumption (%)	4.97%
Notional deductible interest	5,489
Tax rate (%)	28.0%
Notional interest tax shield	1,537

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

Version 5.0

ref			($000)	Actual ($000)	Forecast ($000)	Variance ($000)
8		**RAB value—previous disclosure year**		581,312	579,752	1,560
10	*less*	Regulatory depreciation		25,590	24,816	774
11	*plus*	Total revaluations		35,007	15,124	19,883
12	*plus*	Assets Commissioned		11,652	24,510	(12,858)
13	*less*	Asset disposals		13	–	13
14	*plus*	Lost and found assets adjustment		–	–	–
15		Adjustment resulting from cost allocation		423	–	423
17		**RAB value** †		602,791	594,570	8,221

ref				Unallocated RAB *		RAB
20		**RAB value—previous disclosure year**		639,833		581,312
22	*less*	**Regulatory depreciation**		29,268		25,590
24	*plus*	Indexed revaluations	38,492		35,007	
25		Periodic land revaluations	–		–	
26		**Total revaluations**		38,492		35,007
28	*plus*	Assets commissioned (other than below)	12,587		11,652	
29		Assets acquired from a regulated supplier	–		–	
30		Assets acquired from a related party	–		–	
31		**Assets commissioned**		12,587		11,652
33	*less*	Asset disposals (other)	13		13	
34		Asset disposals to a regulated supplier	–		–	
35		Asset disposals to a related party	–		–	
36		**Asset disposals**		13		13
38	*plus*	**Lost and found assets adjustment**		–		–
40		**Adjustment resulting from cost allocation**				423
42		**RAB value** †		661,631		602,791

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

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

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

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

ref *Version 5.0*

4b: Notes to the Report

4b(i): Regulatory Depreciation

	Unallocated RAB	RAB
Standard depreciation	–	–
Non-standard depreciation	29,268	25,590
Regulatory depreciation	29,268	25,590

4b(ii): Non-Standard Depreciation Disclosure

Non-standard Depreciation Methodology	Depreciation charge for the period (RAB)	Year change made (year ended)	RAB value under 'non-standard' depreciation	RAB value under 'standard' depreciation
CIAL set its PSE4 prices using, and has used in this disclosure, a tilted annuity method of depreciation. CIAL's substantial customers and the Commerce Commission supported CIAL's use of tilted annuity depreciation for PSE4. The RAB value under 'standard depreciation' applies only to the current disclosure year (2023).	25,590	2018	602,791	592,545

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

CPI at CPI reference date—previous year (index value)	1,161
CPI at CPI reference date—current year (index value)	1,231
Revaluation rate (%)	6.03%

Asset category revaluation rates	
Land	6.03%
Sealed Surfaces	6.03%
Infrastructure and buildings	6.03%
Vehicles, plant and equipment	6.03%

Revaluations		Unallocated RAB		RAB
Land	7,610		7,544	
Sealed Surfaces	8,657		8,657	
Infrastructure and buildings	21,430		18,164	
Vehicles, plant and equipment	795		642	
Indexed revaluation		38,492		35,007

4b(iv): Works Under Construction

		Unallocated works under construction		Allocated works under construction	
Works under construction—previous disclosure year			4,633		4,138
plus	Capital expenditure	13,156		12,217	
less	Asset commissioned	12,587		11,652	
plus	Adjustment resulting from cost allocation				(37)
Works under construction			5,202		4,666

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

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

ref *Version 5.0*

4b(v): Capital Expenditure by Primary Purpose

ref				
95		Capacity growth	4,926	
96	*plus*	Asset replacement and renewal	7,291	
97		Total capital expenditure		12,217

4b(vi): Asset Classes

ref			Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
100		RAB value—previous disclosure year	125,130	143,855	301,375	10,952	581,312
101	*less*	Regulatory depreciation	–	4,491	19,005	2,094	25,590
102	*plus*	Indexed revaluations	7,544	8,657	18,164	642	35,007
103	*plus*	Periodic land revaluations	–				–
104	*plus*	Assets commissioned	–	6,164	1,299	4,189	11,652
105	*less*	Asset disposals	–	–	–	13	13
106	*plus*	Lost and found assets adjustment	–	–	–	–	–
107	*plus*	Adjustment resulting from cost allocation	–	–	368	55	423
108		RAB value	132,674	154,185	302,201	13,731	602,791

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

4b(vii): Assets Held for Future Use

ref					
111		Assets held for future use opening cost—previous year		118,244	
112	*plus*	Holding costs	4,930		
113	*less*	Assets held for future use net revenue	13		
114	*plus*	Assets held for future use additions	7,177		
115	*less*	Assets held for future use disposals	–		
116	*less*	Transfers to works under construction	–		
117		Assets held for future use closing cost		130,338	
119		Opening base value		97,161	
120	*plus*	Assets held for future use revaluations	5,858		
121	*plus*	Assets held for future use additions	7,177		
122	*less*	Assets held for future use disposals	–		
123	*less*	Transfers to works under construction	–		
124		Closing base value		110,196	
126	*plus*	Opening tracking revaluations	17,326		
127		Tracking revaluations	23,184		
128		Highest rate of finance applied (%)			–

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref *Version 5.0*

5(i): Related Party Transactions

	($000)
Net operating revenue	3,180
Operational expenditure	17,375
Related party capital expenditure	–
Market value of asset disposals	–
Other related party transactions	4,932

5(ii): Entities Involved in Related Party Transactions

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

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price ($)	Value
Christchurch City Council (CCC)	Revenue		–
Christchurch City Council (CCC)	Operational Expenditure		267
Christchurch City Council (CCC)	Rates		7,712
Christchurch City Council (CCC)	Subvention Payment/Losses		804
Christchurch City Holdings Limited (CCHL)	Operational Expenditure		17
Connetics	Operational Expenditure		173
City Care Limited	Revenue		629
City Care Limited	Operational Expenditure		8,548
Venues Otautahi Ltd	Operational Expenditure		22
ChristchurchNZ	Revenue		23
ChristchurchNZ	Operational Expenditure		105
Orbit Travel & House of Travel Holdings Limited	Travel. Accommodation, Lease Tenancy		531
EBOS Group	Revenue		2,528
-	-		–
-	-		–
-	-		–
-	-		–
-	-		–
-	-		–
Christchurch International Airport Limited	Management compensation of key personnel including Directors and Executive Management, incorporating salaries and other short term employee benefits		
	Directors Fees		385
	Executive Management		3,743

Regulated Airport	Christchurch International Airport Ltd
For Year Ended	30 June 2023

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS (cont)

ref *Version 5.0*

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 CIAL.

CIAL enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. All transactions with related entities:

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

CIAL and City Care Limited have an greement in place for the provision of asset maintenance services.

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

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE

ref *Version 5.0*

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	4,926	9,458	(47.9%)	4,926	9,458	(47.9%)
Asset replacement and renewal	7,291	15,053	(51.6%)	7,291	15,053	(51.6%)
Total capital expenditure	12,217	24,510	(50.2%)	12,217	24,510	(50.2%)
Corporate overheads	9,066	7,388	22.7%	9,066	7,388	22.7%
Asset management and airport operations	30,812	32,495	(5.2%)	30,812	32,495	(5.2%)
Asset maintenance	3,179	2,845	11.7%	3,179	2,845	11.7%
Total operational expenditure	43,057	42,729	0.8%	43,057	42,729	0.8%
Key Capital Expenditure Projects						
Noise Contours	888	–	Not defined	888	–	Not defined
Fire Vehicle Replacement Programme	798	1,244	(35.9%)	798	1,244	(35.9%)
Airfield Pavement Works	6,164	7,259	(15.1%)	6,164	7,259	(15.1%)
Self Service Kiosks	–	52	(100.0%)	–	52	(100.0%)
Regional Stands Development	–	2,281	(100.0%)	–	2,281	(100.0%)
-	–	–	Not defined	–	–	Not defined
-	–	–	Not defined	–	–	Not defined
-	–	–	Not defined	–	–	Not defined
-	–	–	Not defined	–	–	Not defined
Other capital expenditure	4,367	13,674	(68.1%)	4,367	13,674	(68.1%)
Total capital expenditure	12,217	24,510	(50.2%)	12,217	24,510	(50.2%)

Explanation of Variances

Operating Expenditure
Operating costs for the 2023 disclosure year were higher (+$0.33m) than forecast when setting prices, at a total of $43.06m compared to a forecast of $42.73m. See Schedule 7 and Section 8 of the Executive Summary accompanying this disclosure statement for an explanation of the key reasons for this variance.

Capital Expenditure
CIAL's actual Capital Expenditure at $12.2m was less than the forecast amount of $24.5m. Assets Commissioned this disclosure year (i.e., brought into the regulatory asset base) were $11.7m against a forecast amount of $24.5m. The Works Under Construction closing value remained low at $4.7m but increased slightly by +$0.6m against an opening value of $4.1m.

Key variances in Capital Expenditure for Year 1 of our PSE4 forecast are:

Noise Contours (+$0.9m)
At the time of consulting on the Capital Expenditure forecasts for PSE4, CIAL was of the view that this work would be commissioned in our 2022 disclosure year. However, the commissioning of the work was delayed until this 2023 disclosure year. The PSE4 forecast opening RAB for Year 1 included this work at $0.8m as against the commissioned work coming into our RAB in Year 1 of PSE4 at $0.9m which has created a timing difference/variance which will remain for the entire PSE4 period.

Fire Vehicle Replacement Programme (-$0.4m)
The 1st Rosenbauger RT ARFF (Airport Rescue and Fire Fighting) electric fire truck is being constructed with lower outgoing Capital Expenditure than forecast for Year 1 of PSE4. This variance will be corrected once the vehicle is commissioned.

Airfield Pavement Works (-$1.1m)
When estimating the forecast Capital Expenditure during the PSE4 price setting process, the estimate of airfield pavement works was based on CIAL's 20-year Asset Management Plan. In each individual year, a more detailed assessment is made of the specific maintenance required on the airfield sealed surfaces which will usually result in a variance from the long-term estimates (unders and overs each year) based on specific circumstances observed. CIAL remains of the view that the overall spend within the PSE4 pricing period will likely be at or slightly above the original PSE4 five year forecast.

Regional Stands Development (-$2.3m)
This project has incurred no Capital Expenditure during the 2023 disclosure year as we continue to plan for the optimal timing. CIAL remains committed to further developing the Regional stands to support regional passenger travel and passenger aircraft needs in the coming years of PSE4.

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

** Disclosure year coincides with Pricing Period Starting Year + 0.*

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

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

ref *Version 5.0*

6b: Forecast Expenditure

From most recent disclosure following a price setting event

Starting year of current pricing period (year ended): 30 June 2023

Expenditure by Category	for year ended	Pricing Period Starting Year 30 Jun 23	Pricing Period Starting Year + 1 30 Jun 24	Pricing Period Starting Year + 2 30 Jun 25	Pricing Period Starting Year + 3 30 Jun 26	Pricing Period Starting Year + 4 30 Jun 27
Capacity growth		9,458	12,272	12,624	56,872	29,170
Asset replacement and renewal		15,053	16,346	11,690	13,857	11,932
Total forecast capital expenditure		24,510	28,618	24,314	70,729	41,103
Corporate overheads		7,388	7,585	7,789	7,995	8,208
Asset management and airport operations		32,495	31,006	31,057	30,764	31,563
Asset maintenance		2,845	2,858	2,937	3,017	3,100
Total forecast operational expenditure		42,729	41,448	41,783	41,777	42,871

Key Capital Expenditure Projects	for year ended	Pricing Period Starting Year 30 Jun 23	Pricing Period Starting Year + 1 30 Jun 24	Pricing Period Starting Year + 2 30 Jun 25	Pricing Period Starting Year + 3 30 Jun 26	Pricing Period Starting Year + 4 30 Jun 27
Noise Contours		–	–	–	–	–
Fire Vehicle Replacement Programme		1,244	2,124	–	–	–
Airfield Pavement Works		7,259	7,432	7,586	7,738	7,893
Self Service Kiosks		52	372	1,626	–	–
Regional Stands Development		2,281	–	–	24,319	–
Stop Bars and Guard Lights		–	7,432	–	–	–
International Arrivals Processing Capacity		–	–	2,167	–	–
Electric Charging Development		–	531	2,167	2,211	282
Hold-Stow Baggage Screening		–	–	–	4,311	24,805
Upgraded Central Screening Point		–	–	–	22,108	–
Other capital expenditure		13,674	10,727	10,768	10,042	8,123
Total forecast capital expenditure		24,510	28,618	24,314	70,729	41,103

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

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

ref *Version 5.0*

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

Proposed risk allocation adjustment	Units used	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1	Estimated present value of the proposed risk allocation adjustment ($000)
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	
N/A				Not defined			Not defined	

include additional rows if needed

Total proposed risk allocation adjustments: –

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

CIAL did not propose any risk allocation adjustments for PSE4 as defined in our "Decision on the reset of aeronautical prices for the period 1 July 2012 to 30 June 2027" pricing disclosure statement. As such this schedule does not apply to CIAL.

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

** Disclosure year Pricing Period Starting Year .*

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref *Version 5.0*

($000)

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*
Airfield Charges	–	34,219	–	34,219
Terminal Charges	39,902	–	–	39,902
Counter Charges	1,788	–	–	1,788
Passenger Service Charges	–	–	–	–
Lease, rental and concession income	5,044	547	9,804	15,395
Other operating revenue	–	–	–	–
Net operating revenue	46,734	34,766	9,804	91,304
Gains / (losses) on asset sales	–	–	–	–
Other income	–	33	–	33
Total regulatory income	46,734	34,798	9,804	91,337
Total operational expenditure	22,162	18,247	2,648	43,057
Regulatory depreciation	18,278	6,711	601	25,590
Total revaluations	14,528	16,373	4,106	35,007
Regulatory tax allowance	4,502	2,582	1,676	8,760
Regulatory profit/ loss	16,320	23,631	8,985	48,937
RAB value	239,690	290,988	72,113	602,791

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

Commentary on Segmented Information

This disclosure schedule incorporates the value of tilted depreciation as presented in our "Decision on the reset of aeronautical prices for the period 1 July 2022 to 30 June 2027" pricing disclosure statement. The following table shows a comparison of the actual outcomes for the 2023 disclosure year compared to Year 1 of our PSE4 forecast.
Discussion in respect to revenue from priced services is included in Section 8 of the Executive Summary accompanying these schedules.

Component	Value		Terminal		Airfield		Aircraft and Freight
Lease, Rental and Concession Income	PSE4 Year 1 Forecast	$	4,813	$	284	$	10,057
	Actuals	$	5,044	$	547	$	9,804
	Variance	$	232	$	263	-$	254
Explanation of variance: Revenue from non-priced services exceeded CIAL's Year 1 PSE4 forecast by an immaterial amount of +$0.24m. Refer to Section 8 of the Executive Summary for further commentary.							
Operational Expenditure - Asset Maintenance	PSE4 Year 1 Forecast	-$	1,954	-$	596	-$	295
	Actuals	-$	2,077	-$	836	-$	266
	Variance	$	123	$	240	-$	29
Explanation of variance: CIAL outsourced its maintenance services to City Care Limited in PSE3 and City Care Limited continues to perform CIAL's maintenance services. Immaterially higher maintenance services costs across all regulated activities occurred under this arrangement than forecast for Year 1 of PSE4.							
Operational Expenditure - Asset Management and Airport Operations	PSE4 Year 1 Forecast	-$	18,573	-$	12,747	-$	1,175
	Actuals	-$	15,712	-$	13,276	-$	1,824
	Variance	-$	2,861	$	529	$	649
Explanation of variance: Overall, CIAL has incurred lower operating costs than forecast due to the current nature of the post pandemic aeronautical space. Combined Terminal and Airfield incentive and trade partner support costs were -$5.0m below our Year 1 PSE4 forecast - further discussion around these costs are outlined in Section 8 of the Executive Summary. Airfield payroll and operational support costs (i.e., fire truck vehicles) were +$1.8m higher than our Year 1 PSE4 forecast. We continue to develop our Freight Distribution Centre which received a greater allocation of payroll costs and targeted incentives (not normally incurred in this segment) which has resulted in higher than forecast Year 1 PSE4 costs for our Aircraft and Freight activities.							
Operational Expenditure - Corporate Overheads	PSE4 Year 1 Forecast	-$	3,977	-$	2,942	-$	470
	Actuals	-$	4,374	-$	4,135	-$	557
	Variance	$	398	$	1,193	$	88
Explanation of variance: Overall, CIAL has incurred higher corporate costs than forecast for Year 1 of PSE4 across all regulated activities on compliance matters. Specifically on legal experts/consultants around airport noise monitoring as well as financial and statutory obligations. These costs have partly been offset by savings in insurance.							
Depreciation	PSE4 Year 1 Forecast	$	17,681	$	6,585	$	550
	Actuals	$	18,278	$	6,711	$	601
	Variance	$	597	$	126	$	51
Explanation of variance: CIAL has incurred Capital Expenditure of $12.2m against a forecast of $24.5m for Year 1 of PSE4. Assets commissioned over this same period were $11.7m against a forecast of $24.5m. Key variances of note are outlined in Schedule 6. Post the pandemic, procurement constraints and delivery obstacles exist impacting our regulated business Capital Expenditure. This has yet to impact our regulated activities tilted depreciation with actual tilted depreciation immaterially different to our Year 1 PSE4 forecast.							
Revaluations	PSE4 Year 1 Forecast	$	6,286	$	7,080	$	1,758
	Actuals	$	14,528	$	16,373	$	4,106
	Variance	$	8,242	$	9,293	$	2,348
Explanation of variance: CIAL's Year 1 PSE4 forecast CPI value was significantly lower than the 2023 disclosure year actual CPI value (2.61% against 6.03%). If CPI for Year 1 had been 2.61%, in line with that of our PSE4 forecast, the regulated business revaluation value would have been $15.15m as against our Year 1 PSE4 forecast revaluation value of $15.12m.							

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**

SCHEDULE 8: CONSOLIDATION STATEMENT

ref *Version 5.0*

8a: CONSOLIDATION STATEMENT

($000)

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business–GAAP	Unregulated Activities–GAAP	Airport Company–GAAP
Net income	91,337	(865)	90,472	112,608	203,080
Total operational expenditure	43,057	(865)	42,192	42,423	84,615
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	48,280	–	48,280	70,185	118,465
Depreciation	25,590	4,306	29,896	13,183	43,079
Revaluations	35,007	(35,583)	(576)	3,894	4,470
Tax expense	8,760	(3,524)	5,236	1,012	4,224
Net operating surplus / (deficit) before interest	48,937	(36,365)	12,572	59,884	75,632
Property plant and equipment	602,791	36,736	639,527	881,109	1,520,636

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
Netting Pricing Incentive costs against Net Income	Net Income	(865)
Restoring Pricing Incentive costs within Total Operational Expenditure	Total Operational Expenditure	(865)
Depreciation methodology - on additions and disposals under GAAP	Depreciation	4,306
Revaluation methodology	Revaluations	(35,583)
Tax expense adjustment due to different calculation methodology	Tax Expense	(3,524)
Land held for development and Work in Progress - excluded from RAB	Property Plant and Equipment	82,357
Revaluation variance due to different methods for years 2009-2019	Property Plant and Equipment	24,194
Depreciation differences to date plus changes in allocation %	Property Plant and Equipment	(69,815)

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

Commentary on the Consolidation Statement

Regulatory/GAAP Adjustments

Net Income/Total Operational Expenditure Nil

- Reporting of airline incentives and total operational expenditure is to follow the IM and align with our approach for PSE4 however NZ IFRS 15 required the netting of pricing incentive costs within Net Income (a reduction in Net Income by -$0.865m and the reduction in Operational Expenditure by -$0.865m above).

Depreciation +$4.306m

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

Revaluations -$35.583m

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

Tax expense -$3.524m

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

Property plant and equipment +$36.736m

- asset value differences under GAAP, as compared with regulatory values, are the result of differing methodologies for asset valuations and depreciation. The adjustment value shown is a summation of variances from 2009 through to 2023.

Finally, neither Work in Progress nor Land Held for Future Development is included in the initial RAB calculation whilst it is included in asset values under GAAP.

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

Version 5.0

9a: Asset Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	–	113,610	17,104	130,714		130,714
Assets not directly attributable	1,225	736	–	1,961	1,148	3,109
Total value land				132,675		
Sealed Surfaces						
Directly attributable assets	–	153,927	255	154,182		154,182
Assets not directly attributable	–	2	–	2	2	4
Total value sealed surfaces				154,184		
Infrastructure and Buildings						
Directly attributable assets	40,485	5,443	51,652	97,580		97,580
Assets not directly attributable	194,497	7,506	2,617	204,620	54,840	259,460
Total value infrastructure and buildings				302,200		
Vehicles, Plant and Equipment						
Directly attributable assets	1,552	8,644	15	10,211		10,211
Assets not directly attributable	1,931	1,120	470	3,521	2,850	6,371
Total value vehicles, plant and equipment				13,732		
Total directly attributable assets	42,037	281,624	69,026	392,687		392,687
Total assets not directly attributable	197,653	9,364	3,087	210,104	58,840	268,944
Total assets	239,690	290,988	72,113	602,791	58,840	661,631

Asset Allocators

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

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 5.0*

Asset Allocators (cont)

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

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

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 5.0*

9b: Notes to the Report

9b(i): Changes in Asset Allocators

			Effect of Change CY-1 30 Jun 22	Current Year (CY) 30 Jun 23	 CY+1 30 Jun 24
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–

Commentary on Asset Allocations

Changes in Asset Allocators

CIAL has used the same cost allocator methodology for this disclosure statement as that used to prepare our PSE4 pricing forecast published in our associated pricing disclosure statement. CIAL is committed to reporting actual outcomes as against our PSE4 forecast. There has been no change in asset allocator methodology for 2023 therefore schedule 9b(i) has not been completed.

2023 Terminal Cost Allocations

The terminal floor space for the 2023 Cost Allocation process is based on the relevant terminal spatial maps produced by CIAL based on the relevant terminal configuration as at 30 June 2023.

For the 2023 disclosure year, the Pathway 2 changes included in our 2021 disclosure statement has been removed. This resulted in small changes to the terminal floor space (against our 2022 disclosure statement). However, as the overall changes were small they didn't significantly impact on this schedule's cost allocations.

Overview

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

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

The various asset allocation drivers have been determined based on the use of the asset, with the allocators and the rationale for the calculation described above.

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref *Version 5.0*

10a: Cost Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Corporate Overheads						
Directly attributable operating costs	1,974	2,275	333	4,582		4,582
Costs not directly attributable	2,400	1,861	224	4,485	8,152	12,637
Asset Management and Airport Operations						
Directly attributable operating costs	9,554	11,633	1,622	22,809		22,809
Costs not directly attributable	6,158	1,643	202	8,003	16,226	24,229
Asset Maintenance						
Directly attributable operating costs	27	342	137	506		506
Costs not directly attributable	2,049	493	130	2,672	3,578	6,250
Total directly attributable costs	11,555	14,250	2,092	27,897		27,897
Total costs not directly attributable	10,607	3,997	556	15,160	27,956	43,116
Total operating costs	22,162	18,247	2,648	43,057	27,956	71,013

Cost Allocators

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Terminal - Non-contestable	Direct cost	Causal Relationship	P&L amounts directly attributable to specified terminal activities is allocated 100% to this segment	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
Airfield - Non-contestable	Direct cost	Causal Relationship	P&L amounts directly attributable to specified airfield activities is allocated 100% to this segment	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
Aircraft and Freight - Non-contestable	Direct cost	Causal Relationship	P&L amounts directly attributable to Aircraft and Freight activities is allocated 100% to this segment	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
Promotions	Revenue generated by aircraft, passenger service and concession charges for the year	Causal Relationship	The spend on Promotion that will give rise to increased passenger numbers should be allocated by the revenue that is generated by those passengers	Asset Management and Airport Operations
Administration Costs	Proportion of direct administration costs	Proxy Cost Allocator	Directly attributable administration costs are deemed to be a suitable driver of in-direct administration costs	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
Maintenance Costs	Proportion of direct maintenance costs	Proxy Cost Allocator	Directly attributable maintenance costs are deemed to be a suitable driver of in-direct maintenance costs	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
International Terminal	Floor space	Proxy Cost Allocator	Contestable / non-contestable floor space within the international terminal is deemed to be a suitable driver of international terminal cost allocations	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
Integrated Terminal	Floor space	Proxy Cost Allocator	Contestable / non-contestable floor space within the integrated terminal is deemed to be a suitable driver of integrated terminal cost allocations	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
Regional Lounge	Floor space	Proxy Cost Allocator	Contestable / non-contestable floor space within the regional lounge is deemed to be a suitable driver of regional lounge cost allocations	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
Total Terminal	Floor space	Proxy Cost Allocator	Overall terminal floor space split into contestable / non-contestable areas is deemed to be a suitable driver of overall terminal cost allocations	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref | *Version 5.0*

39 **Cost Allocators (cont)**

ref	Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
40					
41	Management Payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Corporate Overheads, Asset Management and Airport Operations
42	Admin Payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Corporate Overheads, Asset Management and Airport Operations
43	Airport Services Payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Asset Management and Airport Operations
44	Supervisors Payroll	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Asset Maintenance
45	IOC	Staff time	Causal Relationship	Estimate of staff time spent on regulated and unregulated activities	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
46	Infrastructure	Company/RAB asset values	Causal Relationship	Company/RAB asset values by segment is deemed to be a suitable driver	Corporate Overheads, Asset Management and Airport Operations, Asset Maintenance
47			[Select one]		
48			[Select one]		
49			[Select one]		
50			[Select one]		
51			[Select one]		
52			[Select one]		
53			[Select one]		
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67			[Select one]		
68			[Select one]		
69			[Select one]		
70			[Select one]		
71			[Select one]		
72			[Select one]		
73			[Select one]		
74			[Select one]		
75			[Select one]		
76			[Select one]		
77			[Select one]		
78			[Select one]		
79			[Select one]		
80			[Select one]		
81			[Select one]		
82			[Select one]		
83			[Select one]		

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

85

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref *Version 5.0*

10b: Notes to the Report

10b(i): Changes in Cost Allocators

			Effect of Change		
			CY-1 30 Jun 22	**Current Year (CY) 30 Jun 23**	**CY+1 30 Jun 24**
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–

Commentary on Cost Allocations

Changes in Cost Allocators

CIAL has used the same cost allocator methodology for this disclosure statement as that used to prepare our PSE4 pricing forecast published in our associated pricing disclosure statement. CIAL is committed to reporting actual outcomes as against our PSE4 forecast. There has been no change in asset allocator methodology for 2023 therefore schedule 10b(i) has not been completed.

2023 Terminal Cost Allocations

The terminal floor space for the 2023 Cost Allocation process is based on the relevant terminal spatial maps produced by CIAL based on the relevant terminal configuration as at 30 June 2023. The terminal is a highly dynamic asset; below is a summary of terminal floor space changes that occurred within PSE3.

Previous terminal floor space changes (PSE3):

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

For the 2023 disclosure year, the Pathway 2 changes introduced in our 2021 disclosure statement has been removed. This resulted in small changes to the terminal floor space (against our 2022 disclosure statement).

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

Cost Allocation Process

The cost allocation process ensures all income and expenses are allocated to the relevant specified airport activity and commercial categories. Many income and expense items will be directly related to the categories whilst others must be allocated based on some form of allocation. Administration and Maintenance categories are the two “overhead” type categories, and CIAL endeavours to allocate as many of these costs directly to the relevant activity and thereby minimise the value of final allocation wherever possible.

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

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

Step Two : Review Costs for Causal Allocators - All remaining income and expense items are then reviewed with any costs that can be allocated based on a causal relationship being allocated manually. The causal allocators used in 2023 are listed above.

Step Three: Run Cost Allocation Model - The cost allocation model then allocates the residual values in the Administration, Maintenance, and Terminal categories

Regulated Airport: **Christchurch International Airport Ltd**
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SCHEDULE 11: REPORT ON RELIABILITY MEASURES

Version 5.0

ref		Number	Total Duration Hours	Total Duration Minutes
6	**Runway**			
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8	Airports	–	–	–
9	Airlines/Other	–	–	–
10	Undetermined reasons	–	–	–
11	Total	–	–	–
12	**Taxiway**			
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14	Airports	–	–	–
15	Airlines/Other	–	–	–
16	Undetermined reasons	–	–	–
17	Total	–	–	–
18	**Remote stands and means of embarkation/disembarkation**			
19	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
20	Airports	–	–	–
21	Airlines/Other	–	–	–
22	Undetermined reasons	–	–	–
23	Total	–	–	–
24	**Contact stands and airbridges**			
25	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26	Airports	3	1	33
27	Airlines/Other	3	1	52
28	Undetermined reasons	3	1	28
29	Total	9	4	53
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	–	–	–
33	Airlines/Other	–	–	–
34	Undetermined reasons	–	–	–
35	Total	–	–	–
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	553	58	11
45	Airlines/Other	754	118	05
46	Undetermined reasons	76	8	07
47	Total	1,383	184	23
48				

Regulated Airport	**Christchurch International Airport Ltd**
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SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref *Version 5.0*

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

55 The percentage of time that FEGP is unavailable due to interruptions* 0%

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

57 **Commentary concerning reliability measures**

58 *Determining Responsibility and Validity of Interruptions*

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

60

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

62

63 *Operational Improvements*

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

65

66 *Fixed Electricity Ground Power*

67 Fixed electrical ground power is available at stands 18, 19, 20, 21, 22, 26, 27, 28, 29, 30, 31, 32 and 34. During PSE4 CIAL will further develop electricity charging and ground power offerings but at this stage this additional work has not begun.

68

69 *On-Time Departure Delay*

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

71 As previously reported CIAL experiences difficulty in obtaining this data from the Airlines using Christchurch Airport and as with other disclosure periods only one Airline provided this data to CIAL in the 2023 disclosure year. This Airline historically accounts for between 75% to 80% of departing flights from CIAL within a typical disclosure year.

72

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

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

74

Regulated Airport: **Christchurch International Airport Ltd**
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SCHEDULE 12: REPORT ON CAPACITY UTILISATION INDICATORS FOR AIRCRAFT AND FREIGHT ACTIVITIES AND AIRFIELD ACTIVITIES

Version 5.0

Runway

		Runway #1	Runway #2	Runway #3
Description of runway(s)	Designations	02-20	11-29	N/A
	Length of pavement (m)	3288	1741	N/A
	Width (m)	45	45	N/A
	Shoulder width (m)	30	N/A	N/A
	Runway code	4E	3D	N/A
	ILS category	Category I	N/A	N/A
Declared runway capacity for specified meteorological condition	VMC (movements per hour)	42	38	N/A
	IMC (movements per hour)	38	28	N/A

Taxiway

		Taxiway #1	Taxiway #2	Taxiway #3
Description of main taxiway(s)	Name	Alpha	Echo	Foxtrot
	Length (m)	2996	785	695
	Width (m)	23	23	23
	Status	Full Length	Part Length	Part Length
	Number of links	6	1	1

Aircraft parking stands

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

		Contact stand–airbridge	Contact stand–walking	Remote stand–bus
Air passenger services	International	9	2	3
	Domestic jet	5	0	0
	Domestic turboprop	0	12	0
Total parking stands		14	14	3

Busy periods for runway movements

	Date
Runway busy day	8 November 2022
Runway busy hour start time (day/month/year hour)	20 Sep 2022 9 AM

Aircraft movements

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

		Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
Air passenger services	International	21	–	–	21
	Domestic jet	52	–	–	52
	Domestic turboprop	–	104	–	104
	Total	73	104	–	177
Other (including General Aviation)					133
Total aircraft movements during the runway busy day					310

Number of aircraft runway movements during the runway busy hour	33

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

Parking Stand Assumptions (in support of the above numbers)

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

CIAL has 6 stands that can operate across different aircraft type; 1 covering walking access for both Domestic aircraft, 1 with either walking or contact access for both Domestic aircraft, and 4 with the ability to swing between Domestic Jet and International aircraft. These 6 stands have been included within this Schedules measures by their primary aircraft usage only.

CIAL developed Gate 15 during the 2018 disclosure year to further enhance our ability to service multiple aircraft across the Integrated Terminal; with this gate commissioned in June 2018.

In addition, CIAL has 17 remote stands that are generally used for freight and servicing the operations of the Antarctic program. These stands are located some distance from the passenger terminal.

Runway

CIAL has two runways; the main runway and the cross-wind runway. The cross-wind runway is used during specific North West wind weather conditions and outages to the main runway. There have been no changes to the runways in the 2023 disclosure year.

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

Regulated Airport	**Christchurch International Airport Ltd**	
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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES

Version 5.0

ref	Outbound (Departing) Passengers	International terminal	Domestic terminal	Common area †
7	**Landside circulation (outbound)**			
8	Passenger busy hour for landside circulation (outbound)—start time			
9	(day/month/year hour)	14 Jan 2023 6 AM	30 Mar 2023 8 AM	29 Nov 2022 6 AM
10	Floor space (m^2)	52	637	2,213
11	Passenger throughput during the passenger busy hour (passengers/hour)	718	917	1,254
12	Utilisation (busy hour passengers per $100m^2$)	1,381	144	57
13	**Check-in**			
14	Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	29 Nov 2022 6 AM
15	Floor space (m^2)	N/A	N/A	2,512
16	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,254
17	Utilisation (busy hour passengers per $100m^2$)	Not defined	Not defined	50
18	**Baggage (outbound)**			
19	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	29 Nov 2022 6 AM
20	Make-up area floor space (m^2)	N/A	N/A	5,096
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	917
23	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,254
24	Utilisation (% of processing capacity)	Not defined	Not defined	38%
25	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
26	**Passport control (outbound)**			
27	Passenger busy hour for passport control (outbound)—start time			
28	(day/month/year hour)	14 Jan 2023 6 AM		
29	Floor space (m^2)	71		
30	Number of emigration booths and kiosks	9		
31	Notional capacity during the passenger busy hour (passengers/hour) *	823		
32	Passenger throughput during the passenger busy hour (passengers/hour)	718		
33	Utilisation (busy hour passengers per $100m^2$)	1,011		
34	Utilisation (% of processing capacity)	87%		
35	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
36	**Security screening**			
37	Passenger busy hour for security screening—start time (day/month/year hour)	14 Jan 2023 6 AM	30 Mar 2023 8 AM	
38	Facilities for passengers excluding international transit & transfer			
39	Floor space (m^2)	597	363	
40	Number of screening points	3	3	
41	Notional capacity during the passenger busy hour (passengers/hour) *	810	810	
42	Passenger throughput during the passenger busy hour (passengers/hour)	718	917	
43	Utilisation (busy hour passengers per $100m^2$)	120	253	
44	Utilisation (% of processing capacity)	89%	113%	
45	Facilities for international transit & transfer passengers			
46	Floor space (m^2)	49		
47	Number of screening points	–		
48	Notional capacity during the passenger busy hour (passengers/hour)*	270		
49				
50	Estimated passenger throughput during the passenger busy hour (passengers/hour)	–		
51	Utilisation (busy hour passengers per $100m^2$)	–		
52	Utilisation (% of processing capacity)	–		
53	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			

Regulated Airport	**Christchurch International Airport Ltd**	
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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont)

Version 5.0

ref		International terminal	Domestic terminal	Common area †
60				
61	**Airside circulation (outbound)**			
62	Passenger busy hour for airside circulation (outbound)—start time			
63	(day/month/year hour)	14 Jan 2023 6 AM	30 Mar 2023 8 AM	
64	Floor space (m²)	1,701	1,782	
65	Passenger throughput during the passenger busy hour (passengers/hour)	718	917	
66	Utilisation (busy hour passengers per 100m²)	42	51	
67	**Departure lounges**			
68	Passenger busy hour for departure lounges—start time (day/month/year hour)	14 Jan 2023 6 AM	30 Mar 2023 8 AM	
69	Floor space (m²)	4,392	2,443	
70	Number of seats	961	743	
71	Passenger throughput during the passenger busy hour (passengers/hour)	718	917	
72	Utilisation (busy hour passengers per 100m²)	16	38	
73	Utilisation (passengers per seat)	0.7	1.2	
74	**Inbound (Arriving) Passengers**			
75	**Airside circulation (inbound)**			
76	Passenger busy hour for airside circulation (inbound)—start time			
77	(day/month/year hour)	2 Mar 2023 12 AM	18 Nov 2022 7 AM	N/A
78	Floor space (m²)	4,570	1,859	N/A
79	Passenger throughput during the passenger busy hour (passengers/hour)	592	939	N/A
80	Utilisation (busy hour passengers per 100m²)	13	51	Not defined
81	**Passport control (inbound)**			
82	Passenger busy hour for passport control (inbound)—start time			
83	(day/month/year hour)	2 Mar 2023 12 AM		
84	Floor space (m²)	1,240		
85	Number of immigration booths and kiosks	16		
86	Notional capacity during the passenger busy hour (passengers/hour) *	850		
87	Passenger throughput during the passenger busy hour (passengers/hour)	592		
88	Utilisation (busy hour passengers per 100m²)	48		
89	Utilisation (% of processing capacity)	70%		
90	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
91	**Landside circulation (inbound)**			
92	Passenger busy hour for landside circulation (inbound)—start time			
93	(day/month/year hour)	2 Mar 2023 12 AM	18 Nov 2022 7 AM	27 Nov 2022 9 PM
94	Floor space (m²)	158	637	2,070
95	Passenger throughput during the passenger busy hour (passengers/hour)	592	939	1,032
96	Utilisation (busy hour passengers per 100m²)	375	147	50
97	**Baggage reclaim**			
98	Passenger busy hour for baggage reclaim—start time (day/month/year hour)	2 Mar 2023 12 AM	18 Nov 2022 7 AM	
99	Floor space (m²)	4,923	2,425	
100	Number of reclaim units	3	4	
101	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	5,400	5,400	
102	Bags processed during the passenger busy hour (bags/hour)*	616	594	
103	Passenger throughput during the passenger busy hour (passengers/hour)	592	939	
104	Utilisation (% of processing capacity)	11%	11%	
105	Utilisation (busy hour passengers per 100m²)	12	39	
106	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
107	**Bio-security screening and inspection and customs secondary inspection**			
108	Passenger busy hour for bio-security screening and inspection and			
109	customs secondary inspection—start time (day/month/year hour)	2 Mar 2023 12 AM		
110	Floor space (m²)	974		
111	Notional MAF secondary screening capacity during the passenger busy hour	900		
112	(passengers/hour)*			
113	Passenger throughput during the passenger busy hour (passengers/hour)	592		
114	Utilisation (% of processing capacity)	66%		
115	Utilisation (busy hour passengers per 100m²)	61		
116	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
117				

Regulated Airport	**Christchurch International Airport Ltd**
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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont)

Version 5.0

ref		International terminal	Domestic terminal	Common area †
124	**Arrivals concourse**			
125	Passenger busy hour for arrivals concourse—start time (day/month/year hour)	2 Mar 2023 12 AM	18 Nov 2022 7 AM	N/A
126	Floor space (m^2)	1,590	177	N/A
127	Passenger throughput during the passenger busy hour (passengers/hour)	592	939	N/A
128	Utilisation (busy hour passengers per $100m^2$)	37	531	Not defined
129	**Total terminal functional areas providing facilities and service directly for passengers**			
130	Floor space (m^2)	20,316	10,321	6,795
131	Number of working baggage trolleys available for passenger use			
132	at end of disclosure year	325	400	515

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

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

135 Passenger data is obtained from a combination of Customs and Airlines data. This is used to calculate busy hour/day information and corresponding passenger throughput. These
136 data sources are cross checked where possible and are considered to be materially accurate.

137 *Source of Data for Capacity Calculations:*

138 *Security Screening*

139 The notional capacity has been based on Aviation Security National standards of 270 passengers per hour per x-ray unit. Security Screening International Transit/ Transfer
140 numbers are not collected by CIAL.

141 *Bio-Security*

142 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
143 Commission and Airlines.

144 *Baggage Handling*

145 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
146 bags per minute or 2,400 per hour.

147 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
148 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
149 flights. For operational reasons bags for International flights are processed in the 2 hours prior to departure. This year the actual bags belonging to passengers who travelled in the
150 busy hour have been included in this report.

151 *Baggage Reclaim*

152 Baggage system notional capacity numbers have been calculated from figures supplied by the system supplier, Glidepath. Notional capacity is however reduced by the
153 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
154 processed have been estimated based on approximate bags per passenger figures.

155 *Seating*

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

157 *Floor Space*

158 The terminal floor space is based on the relevant terminal spatial maps produced by CIAL based on the terminal's current configuration as at 30 June 2023.

159 *Passport Control*

160 International Departures : There are 5 desks and 4 smart gates servicing International Departures.

161 International Arrivals : There are 8 desks and 8 smart gates servicing International Arrivals.

162

163

164

165

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

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

168

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

ref *Version 5.0*

Survey organisation

Survey organisation used	ACI
If "Other", please specify	

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

Domestic terminal	*Quarter*	1	2	3	4	Annual
	for year ended	30 Sep 22	31 Dec 22	31 Mar 23	30 Jun 23	average
Ease of finding your way through an airport		4.02	4.06	4.11	3.99	4.05
Ease of making connections with other flights		4.02	3.96	4.27	4.07	4.08
Flight information display screens		4.09	4.17	4.27	4.09	4.15
Walking distance within and/or between terminals		4.08	4.19	4.29	4.05	4.15
Availability of baggage carts/trolleys		–	–	–	–	–
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.20	4.31	4.31	4.25	4.27
Availability of washrooms/toilets		4.03	4.14	4.16	4.05	4.09
Cleanliness of washrooms/toilets		3.95	4.05	4.01	3.96	3.99
Comfort of waiting/gate areas		3.84	3.90	4.00	3.80	3.89
Cleanliness of airport terminal		4.14	4.17	4.21	4.10	4.15
Ambience of the airport		3.92	4.01	4.04	3.91	3.97
Security inspection waiting time		4.32	4.44	4.24	4.10	4.28
Check-in waiting time		4.53	4.55	4.43	4.56	4.52
Feeling of being safe and secure		4.36	4.37	4.45	4.34	4.38
Average survey score		4.12	4.18	4.21	4.10	4.15

International terminal	*Quarter*	1	2	3	4	Annual
	for year ended	30 Sep 22	31 Dec 22	31 Mar 23	30 Jun 23	average
Ease of finding your way through an airport		3.95	3.93	4.12	3.99	4.00
Ease of making connections with other flights		4.24	4.48	4.40	3.72	4.21
Flight information display screens		4.09	4.11	4.27	4.00	4.12
Walking distance within and/or between terminals		4.13	4.23	4.30	4.15	4.20
Availability of baggage carts/trolleys		–	–	–	–	–
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.32	4.26	4.42	4.12	4.28
Availability of washrooms/toilets		3.82	3.88	3.92	3.64	3.82
Cleanliness of washrooms/toilets		3.85	4.02	4.03	3.91	3.96
Comfort of waiting/gate areas		3.83	3.73	3.96	3.71	3.81
Cleanliness of airport terminal		4.27	4.13	4.38	4.01	4.20
Ambience of the airport		4.06	3.93	4.14	3.73	3.97
Passport and visa inspection waiting time		4.51	4.58	4.44	4.49	4.50
Security inspection waiting time		4.05	4.02	4.15	4.08	4.07
Check-in waiting time		3.56	3.43	3.80	3.99	3.69
Feeling of being safe and secure		4.51	4.59	4.50	4.47	4.51
Average survey score		4.08	4.09	4.20	4.00	4.10

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

Commentary concerning report on passenger satisfaction indicators

CIAL monitors passenger experience ratings using the Airport Service Quality (ASQ) Survey, like other New Zealand and International airports. The survey results reflect the perceived passenger travel experience (the weighted average response) from using the Terminal. The survey includes consistent sample survey questions, amongst questions that have changed over time, with responses recorded by a five-point rating scale of, poor (1), fair (2), good (3), very good (4) or excellent (5), which passengers rate at the departure gate.

CIAL's average passenger survey ratings historically have been high. CIAL uses the survey results to identify improvements and we consult with interested parties as to the benefits such changes could have in improving the end-to-end passenger journey. In the short-term passenger services appear to be meeting the demands expected however CIAL in committed to ensuring in the medium to longer-term terminal facilities and the passenger experience accommodates for future needs particularly when new compliance changes come into being.

Availability of Baggage Carts/Trolleys

The 'Availability of baggage carts/trolleys' passenger satisfaction survey score required by this schedule of our disclosure statement (for both the Domestic and International terminals) has not been part of the ASQ sample questions since the 3rd disclosure quarter of FY22 (the 1st calendar quarter of 2022). As such CIAL has no measures to report within this disclosure statement for this survey score.

Location of Survey Fieldwork Documentation

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

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	Christchurch International Airport Ltd
For Year Ended	30 June 2023

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref *Version 5.0*

Disclosure of the operational improvement process

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

Christchurch Airport Emergency Committee
The committee meets a minimum of 2 times per annum to manage and discuss matters relating to multi-agency emergency response, including significant incidents, emergency manuals and plans, emergency preparedness, training and response exercises, aviation security, and global and topical aviation risks. Attendees include representatives from Fire and Emergency NZ, NZ Police, St John Ambulance, Border Agencies, Airlines, Airways New Zealand, Welfare Organisations, Te Whatu Ora (Health New Zealand), and CIAL. Chaired by the CIAL Head of Aviation Operations.

Airside Safety Committee
This group meets quarterly to discuss airside operational, security and safety issues, to communicate rule, process or procedure changes, improve driving and parking standards, to discuss any airside incidents/events, and inform members of any impending airside work. Chaired by the CIAL Apron and Wildlife Manager. Participants pull upon a broad audience of airside representatives (Agencies, Airlines, Ground Handlers, support companies and contractors). Topics include health, safety and wellbeing, Airport/Airline operations, runway safety, apron operations, aviation security, airport fire service, wildlife and habitat management, airfield facilities and works projects, environmental and sustainability, plus invited guest presenters.

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

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

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

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

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

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

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

Regulated Airport: **Christchurch International Airport Ltd**
For Year Ended: **30 June 2023**

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES (cont)

ref *Version 5.0*

Disclosure of the operational improvement process (cont)

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

Safety Leadership

- CIAL's Airfield Safety Week activities were undertaken as part of a wider campaign across Australia and New Zealand to promote safety awareness throughout the aerodrome and associated companies and communities

Sustainability and Environment

- Christchurch Airport and three other New Zealand companies (Air New Zealand, Sounds Air, and Wellington Airport) joined the 21-member Industry Advisory Board to help fast-track the release of the ES-30 electric airplane being constructed by Swedish electric airplane maker Heart Aerospace
- Christchurch and Hamburg Airports have partnered to work on green hydrogen infrastructure for aviation to help deliver on each airports ambitious Net Zero climate goals
- CIAL hosted a Ministerial delegation, including then-Minister of Energy and Resources Dr Megan Woods, Climate Change Minister James Shaw, and the Australian Minister for Climate Change and Energy Chris Bowen, to engage on the opportunity to decarbonise the Trans-Tasman aviation sector
- Christchurch Airport has been selected as a pilot airport, the only airport outside Europe, by the Airport Carbon Accreditation (ACA) with regards to working towards their Level 5 certification. ACA also recognised Christchurch Airport for our efforts by confirming us as their first 'Airport Carbon Accreditation - Mentor'
- CIAL achieved our Sustainability Linked Loan obligations for year two of a three year loan that has CIAL's interest costs linked to the achievement of appropriately ambitious sustainability targets

Customer Experience

- United Airlines announced a new direct service between San Francisco and Christchurch, with three flights per week on a Boeing Dreamliner, starting in December 2023. It will enable passengers and freight to fly directly into and out of the South Island and connect with the United States aviation network and beyond
- Cathay Pacific intents to re-establish operations with Christchurch Airport, with three flights per week on an Airbus A350, into and out of its Hong Kong hub
- Emirates and the Airbus A380 resuming its Christchurch to Dubai via Sydney daily service from March 2023
- CIAL introducing the world recognised Sunflower Lanyard scheme, a programme for people with Hidden Disabilities wanting more assistance at the airport without having to ask for it, as part of our Diversity and Inclusion program of work
- New art has been installed in the Airport Plaza to communicate and support Rainbow Awareness at our airport. The company's Pride Working Group's (a team of PRIDE champions across the business) efforts were also recognised by the Airport being named a finalist in the Emerging category of the New Zealand Rainbow Excellence Awards

Operational Efficiency

- CIAL's Noise Contours were published in June 2023 after a detailed 12-month review process, concluding with the Christchurch City Council confirming our newly remodelled Noise Contours in July 2023
- Tasman Cargo, a contract airline for DHL as well as Texel Air are flying daily freight operations and utilising the airport's Freight Distribution Centre

Innovation

- Rosenbauser is constructing the first of Christchurch Airport's four RT ARFF (Airport Rescue and Fire Fighting) electric fire trucks, which will be the world's first electric fire truck to operate at an airport. The fire truck will be hybrid/electric with further developments to hydrogen operation in the future. Indications are the new fire truck could reduce fire service diesel usage by more than 75%
- We continue to investigate and communicate publicly our findings on the opportunity for development beyond a single site to support creating economic, environmental and social development opportunities for future generations across the South Island, through our Central Otago Airport Project
- CIAL continues to facilitate the Kowhai Park development, a large-scale renewable energy precinct at the airport, to provide renewable energy required by the aviation sector in the future to help decarbonise this sector, whilst also providing stability and resilience to the price and supply of that renewable energy across the airport campus and potentially beyond and has signed a developer agreement with partners Contact energy and Lightsource bp

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

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref *Version 5.0*

16a: Aircraft statistics

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	321	24,717
Airbus A320NEO	1,215	95,985
Airbus A321NEO	111	10,379
Airbus A330-200	10	2,370
Airbus A350-900 XWB	366	102,475
Airbus A380-800	96	55,200
Boeing 737 Max 8	120	9,863
Boeing 737-800	1,205	95,213
Boeing 777-300	3	1,055
Boeing 787-900	6	1,505
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Total	3,453	398,762

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

ref *Version 5.0*

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	8,932	648,230
Airbus A320NEO	180	14,220
Airbus A321NEO	285	26,648
Boeing 737-800	4	316
Boeing 777-300ER	1	352
Boeing 787-900	6	1,505
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Total	9,408	691,271

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
ATR-72-500	541	12,188
ATR-72-600	12,621	283,973
DHC-8-300 Dash 8	3,517	68,599
Fairchild Metro III	1	7
Pilatus PC-12	1,737	7,817
Saab 340	2	25
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Total	18,419	372,609

Regulated Airport	**Christchurch International Airport Ltd**
For Year Ended	**30 June 2023**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref *Version 5.0*

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

		Total number of landings	Total MCTOW (tonnes)
94			
95	Air passenger service aircraft less than 3 tonnes MCTOW	–	–
96	Freight aircraft	2,187	213,413
97	Military and diplomatic aircraft	393	29,296
98	Other aircraft (including General Aviation)	10,790	46,816

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

		Total number of landings	Total MCTOW (tonnes)
100			
101	Total	44,650	1,752,167

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
106	International air passenger service movements	6,885	–	–	6,885
107	Domestic jet air passenger service movements	18,815	–	–	18,815

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

16c: Passenger statistics

	The total number of passengers during disclosure year	Domestic	International	Total
112	Inbound passengers†	2,317,510	529,051	2,846,561
113	Outbound passengers†	2,313,335	529,514	2,842,849
114	Total (gross figure)	4,630,845	1,058,565	5,689,410
116	less estimated number of transfer and transit passengers		–	–
118	Total (net figure)			5,689,410

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

Regulated Airport: **Christchurch International Airport Ltd**
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref *Version 5.0*

16e: Human Resource Statistics

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
Number of full-time equivalent employees	52.0	78.0	6.0	136.0
Human resource costs ($000)				16,354

Commentary concerning the report on associated statistics

Source of Data

Data collated for air passenger services is obtained from CIAL's Airline Billing Database, which is compiled from information electronically provided monthly from the Airways Corporation information system. The data for terminal access figures originates from Airlines, Customs, and FIDs (the Flight Information Data system).
The human resource statistics have been calculated from payroll figures as at the end of June 2023.

Human Resource Movements

CIAL continues to look for efficiency and productivity gains across our entire business. Between 2022 and 2023 our regulated business full-time equivalent employee numbers didn't change in totality however the full-time equivalent employee numbers move around across our regulatory activites (-2 for Terminal, +1 for Airfield, and +1 for Aircraft and Freight against our 2022 disclosure statement).

Other Movements

CIAL did not collect International Transit/Transfer numbers for the 2023 disclosure year.
Air passenger services on aircraft less than 3 tonnes MCTOW are not collected by CIAL due to the small number of passenger services in this category.

PSE4 Forecast to Actual Comparison

The following table shows a comparison between our pricing forecasts to actual outcomes for Year 1 of the current PSE4 pricing period. This comparison includes passenger movements, landings, and MCTOW.

	PSE4-2023	ID-2023	PSE4 Year 1	PSE4-Period To Date	ID-Period To Date	Period To Date
Passengers Movements	**Pricing Forecast**	**Actual**	**Variance**	**Pricing Forecast**	**Actual**	**Variance**
International Arrivals	488,606	529,051	8.3%	488,606	529,051	8.3%
International Departures	488,605	529,514	8.4%	488,605	529,514	8.4%
Total International	**977,211**	**1,058,565**	**8.3%**	**977,211**	**1,058,565**	**8.3%**
Domestic Arrivals	2,361,895	2,317,510	-1.9%	2,361,895	2,317,510	-1.9%
Domestic Departures	2,361,895	2,313,335	-2.1%	2,361,895	2,313,335	-2.1%
Total Domestic	**4,723,790**	**4,630,845**	**-2.0%**	**4,723,790**	**4,630,845**	**-2.0%**
Total Passenger Movements	**5,701,001**	**5,689,410**	**-0.2%**	**5,701,001**	**5,689,410**	**-0.2%**

Landings	**Pricing Forecast**	**Actual**	**Variance**	**Pricing Forecast**	**Actual**	**Variance**
Domestic Flight (3 tonnes or more but <30 tonnes)	21,467	18,419	-14.2%	21,467	18,419	-14.2%
Domestic Flights (30 tonnes MCTOW or more)	8,266	9,408	13.8%	8,266	9,408	13.8%
Total Domestic	**29,733**	**27,827**	**-6.4%**	**29,733**	**27,827**	**-6.4%**
International Flights	3,070	3,453	12.5%	3,070	3,453	12.5%
Other Flights	15,528	13,370	-13.9%	15,528	13,370	-13.9%
Total Landings	**48,331**	**44,650**	**-7.6%**	**48,331**	**44,650**	**-7.6%**

MCTOW	**Pricing Forecast**	**Actual**	**Variance**	**Pricing Forecast**	**Actual**	**Variance**
Domestic Flight (3 tonnes or more but <30 tonnes)	452,512	372,609	-17.7%	452,512	372,609	-17.7%
Domestic Flights (30 tonnes MCTOW or more)	674,308	691,271	2.5%	674,308	691,271	2.5%
Total Domestic	**1,126,820**	**1,063,880**	**-5.6%**	**1,126,820**	**1,063,880**	**-5.6%**
International Flights	421,904	398,762	-5.5%	421,904	398,762	-5.5%
Other Flights	263,159	289,525	10.0%	263,159	289,525	10.0%
Total MCTOW	**1,811,883**	**1,752,167**	**-3.3%**	**1,811,883**	**1,752,167**	**-3.3%**

- total passenger movements were immaterially different against our Year 1 PSE4 forecast (the shortfall in passenger movements within New Zealand was made up by increased International passenger movements : +81K and -93K respectively)

- total actual Landings were -8% against our Year 1 PSE4 forecast due largely to lower than forecast 3 to 30 tonne Domestic flights (-3K)

- total MCTOW was -3% against our Year 1 PSE4 forecast driven largely off the associated lower than forecast 3 to 30 tonne Domestic landings (-80K)

A more detailed analysis is outlined in Section 8 of the Executive Summary accompanying these schedules.

In PSE3 CIAL re-balanced our price structure compared to PSE2 resulting in International and Domestic passenger service prices being the same for FY22 (Year 5 of PSE3). PSE4 c

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

ref *Version 5.0*

17a: Components of Pricing Statistics

	($000)
Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	8,567
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	18,549
Net operating charges from airfield activities relating to international flights	6,397
Net operating charges from specified passenger terminal activities relating to domestic passengers	32,184
Net operating charges from specified passenger terminal activities relating to international passengers	9,184

	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,820,030
Number of domestic passengers on flights of 30 tonnes MCTOW or more	2,810,815
Number of international passengers	**1,058,565**

	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	784,232
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	1,774,357
Total MCTOW of international flights	925,850

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	4.71	10.92
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	6.60	10.45
Average charge from airfield activities relating to international flights	6.04	6.91

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from specified passenger terminal activities	6.95	8.68

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	12.81	14.72

Commentary on Pricing Statistics

As outlined in CIAL's PSE4 price setting disclosure, CIAL is focused on increasing the productive and efficient use of its existing assets. PSE4 continues our PSE3 approach of setting its prices on a per passenger basis. Per passenger pricing allows CIAL to increase and incentivise flexible and efficient use of its airfield and terminal. They are also simple to understand, transparent and (as the Commission identified) likely to reduce Airlines' exposure to demand risk. CIAL considers (and the majority of Airlines agreed) per passenger pricing aligns CIAL's and Airlines' interests.

In PSE3 CIAL re-balanced our price structure which resulted in International and Domestic passenger services prices being the same for FY22 (Year 5 of PSE3). PSE4 continues the re-balanced price structure achieved at Year 5 of PSE3 with one Terminal passenger price for Regional Services passengers and one Terminal price for International and Domestic Services passengers (i.e., Non-Regional Services).

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

Regulated Airport: **Christchurch International Airport Ltd**
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SCHEDULE 25: TRANSITIONAL REPORT ON REGULATORY ASSET BASE VALUE FOR LAND

ref *Version 5.0*

25: Regulatory Asset Base Value for Land

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

Commentary

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

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SCHEDULE 21 – CERTIFICATION FOR DISCLOSED INFORMATION – YEAR ENDED 30 JUNE 2023

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

Sarah Ottrey
Chair
30 November 2023

Andrew Barlass
Director
30 November 2023

Independent Assurance Report

To the Directors of Christchurch International Airport Limited and to the Commerce Commission on the Disclosure Information for the disclosure year ended 30 June 2023 as required by the Airport Services Information Disclosure Determination 2010

Christchurch International Airport Limited (the Company) is required to disclose certain information under the Airport Services Information Disclosure Determination 2010 (the Determination) and to procure a report by an independent auditor in terms of clause 2.6(1)(a) of the Determination.

The Auditor-General is the auditor of the Company.

The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand to undertake a reasonable assurance engagement, on his behalf, on whether the information prepared by the Company for the disclosure year ended 30 June 2023 (Disclosure Information), complies, in all material respects, with the Determination. The Disclosure Information that falls within the scope of the assurance engagement are schedules 1 to 17.

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 Disclosure Information have been kept by the Company and the Disclosure Information is based on these records; and
- subject to clause 2.6(2) of the Determination, the disclosure information in schedules 1 to 17 complies, in all material respects, with the Determination.

Basis of opinion

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

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

Directors' responsibility for the Disclosure Information

The Directors of the Company are responsible for the preparation of the Disclosure Information in compliance with the Determination. This responsibility includes such internal control as Directors determine is necessary to enable proper records to be kept by the Company to enable complete and

accurate compilation of Disclosure Information that is free from material misstatement or non-compliance whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on whether the Disclosure Information has been prepared, in all material respects, in compliance with the Determination and, as far as appears from an examination, whether proper records have been kept to enable the completeness and accuracy of the Disclosure Information.

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

The engagement also involves evaluating:

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

Our procedures on the forecast information included in schedules 1, 2, 4 and 6 were limited to checking that the information agreed to Schedule 18 for the period 1 July 2022 to 30 June 2027. Schedule 18 is published by the Company as a separate document. These procedures do not provide any assurance that the forecast information was reasonable or achievable, or that it subsequently was (or will be) proved to be accurate.

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

We did not evaluate the security and controls over the electronic publication of the Disclosure Information.

Inherent limitations

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

Further, a reasonable assurance engagement for the disclosure year ended 30 June 2023 does not provide assurance on whether compliance with the requirements of the Determination will continue in the future.

Restricted use

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

Independence and quality control

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and

- quality management requirements, which incorporate Professional and Ethical Standard 3 *Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
30 November 2023