



**CHRISTCHURCH INTERNATIONAL AIRPORT LTD
SPECIFIED AIRPORT SERVICES - ANNUAL INFORMATION
DISCLOSURE
FOR THE YEAR ENDED 30 JUNE 2021**

30 November 2021

EXECUTIVE SUMMARY

INTRODUCTION

1. CIAL's Regulatory Context

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

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

The Input Methodologies ("IMs") are an important input to regulation under Part 4. 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.

2. Background

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

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

CIAL now discloses, alongside and within this document, the annual information disclosure requirements, and additional information for context and to aid understanding, for the year ending 30 June 2021 ("2021 Disclosure").

The 2021 Disclosure represents the fourth annual disclosure under PSE3, being the period from 1 July 2017 to 30 June 2022.

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

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".

It also provides an overview of the information the 2021 Disclosure templates provide on the performance of the company for the current year and for the cumulative four-year period to date completed within the five-year cycle of PSE3.

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

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 2021: <https://gazette.govt.nz/notice/id/2021-gs5114>;
- 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 2021; and
- will be provided to any person by post or for collection from CIAL's offices within 10 working days of a request.

4. Previous Regulatory Engagement

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

In particular, CIAL:

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

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

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

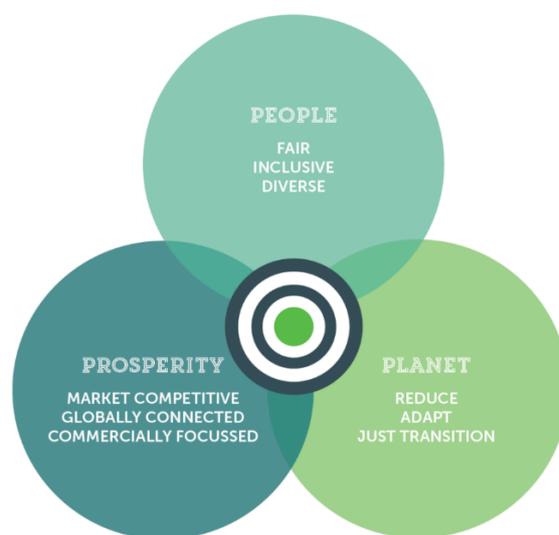
OVERVIEW OF CIAL AS A BUSINESS

5. Purpose and Philosophy

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

Airports have a strong multiplier effect on the economies they serve, and they are critical regional economic development and social infrastructure. Pre Covid-19, this was independently estimated at 50:1, or for every \$1 CIAL earns, the wider South Island economy, including Christchurch, earns \$50.

CIAL will continue to pursue its core philosophy of stakeholder equity where People & Planet & Prosperity across key stakeholders must be considered and balanced. The key being the ‘&’ – it is not ‘either-or’, it is ‘and’.



6. Aviation Environment

Covid-19 is now a structural reality for the world, New Zealand and for CIAL and we expect Covid-19 to remain the biggest influence on outcomes in the short term. Over the past 18 months, the aviation sector has continued to be heavily influenced by the health-based response to the pandemic, and as a part of that sector CIAL has been significantly impacted.

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

Christchurch Airport is 90% a short-haul airport, servicing domestic, Tasman and Pacific Islands air services. Looking forward beyond the near-term impact of Covid-19 on travel, the fundamentals of the market remain strong and CIAL believes it can return to its pre Covid-19 position.

In respect to the 2021 Disclosure year, as noted below in section 8 of this document which discusses passenger demand as compared to forecast, Covid-19 and the resulting limitations it imposed on air travel has had a significant impact on passenger numbers during FY21 as compared to the PSE3 year 4 projections.

7. CIAL's Long Term Pricing Objectives

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

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

- Increasing the productivity and efficient use of the existing terminal asset;
- Ensuring CIAL is innovative itself, and facilitates and is open to others' innovation (refer to Section 11 below); and
- Being transparent through a simplified price structure, asset base and method of depreciation.

CIAL's primary long-term goal is increasing the productivity and efficient use of its existing assets, without the need for substantial additional capital expenditure. The integrated terminal was designed to provide increased productivity into the future through plans for it to become increasingly integrated/flexible. An example of this being the ability of certain gates and sections to 'swing' between domestic and international, jet and turboprop flights.

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

The price structure puts in place incentives (and removes barriers) to make more efficient use of the capacity in the full integrated terminal to minimise future capital expenditure requirements.

2021 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 fourth annual disclosure under PSE3. In the following sections, we outline the key points that the 2021 Disclosure presents in respect to the performance of CIAL's regulated activities for the current year and for the cumulative four-year period to date completed within the five-year cycle of PSE3.

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

8. Financial Information

Revenue Outcomes

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

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

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

Passenger Demand

	FY21 Actual	FY21 Forecast	Variance	PSE3 Period to Date - Actual	PSE3 Period to Date - Forecast	Variance
International	60,741	1,828,191	-96.7%	4,890,706	6,956,388	-29.7%
Domestic	3,644,632	5,444,602	-33.1%	17,807,053	20,970,874	-15.1%
TOTAL	3,705,373	7,272,793	-49.1%	22,697,759	27,927,262	-18.7%

As expected, Covid-19 and the resulting limitations that it imposed on aircraft travel has had a significant impact on the ability for aircraft to fly and hence passenger numbers as compared to the PSE3 original forecast for FY21.

Total passenger numbers for FY21 were 3.7 million, compared to 5.2 million in the prior year and just under 7 million pre-Covid-19. This being 49% lower than the original PSE3 forecasts.

The majority of the reduction in FY21 related to international passengers, which decreased to just under 61,000 for the year as compared to a forecast of 1.8m (-96.7%) and 1.3m in the prior year. Domestic passengers were 33% lower than forecast.

The table above shows that overall for the four years of PSE3 to date, cumulative passenger numbers are 5.2 million (-18.7%) below PSE3 pricing forecasts. This is as expected and reflects the impact of ongoing border-closures and domestic lockdowns since the end of March 2020.

We also know that passenger numbers for FY22 (the final year of PSE3 period) will also fall well below original PSE3 forecasts.

Priced Revenue

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

The significant impact on passenger numbers due to Covid-19 has resulted in revenue* from priced services being some \$42.9m (or 53%) lower than the PSE3 pricing forecast for the 2021 Disclosure year.

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

Non-Priced Revenue

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

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

For the 2021 Disclosure year, CIAL’s revenue from non-priced services has exceeded the PSE3 pricing forecast by approximately \$2.1m. The majority of this variance reflects higher than forecast rental income from the freight distribution centre.

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

Operating Expenditure *

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

In this 2021 Disclosure we discuss our operating expenditure variances in Schedules 6 and 7.

As explained in these schedules the operating costs for the 2021 Disclosure year were \$3.9m lower than forecast when setting prices (-10.5%), at a total of \$33.3m compared to a forecast of \$37.2m.

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

The lower than forecast operating costs reflect:

- a cessation of discretionary expenditure throughout the majority of FY21 following the impacts of Covid-19 (e.g. promotions, marketing and consultants); and
- reduced terminal and airfield operating costs, particularly in the first half of FY21, as activity at the airport was greatly impacted (e.g. cleaning, electricity and non-essential maintenance)

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

For the four-year period of PSE3 to date, operating costs (excluding incentives) of \$140.5m were 2.6% less than the forecast of \$144.3m.

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

Operating Efficiency

In our annual disclosures, we have consistently noted that CIAL is continually seeking to improve its operating efficiency both for ourselves and our airline customers.

Accordingly, operating efficiency remains a particular area of focus for CIAL and even more so in a post Covid-19 environment. It is a specific area of attention in the on-going master planning processes, which seek to maximise the productivity of our infrastructure and minimise the associated operating costs.

Several initiatives have continued through the 2021 Disclosure year where possible, including:

- *Strategy-Led Asset Management* – a continued transition towards more proactive asset maintenance works and the development of more detailed terminal and infrastructure asset management plans. Together with our contractor, City Care, we will proactively identify preventative and innovative maintenance to keep longer term maintenance costs down.
- *Energy Efficiency* – a continued focus on energy efficiency and a reduction in energy consumption, including:
 - Energy efficiency and ongoing reduction in energy consumption from CIAL’s artesian water heating and cooling energy centre in the Integrated Terminal;
 - In November 2019, CIAL fully transitioned to the use of ground source heating across the Integrated Terminal, retiring remaining diesel boilers;
 - LED lighting replacements;
 - Introduction of Building Management automated System (‘BMS’), that identifies energy inefficiencies in real-time, so our building managers can respond immediately.
- *Waste* – completion of a procurement process that sought services that covered not just waste removal but also a focus on waste minimisation. Rather than accepting the waste levy increase, CIAL has commenced a process to re-design how we approach waste, prioritising minimisation and circularity, with genuine waste reduction
- *Cleaning* – CIAL has worked with our cleaning providers since the pandemic to create a more flexible cleaning program with a focus on efficient cleaning of the highest priority areas. Work has commenced on a digital solution to identify areas of the terminal with highest use and hence the ability to effectively tailor our cleaning response

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

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

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

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

In respect to the 2021 Disclosure year the pricing incentives forecast in the PSE3 price setting disclosures of \$2.1m, reflected the rebates forecast under agreements in place at the end of PSE2, coupled with assumptions around offered and extended agreements that would be required to meet capacity and demand forecasts.

The actual incentives incurred for the 2021 Disclosure year, of \$198k, were significantly lower than forecast given the impact that Covid-19 had on overall passenger numbers, with incentives generally negotiated to increase capacity (i.e. aircraft/seats), which was obviously not relevant during this period.

The input methodologies require us to record as pricing incentives, charges that are discounted from that shown in our PSE3 pricing schedule (as well as grossing up the related revenue received). In the 2021 Disclosure year discounts to the published charges were provided for the ongoing use of Gate 15.

Capital Expenditure

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

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

In respect to the 2021 Disclosure year, CIAL's actual capital expenditure and assets commissioned at \$10.0m, was slightly less than the forecast amount of \$11.5m. This reflecting a slightly lower than forecast spend on airfield pavement works and the deferral of any non-essential capital expenditure generally to manage the financial impacts of the pandemic.

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

For the four-year period of PSE3 to date, total capital expenditure at \$61.9m is very slightly less than that forecast (\$3.0m or 4.7%), whilst assets commissioned into the regulatory assets base are almost exactly in line with forecast.

The explanation of variances in capital expenditure spend between actual and forecast over the first four years of PSE3 to date are discussed in detail at Schedule 6a.

² Final Report at [B98]

Depreciation

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

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

9. Returns

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

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

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

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

This Schedule 1 remains in place for the 2021 Disclosure Year, which will be the third year that the backward-looking IRR approach has been adopted.

Internal Rate of Return

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

Discussion around revenue, operating expenditure and capital expenditure outcomes for the 2021 Disclosure year is outlined above in this summary.

Carry forward Adjustment

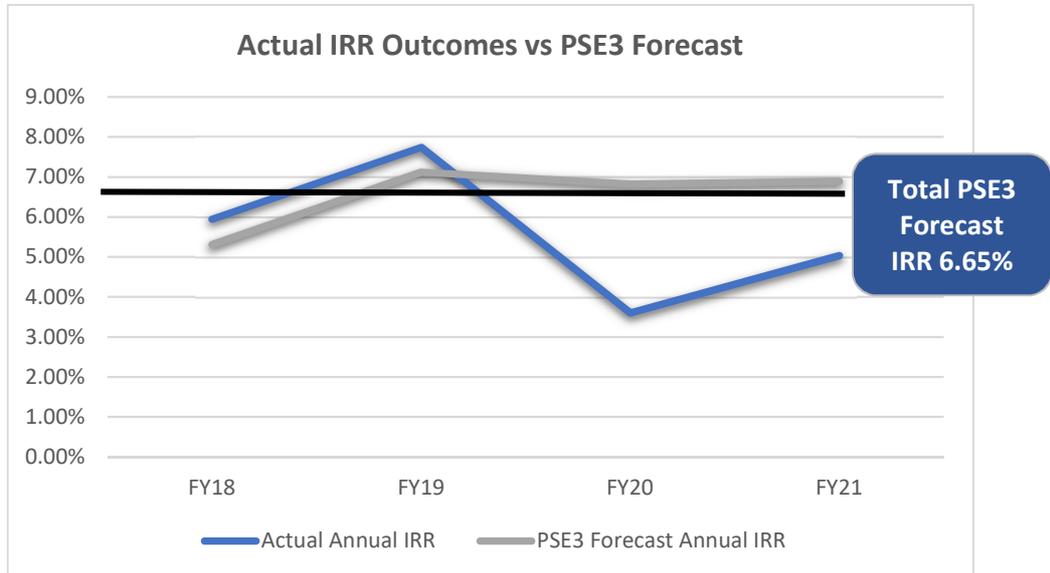
In respect to the relevant investment value for assessing the internal rate of return, it should be noted that this includes a carry forward adjustment.

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

IRR Outcomes

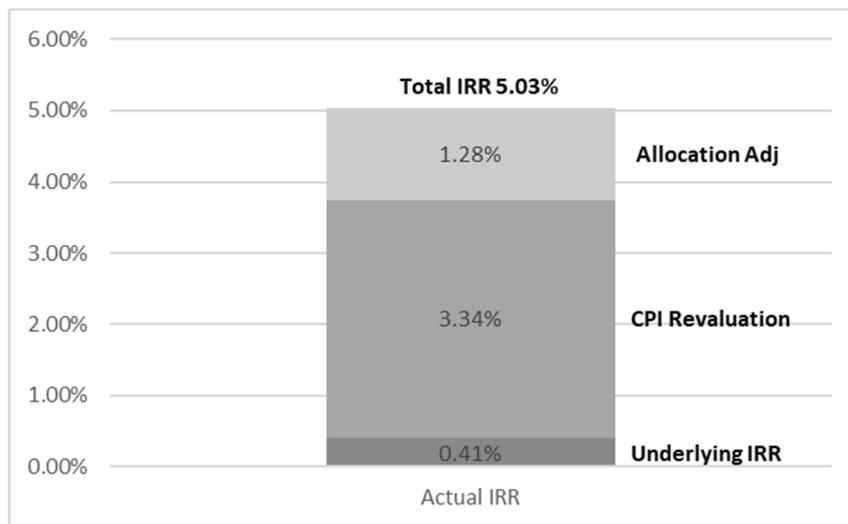
Over the five-year PSE3 period, CIAL forecast a cumulative total post-tax IRR of 6.65%. Actual IRR outcomes for the 2021 Disclosure year and pricing period to date are noted below:

- IRR for 2021 Disclosure year was 5.03%, compared with forecast of 6.89%
- Period-to-date IRR for PSE3 after four years is 5.61%, compared with forecast of 6.49%



CIAL’s ability to achieve our forecast annual IRR for the 2021 Disclosure year has been significantly impacted by the current Covid-19 border and lockdown environment. As noted above the actual IRR outcome for the 2021 Disclosure year calculates to 5.03%.

However, on further analysis of the current year IRR outcome, it should also be noted that this was significantly influenced by two non-cash items.



- Underlying IRR for the year was 0.41% based on underlying regulatory operating surplus
- Impact of CPI indexed revaluations increased the annual IRR by 3.34%
- Impact of asset allocation adjustment noted in Schedule 4 increased the annual IRR by another 1.28%

For the four-year period to date, the IRR has been calculated at 5.61% as against a forecast of 6.49%. This driven by the materially impacted actual returns in the 2020 & 2021 Disclosure year, offset to some extent by higher CPI revaluations and asset allocation changes.

CIAL believes that it is important to consider performance and returns over time, given that airports are long term cyclical assets. It will remain most relevant to track the progress of the accumulated IRR return over all five years of PSE3, noting that the continued impacts of Covid-19 are likely to lead to further significant under forecast performance for the remaining year of PSE3.

10. Service Quality

Passenger Satisfaction

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

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

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

CIAL has consistently ranked as the best of nine major Australasian airports across several service categories. As the Commission has identified, CIAL's 2017 average passenger survey ratings of 4.4 (domestic) and 4.3 (international) on a 1-5 scale, were the highest ratings of the regulated New Zealand airports.³

The key source of information on service quality is the ASQ customer satisfaction surveys. The survey data detailed in Schedule 14 demonstrates a continuing high level of passenger satisfaction for both the domestic and international terminals. Those same average scores, as noted back in 2017, were also achieved for the 2021 Disclosure year periods that were able to be measured, despite the unprecedented impact of the pandemic on air travel experiences.

The feedback from CIAL's customers continues to emphasise that the quality of CIAL's services meets their demands and reflects the benefits of CIAL's investment in new terminal facilities and the overall commitment of our service focused team.

Quarter 1&2 measures

CIAL requested a retrospective exemption to publicly disclose the associated Passenger Satisfaction Indicators for the first two quarters of disclosure year 2021. However, the Commerce Commission does not provide an exemption where non-compliance has already occurred. CIAL was unable to capture meaningful Passenger Satisfaction Indicators for the first two quarters due to imposed Covid-19 restrictions around passenger engagement and the fact that survey providers were not operating for health and safety reasons. Results have been included for the last two quarter of the year and average results calculated based on those two quarters.

³ Final Report at [B160].

11. Productivity and Efficiency

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

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

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

Existing Terminal Asset

The integrated terminal was designed to provide increased productivity into the future, without the need for substantial additional capital expenditure, through its ability to "swing" gates and parts of the terminal between domestic and international services.

CIAL intends to further utilise the integrated nature of the terminal to serve growing and changing demand and improve passenger service and experience over the life of the terminal asset.

Obviously the significantly reduced activity in the terminal because of the impact of Covid-19 on passenger numbers, has reduced the options for flexible use of the terminal during the current year.

However, the most significant project this year was the delivery of our Pathway 2 project enabling CIAL to be only one of two airports in the country to manage separately "Red" (specified flights who require 14 days in managed isolation and quarantine) as well as "Green" (Quarantine Free Travel destinations) international flights into New Zealand. This project was completed ahead of schedule and with minimal capital outlay, given our ability to efficiently utilise and section off existing parts of the terminal given the flexibility available.

Covid-19 Working Group

CIAL continued to manage the changing environment caused by the pandemic through the Covid-19 Working Group (CWG). This group continues to focus on understanding and managing the risks relating to the ongoing pandemic, oversee the ever-changing situation and to work closely with agencies such as AvSec, Ministry of Health, Ministry of Transport, MBIE, MIQ and others.

This remains essential in ensuring that the airport remains open as a critical piece of infrastructure to facilitate connectivity within, out of and back into the country, under health guidelines as necessary.

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:

- Investigation of robotic process automation in the areas of baggage systems and Airport Services
- Use of humanoid robots to enhance customer experience as a source for traveller information and greeting arriving passengers on their way to managed isolation

- First airport in New Zealand to enable e-plane charging within the operational airfield to support and enable electric plane operators like Electric Air to further enhance and develop this technology
- Ongoing investigation of the potential for building a world-class sustainable airport to keep future generations of South Island residents and businesses connected to the rest of the world.

12. Health, Safety, Security and Environment

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

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

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

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

Safety Leadership

- Execution of CIAL's pandemic plan including detailed health & safety assessment for CIAL staff and the wider campus
- CIAL People and Aviation Safety Assurance program delivered successfully despite challenges of pandemic restrictions
- Mental health first aid training completed as part of CIAL's Mental health and resilience program

Sustainability

- CIAL commissioned an additional UV treatment water plant in compliance with NZ Drinking Water Standards providing for a world class water supply network across CIAL's campus
- Christchurch Airport was the 1st airport in the world to undertake and be granted the highest level of decarbonisation achievement - a Level 4 Airports Council International's (ACI) decarbonisation accreditation. As such Christchurch Airport became the 1st airport in the world recognised for demonstrating 'best practice in carbon reduction'
- CIAL was:
 - a finalist in the Climate Action Innovator and Climate Action Leader categories of the Sustainable Business Network's 2021 Sustainable Business Awards
 - a finalist in the Energy Excellence Awards 'Low Carbon Future' category for our Ground Source Heat Pump system in our International Arrivals area
 - a finalist for the Environment Award in the New Zealand Tourism Awards, for our contribution and leadership in decarbonisation and waste

OVERALL COMMENT

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

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

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

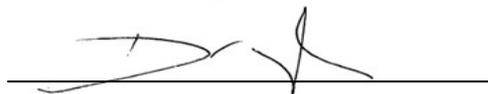
It remains clear that our Airport has delivered, and will continue to deliver, an enhanced passenger and airline experience, and a significant social and economic benefit to our country by delivering for both Christchurch and the regions of the South Island.

SCHEDULE 21 – CERTIFICATION FOR DISCLOSED INFORMATION – YEAR ENDED 30 JUNE 2021

We, Catherine Drayton and Kate Morrison, 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, with the following exceptions:

- Schedule 14 does not include information for the quarters ended 30 September 2020 and 31 December 2020, contrary to the requirements of clause 2.4(1)(a)(iv) of the determination; and
- Christchurch International Airport Limited did not complete passenger satisfaction surveys for the quarters ended 30 September 2020 and 31 December 2020, contrary to the requirements of clause 2.4(2) of the determination. *

* CIAL was unable to capture meaningful Passenger Satisfaction Indicators for the quarters noted due to imposed Covid-19 restrictions around passenger engagement.

A handwritten signature in black ink, appearing to be "Catherine Drayton", written over a horizontal line.

Catherine Drayton
Chair
30 November 2021

A handwritten signature in blue ink, appearing to be "Kathryn Mitchell", written over a horizontal line.

Kathryn Mitchell
Director
30 November 2021



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

Company Name	Christchurch International Airport Ltd
Disclosure Date	30 November 2021
Disclosure Year (year ended)	30 June 2021
Pricing period starting year (year ended)	30 June 2018

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

Table of Contents

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

Disclosure Template Guidelines for Information Entry

Internal consistency check

OK

Templates

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

Data entry cells and calculated cells

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

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

Validation settings on data entry cells

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

Data entry cells for text entries

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

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

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

Data entry cells that contain conditional formatting

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

a) Internal consistency checks

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

Schedule 4, cells N110:N118, J30;

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

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

b) Conditionally disclosed information

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

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

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

Schedule 6 comparison of actual and forecast expenditures

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

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

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

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

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

Christchurch International Airport Ltd
30 June 2021
30 June 2018

SCHEDULE 1: REPORT ON PROFITABILITY

ref Version 5.0

7 1a: Internal Rates of Return

	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
10 Post-tax IRR - pricing period to date (%)	5.61%	6.49%	(0.88%)
12 Post-tax IRR - current year (%)	5.03%	6.89%	(1.86%)

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

	Actual for Period to Date	Forecast for Period to Date	Variance
(\$000 unless otherwise specified)			
16 Opening RAB	521,432	524,373	(2,941)
17 Opening carry forward adjustment	(8,789)	(7,806)	(983)
18 Opening investment value	530,221	532,179	(1,958)
20 plus Total regulatory income	335,568	388,366	(52,798)
21 less Assets commissioned	62,693	64,959	(2,266)
22 plus Asset disposals	1,053	-	1,053
23 less Operational expenditure	152,598	156,701	(4,103)
24 less Unlevered tax	34,832	44,146	(9,314)
26 RAB value	553,531	541,528	12,003
27 Closing carry forward adjustment	(8,789)	(7,806)	(983)
28 Closing investment value	562,320	549,334	12,986
30 Post-tax IRR for pricing period to date (%)	5.61%	6.49%	(0.88%)

31 1a(ii): Current Year Annual IRR

	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
33 Opening RAB	540,865	543,648	(2,783)
34 Opening carry forward adjustment	(8,789)	(7,806)	(983)
35 Opening investment value	549,654	551,454	(1,800)
37 plus Total regulatory income	62,557	103,303	(40,746)
38 less Assets commissioned	10,080	11,503	(1,423)
39 plus Asset disposals	-	-	-
40 less Operational expenditure	33,509	39,385	(5,876)
41 less Unlevered tax	4,217	13,066	(8,849)
43 RAB value	553,531	541,528	12,003
44 Closing carry forward adjustment	(8,789)	(7,806)	(983)
45 Closing investment value	562,320	549,334	12,986
47 Post-tax IRR for current year (%)	5.03%	6.89%	(1.86%)

48 Explanation of variances

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

CIAL's ability to achieve our forecast annual IRR for the 2021 Disclosure year has been significantly impacted by the current Covid-19 border and lockdown environment. The actual post-tax annual IRR for the 2021 disclosure year calculates to 5.03%. This compares to a PSE3 forecast annual IRR of 6.89%. Key variances are as follows:

- CIAL's regulatory operating revenue (and hence surplus) was -\$42.9m less than forecast. This loss of revenue had a -5.9% negative impact on the current year post-tax IRR calculation when adjusted for unlevered tax
- actual lease, rental and concession income is above forecast by approximately +\$2.1m, reflecting higher than forecast rental income from the freight distribution centre. On a current year post-tax IRR basis this amounts to a variance of +0.3% when adjusted for unlevered tax
- actual operational expenditure was below forecast by around -\$5.9m. On a current year post-tax IRR basis this amounts to a variance of +0.8% when adjusted for unlevered tax
- actual depreciation was below forecast by around -\$1.9m. On a current year post-tax IRR basis this amounts to a variance of +0.3% when adjusted for unlevered tax
- actual CPI revaluations are above forecast by around +7.3m. On a current year post-tax IRR basis this amounts to a variance of +1.3% when adjusted for unlevered tax
- during the current 2021 disclosure year the make-up of CIAL's terminal assets changed – the regulated disclosure footprint has increased. This resulted in an increase to the closing RAB of +\$6.8m (change in 'Infrastructure and Buildings adjustment resulting from cost allocation' detailed in Schedule 4). This change in terminal allocation had a +1.3% effect in the current year post-tax IRR calculation

For the four year period to date, the post-tax IRR calculates to 5.61% as against the equivalent PSE3 forecast of 6.49%. The variance is driven by the materially impacted actual returns in the 2020 & 2021 Disclosure years, offset to some extent by higher CPI revaluations and asset allocation changes.

Unlevered tax within Schedule 3, that directly impacts the calculation of the IRR value, calculates as 'regulatory tax allowance plus the notional interest tax shield' as previous directed to us by the Commerce Commission. Doing so ensures a direct comparison between this disclosure statement's unlevered tax value and our PSE3 forecast unlevered tax value included in our PSE3 disclosure statement. If this adjustment was not made, CIAL would not be able to compare actual and PSE3 forecast IRR calculations on a like for like basis.

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

Christchurch International Airport Ltd
30 June 2021
30 June 2018

SCHEDULE 1: REPORT ON PROFITABILITY (cont)

ref Version 5.0

	Pricing Period Starting Year 30 June 2018	Pricing Period Starting Year + 1 30 June 2019	Pricing Period Starting Year + 2 30 June 2020	Pricing Period Starting Year + 3 30 June 2021	Pricing Period Starting Year + 4 30 June 2022
1b: Actual IRR Inputs					
Opening RAB	521,432	527,404	534,032	540,865	-
Opening carry forward adjustment	(8,789)	(8,789)	(8,789)	(8,789)	-
Opening investment value	530,221	536,193	542,821	549,654	-
Total regulatory income	94,599	98,468	79,944	62,557	-
Assets commissioned - 1st month	2,259	142	497	2,516	-
Assets commissioned - 2nd month	186	281	125	-	-
Assets commissioned - 3rd month	263	194	24	258	-
Assets commissioned - 4th month	391	239	881	127	-
Assets commissioned - 5th month	551	133	77	14	-
Assets commissioned - 6th month	5,927	105	1,000	256	-
Assets commissioned - 7th month	15	1,285	489	47	-
Assets commissioned - 8th month	3	84	131	42	-
Assets commissioned - 9th month	722	615	1,753	1,456	-
Assets commissioned - 10th month	481	2,803	84	1,475	-
Assets commissioned - 11th month	4,506	383	39	161	-
Assets commissioned - 12th month	3,761	5,520	16,664	3,728	-
Asset disposals	1,053	-	-	-	-
Operational expenditure	40,523	41,238	37,328	33,509	-
Unlevered tax	10,711	11,535	8,369	4,217	-
RAB value	527,404	534,032	540,865	553,531	-
Closing carry forward adjustment	(8,789)	(8,789)	(8,789)	(8,789)	-
Closing investment value	536,193	542,821	549,654	562,320	-
Post-tax IRR - pricing period to date (%)	5.99%	6.83%	5.79%	5.61%	-
1c: Carry Forward Balance					
			Actual	Forecast	Variance
Opening carry forward adjustment			(8,789)	(7,806)	(983)
Default revaluation gain/loss adjustment			-	-	-
Risk allocation adjustment			-	-	-
Other carry forward adjustment – forecast			-	-	-
Other carry forward adjustment – not forecast			-	-	-
Closing carry forward adjustment			(8,789)	(7,806)	(983)
Commentary on Carry forward balance	<p>The carry forward adjustments are in respect to an anomaly, limited to PSE2 only, that relate to the allocation of implied depreciation. To correct this anomaly CIAL has used an opening RAB adjustment in our 2018 disclosure statement, under the mechanism the Commission added during its review of the Input Methodologies. CIAL is continuing to carry this adjustment forward in our 2021 disclosure statement.</p> <p>The Forecast Opening Carry Forward Adjustment is what was included in our PSE3 price setting disclosures and relates to the implied depreciation correction based off a 30 June 2017 forecast closing RAB value (when PSE3 was still in the consultation phase). Some substantial customers noted there was an element of complexity to the calculation of this carry forward adjustment, which resulted in an independent review by Deloitte.</p> <p>The Actual Opening Carry Forward Adjustment is the final implied depreciation correction calculation based on CIAL's 30 June 2017 closing RAB value, as recorded within the last disclosure statement of PSE2 (2017 disclosure year). As mentioned CIAL is carrying this adjustment forward in our 2021 disclosure statement.</p>				
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
For Year EndedChristchurch International Airport Ltd
30 June 2021

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref Version 5.0

6 2a: Regulatory Profit

(\$000 unless otherwise specified)

		Actual	Forecast	Variance
7	Income			
8	Airfield Charges	24,383	39,841	(15,458)
9	Terminal Charges	22,098	48,482	(26,384)
10	Counter Charges	1,172	2,236	(1,064)
11	Passenger Service Charges	–	–	–
12	Lease, rental and concession income	14,846	12,744	2,102
13	Other operating revenue	–	–	–
14	Net operating revenue	62,499	103,303	(40,804)
15				
16	Gains / (losses) on sale of assets	–	–	–
17	Other income	58	–	58
18	Total regulatory income	62,557	103,303	(40,746)
19	Expenses			
20	Operational expenditure:			
21	Corporate overheads	6,744	7,489	(745)
22	Asset management and airport operations	23,946	29,950	(6,004)
23	Asset maintenance	2,819	1,946	873
24	Total operational expenditure	33,509	39,385	(5,876)
25				
26	Operating surplus / (deficit)	29,048	63,918	(34,870)
27				
28	Regulatory depreciation	22,581	24,496	(1,915)
29				
30	plus Indexed revaluation	18,217	10,873	7,344
31	plus Periodic land revaluations	–	–	–
32	Total revaluations	18,217	10,873	7,344
33				
34	Regulatory Profit / (Loss) before tax	24,684	50,295	(25,611)
35				
36	less Regulatory tax allowance	3,665	13,066	(9,401)
37				
38	Regulatory Profit / (Loss)	21,019	37,229	(16,210)

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Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref Version 5.0

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

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

47			
48	Pricing incentives	198	
49	Other incentives	-	
50	Total financial incentives		198

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

52			
53	Rates and levy costs		2,471

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

55			
56	Merger and acquisition expenses		-

57 **Justification for Merger and Acquisition Expenses**

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

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

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

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

67 Further discussion around incentives incurred for the 2021 disclosure year as compared to forecast is outlined in Section 8 of the
68 Executive Summary accompanying these schedules.

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Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2021**SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE**

ref Version 5.0

3a: Regulatory Tax Allowance			(\$000)
6	Regulatory profit / (loss) before tax		24,684
7			
8			
9	<i>plus</i> Regulatory depreciation	22,581	
10	Other permanent differences—not deductible	30	*
11	Other temporary adjustments—current period	1,645	*
12			24,256
13			
14	<i>less</i> Total revaluations	18,217	
15	Tax depreciation	13,992	
16	Notional deductible interest	1,973	
17	Other permanent differences—non taxable	-	*
18	Other temporary adjustments—prior period	1,670	*
19			35,852
20			
21	Regulatory taxable income (loss)		13,088
22			
23	<i>less</i> Tax losses used	-	
24	Net taxable income		13,088
25			
26	Statutory tax rate (%)	28.0%	
27	Regulatory tax allowance		3,665
28			
29	Notional interest tax shield	552	
30	Unlevered tax		4,217

* Workings to be provided

3b: Notes to the Report**3b(i): Disclosure of Permanent Differences and Temporary Adjustments**

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

Details of the tax differences are as follows:

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

3b(ii): Tax Depreciation Roll-Forward

42	Opening RAB (Tax Value)	252,073	
43			
44	<i>plus</i> Regulatory tax asset value of additions	10,080	
45	<i>less</i> Regulatory tax asset value of disposals	-	
46	<i>plus</i> Regulatory tax asset value of assets transferred from/(to) unregulated asset base	-	
47	<i>less</i> Tax depreciation	13,992	
48	<i>plus</i> Other adjustments to the RAB tax value	4,701	
49	Closing RAB (tax value)		252,862
50			

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

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

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

58	RAB value - previous year	540,865	
59	Debt leverage assumption (%)	19%	
60	Cost of debt assumption (%)	1.92%	
61	Notional deductible interest	1,973	
62	Tax rate (%)	28.0%	
63	Notional interest tax shield	552	
64			
65			

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Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2021

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref Version 5.0

		Actual (\$000)	Forecast (\$000)	Variance (\$000)
6				
7				
8	RAB value—previous disclosure year	540,865	543,648	(2,783)
9				
10	less Regulatory depreciation	22,581	24,496	(1,915)
11	plus Total revaluations	18,217	10,873	7,344
12	plus Assets Commissioned	10,080	11,503	(1,423)
13	less Asset disposals	—	—	—
14	plus Lost and found assets adjustment	—	—	—
15	Adjustment resulting from cost allocation	6,950	—	6,950
16				
17	RAB value †	553,531	541,528	12,003
18				
19		Unallocated RAB *		RAB
20	RAB value—previous disclosure year	604,327		540,865
21	less			
22	Regulatory depreciation	26,154		22,581
23	plus			
24	Indexed revaluations	20,082	18,217	
25	Periodic land revaluations	—	—	
26	Total revaluations	20,082		18,217
27	plus			
28	Assets commissioned (other than below)	12,003	10,080	
29	Assets acquired from a regulated supplier	—	—	
30	Assets acquired from a related party	—	—	
31	Assets commissioned	12,003		10,080
32	less			
33	Asset disposals (other)	—	—	
34	Asset disposals to a regulated supplier	—	—	
35	Asset disposals to a related party	—	—	
36	Asset disposals	—		—
37				
38	plus Lost and found assets adjustment	—		—
39				
40	Adjustment resulting from cost allocation			6,950
41				
42	RAB value †	610,258		553,531

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

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

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

ref Version 5.0

51 **4b: Notes to the Report**

52 **4b(i): Regulatory Depreciation**

	Unallocated RAB	RAB
54 Standard depreciation	-	-
55 Non-standard depreciation	26,154	22,581
56 Regulatory depreciation	26,154	22,581

57 **4b(ii): Non-Standard Depreciation Disclosure**

Non-standard Depreciation Methodology	Depreciation charge for the period (RAB)	Year change made (year ended)	RAB value under 'non-standard' depreciation	RAB value under 'standard' depreciation
58 CIAL set its PSE3 prices using, and has used in this disclosure, a tilted annuity method of depreciation.	22,581	2018	553,531	542,501
59 CIAL's substantial customers and the Commerce Commission supported CIAL's use of tilted annuity depreciation in price setting.				
62				

63 **4b(iii): Calculation of Revaluation Rate and Indexed Revaluation of Fixed Assets**

65 CPI at CPI reference date—previous year (index value)		1,047
66 CPI at CPI reference date—current year (index value)		1,082
67 Revaluation rate (%)		3.34%
68		
69 Asset category revaluation rates		
70 Land		3.34%
71 Sealed Surfaces		3.34%
72 Infrastructure and buildings		3.34%
73 Vehicles, plant and equipment		3.34%
74		
75 Revaluations		
76 Land	3,805	3,772
77 Sealed Surfaces	4,285	4,285
78 Infrastructure and buildings	11,427	9,713
79 Vehicles, plant and equipment	565	447
80 Indexed revaluation	20,082	18,217

81 **4b(iv): Works Under Construction**

	Unallocated works under construction	Allocated works under construction	RAB
83 Works under construction—previous disclosure year	6,079		4,850
84 plus Capital expenditure	11,720	10,006	
85 less Asset commissioned	12,003	10,080	
86 plus Adjustment resulting from cost allocation			431
87 Works under construction	5,796		5,207

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Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

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

ref Version 5.0

4b(v): Capital Expenditure by Primary Purpose

94	Capacity growth		5,801	
95	plus Asset replacement and renewal		4,205	
96	Total capital expenditure			10,006

4b(vi): Asset Classes

	Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *	
99						
100	RAB value—previous disclosure year	113,081	128,814	285,213	13,757	540,865
101	less Regulatory depreciation	—	4,705	15,417	2,459	22,581
102	plus Indexed revaluations	3,772	4,285	9,713	447	18,217
103	plus Periodic land revaluations	—	—	—	—	—
104	plus Assets commissioned	—	5,198	4,625	257	10,080
105	less Asset disposals	—	—	—	—	—
106	plus Lost and found assets adjustment	—	—	—	—	—
107	plus Adjustment resulting from cost allocation	44	—	6,806	100	6,950
108	RAB value	116,897	133,592	290,940	12,102	553,531

* Corresponds to values in RAB roll forward calculation.

4b(vii): Assets Held for Future Use

109	Assets held for future use opening cost—previous year			107,102	
110					
111	plus Holding costs		2,802		
112	less Assets held for future use net revenue		(19)		
113	plus Assets held for future use additions		4,900		
114	less Assets held for future use disposals		—		
115	less Transfers to works under construction		—		
116	Assets held for future use closing cost				114,823
117					
118	Opening base value			82,879	
119	plus Assets held for future use revaluations		2,771		
120	plus Assets held for future use additions		4,900		
121	less Assets held for future use disposals		—		
122	less Transfers to works under construction		—		
123	Closing base value				90,550
124					
125	plus Opening tracking revaluations		7,944		
126	Tracking revaluations		10,715		
127	Highest rate of finance applied (%)				—
128					
129					

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2021**SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS**

ref Version 5.0

5(i): Related Party Transactions

(\$000)

Net operating revenue	1,789
Operational expenditure	14,194
Related party capital expenditure	–
Market value of asset disposals	–
Other related party transactions	3,305

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 Majority Shareholder
Orion NZ Limited	Subsidiary of Majority Shareholder
Enable Services Ltd	Subsidiary of Majority Shareholder
City Care Limited	Subsidiary of Majority Shareholder
Red Bus Limited	Subsidiary of Majority Shareholder
Venues Otautahi Ltd	Subsidiary of Majority Shareholder
ChristchurchNZ	Subsidiary of Majority Shareholder
BECA Group Limited	Common Directors
University of Canterbury	Common Directors
Orbit Travel & House of Travel Holdings Limited	Common Directors
Skyline Enterprises Ltd	Common Directors
EBOS Group	Common Directors

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price (\$)	Value
Christchurch City Council (CCC)	Rates		6,475
Christchurch City Council (CCC)	Operational Expenditure		280
Christchurch City Council (CCC)	Revenue		–
Christchurch City Council (CCC)	Subvention Payment/Losses		–
Orion NZ Limited	Revenue		407
Connetics	Operational Expenditure		3
Enable Services Ltd	Revenue		–
Enable Services Ltd	Subvention Payment/Losses		–
City Care Limited	Revenue		683
City Care Limited	Operational Expenditure		7,068
Red Bus Limited	Revenue		11
Venues Otautahi Ltd	Revenue		2
ChristchurchNZ	Operational Expenditure		275
BECA Group Limited	Structural Engineering Services		11
University of Canterbury	Research		–
Orbit Travel & House of Travel Holdings Limited	Travel, Accommodation, Lease Tenancy		82
Skyline Enterprises Ltd	Rental Income		109
EBOS Group	Rental Income		577
Christchurch International Airport Limited	Management compensation of key personnel including Directors and Executive Management, incorporating salaries and other short term employee benefits		
	Directors Fees		348
	Executive Management		2,957

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Regulated Airport
For Year Ended

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

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59 **Commentary on Related Party Transactions**

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

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

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

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

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

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2021

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE

ref Version 5.0

6a: Actual to Forecast Expenditure		(\$000)				
	Actual for Current Disclosure Year	Forecast for Current Disclosure Year*	% Variance (a)/(b)-1	Actual for Period to Date	Forecast for Period to Date*	% Variance (a)/(b)-1
	(a)	(b)	(a)/(b)-1	(a)	(b)	(a)/(b)-1
Expenditure by Category						
Capacity growth	5,801	2,683	116.2%	40,196	27,486	46.2%
Asset replacement and renewal	4,205	8,820	(52.3%)	21,740	37,473	(42.0%)
Total capital expenditure	10,006	11,503	(13.0%)	61,936	64,959	(4.7%)
Corporate overheads	6,744	7,489	(9.9%)	29,882	29,673	0.7%
Asset management and airport operations	23,946	29,950	(20.0%)	112,838	119,489	(5.6%)
Asset maintenance	2,819	1,946	44.9%	9,878	7,539	31.0%
Total operational expenditure	33,509	39,385	(14.9%)	152,598	156,701	(2.6%)
Key Capital Expenditure Projects						
Jet Ground Power	–	1,086	(100.0%)	3,204	5,258	(39.1%)
Cat 3 Nav 02-20	–	–	Not defined	–	–	Not defined
Airfield Pavement Works	3,657	4,197	(12.9%)	19,610	18,659	5.1%
Taxiway Widening	–	–	Not defined	922	4,306	(78.6%)
Phase 3a - Regional Stands, Hangar 4 Removal	8	–	Not defined	1,626	2,709	(40.0%)
Terminal Development	1,404	–	Not defined	11,882	8,539	39.1%
Gate 15 Reconfiguration	–	–	Not defined	4,048	–	Not defined
Water Network	950	–	Not defined	1,566	–	Not defined
Freight Buildings	2,044	–	Not defined	2,044	–	Not defined
Other capital expenditure	1,943	6,220	(68.8%)	17,034	25,488	(33.2%)
Total capital expenditure	10,006	11,503	(13.0%)	61,936	64,959	(4.7%)
Explanation of Variances						
Operating Expenditure	Operating costs for the 2021 disclosure year were lower (-\$3.9m) than forecast when setting prices, at a total of \$33.3m compared to a forecast of \$37.2m (excluding incentives which are discussed in Section 8 of the Executive Summary). See Schedule 7 and Section 8 of the Executive Summary accompanying this disclosure statement for an explanation of the key reasons for this variance.					
Capital Expenditure	CIAL's actual capital expenditure at \$10.0m was less than the forecast amount of \$11.5m (2020 disclosure year was \$17.8m and \$21.1m respectively). Assets commissioned this disclosure year (i.e. brought into the regulatory asset base) were the same as our capital expenditure number against a forecast amount of \$11.5m (2020 disclosure year was \$21.8m and \$21.1m respectively). The Works Under Construction closing values remained similar to their opening values.					
	Key variances in capital expenditure over the four years of PSE3 to date include:					
	<i>Jet Ground Power (-\$2.0m)</i>					
	CIAL delivered the latest stage of investment in jet ground power during the 2020 disclosure year. This project started later than forecast leading to a delay in moving it through Works Under Construction into Assets Commissioned. CIAL remains committed to further increasing the number of stands able to offer this service in the future but within the current Covid-19 environment no further expenditure has been incurred within this disclosure year (and therefore the forecast spend of \$1.0m did not eventuate increasing the period to date variance to -\$2.0m).					
	<i>Airfield Pavement Works (+\$1.0m)</i>					
	When estimating the forecast capital expenditure during the PSE3 price setting process, the estimate of airfield pavement works was based on CIAL's 20-year Asset Management Plan. In each individual year, a more detailed assessment is made of the specific maintenance required on the airfield sealed surfaces which will usually result in a variance from the long-term estimates (unders and overs each year) based on specific circumstances observed. The 2020 disclosure year resulted in a -\$1.5m underspend. The 2021 disclosure year's detailed assessment has resulted in an underspend of -\$0.5m against forecast. CIAL remains of the view that the overall spend within the PSE3 pricing period will likely be at or slightly above the original PSE3 five year forecast.					
	<i>Taxiway Widening (-\$3.4m)</i>					
	At the time of consulting on the capital expenditure forecasts for PSE3, CIAL was of the view that this work would be completed in the 2018 disclosure year. However, the work on this project was substantially completed ahead of forecast in the 2017 disclosure year. As such this variance remains the same as that detailed within our 2018 disclosure statement and will continue to be this value until CIAL moves out of the PSE3 pricing period.					
	<i>Hangar 4 Removal (-\$1.1m)</i>					
	This project incurred no significant capital expenditure during the 2021 disclosure year however the asset has been commissioned this disclosure year and brought into CIAL's RAB.					
	<i>Terminal Development (+\$3.3m)</i>					
	The key project in the 2021 disclosure year has been the introduction of 2 separate international pathways for arriving passengers, a green and a red pathway, in order to better manage incoming travellers from countries with different Covid-19 classifications at the border.					
	<i>Gate 15 Reconfiguration (+\$4.0m)</i>					
	In respect to the development of Gate 15 no specific forecast was made for this project in our capital expenditure forecasts for PSE3; the work was not anticipated at that time. However, CIAL did indicate during consultation that terminal reconfiguration projects would be necessary over PSE3 to ensure the most efficient and productive use of the terminal. This is an example of this type of project which was highlighted, whilst not forecast to occur until later into PSE3. Substantial customers were consulted about this project which was completed in the 2018 disclosure year; as such this variance has remained as detailed within our 2018 disclosure statement.					
	<i>Water Network (+\$1.6m)</i>					
	Changes imposed on CIAL around the management of our water and well infrastructure to prevent contamination (as a direct result of the Havelock North drinking water contamination incident).					
	<i>Freight Buildings (+\$2.0m)</i>					
	With the ever increasing volume of freight our Freight Distribution Centre is being expanded to keep up with demand. This was expected to occur but not within the regulatory reporting period of PSE3.					
	Airport businesses are to provide explanations of material variances between actual and forecast expenditure.					
	* Disclosure year coincides with Pricing Period Starting Year + 3.					

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

ref Version 5.0

73 **6b: Forecast Expenditure**74 *From most recent disclosure following a price setting event*

75 Starting year of current pricing period (year ended) 30 June 2018

	for year ended	Pricing	Pricing	Pricing	Pricing	Pricing
		Period	Period	Period	Period	Period
		Starting Year				
		+ 1	+ 2	+ 3	+ 4	
		30 Jun 18	30 Jun 18	30 Jun 18	30 Jun 21	30 Jun 22
Expenditure by Category						
Capacity growth		12,277	1,567	10,959	2,683	6,726
Asset replacement and renewal		7,415	11,056	10,182	8,820	10,432
Total forecast capital expenditure		19,692	12,623	21,141	11,503	17,158
Corporate overheads		7,677	7,170	7,337	7,489	7,645
Asset management and airport operations		31,265	28,888	29,386	29,950	30,525
Asset maintenance		1,823	1,863	1,907	1,946	1,987
Total forecast operational expenditure		40,765	37,921	38,630	39,385	40,157
Key Capital Expenditure Projects						
Jet Ground Power		1,539	1,567	1,066	1,086	-
Cat 3 Nav 02-20		-	-	-	-	5,540
Airfield Pavement Works		2,655	6,366	5,441	4,197	5,390
Taxiway Widening		4,306	-	-	-	-
Phase 3a - Regional Stands, Hangar 4 Removal		2,709	-	-	-	-
Terminal Development		-	-	8,539	-	-
Gate 15 Reconfiguration		-	-	-	-	-
Water Network		-	-	-	-	-
-		-	-	-	-	-
-		-	-	-	-	-
Other capital expenditure		8,483	4,690	6,095	6,220	6,228
Total forecast capital expenditure		19,692	12,623	21,141	11,503	17,158

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

ref Version 5.0

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

Estimated present value of the proposed risk allocation adjustment (\$000)

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

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

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

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

* Disclosure year Pricing Period Starting Year .

Regulated Airport
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Christchurch International Airport Ltd
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SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref Version 5.0

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	(\$000) Airport Business*
Airfield Charges	-	24,383	-	24,383
Terminal Charges	22,098	-	-	22,098
Counter Charges	1,172	-	-	1,172
Passenger Service Charges	-	-	-	-
Lease, rental and concession income	4,989	733	9,125	14,846
Other operating revenue	-	-	-	-
Net operating revenue	28,258	25,115	9,125	62,499
Gains / (losses) on asset sales	-	-	-	-
Other income	28	28	3	58
Total regulatory income	28,286	25,143	9,128	62,557
Total operational expenditure	17,927	13,075	2,507	33,509
Regulatory depreciation	15,187	6,695	699	22,581
Total revaluations	8,064	8,246	1,907	18,217
Regulatory tax allowance	265	1,707	1,693	3,665
Regulatory profit/ loss	2,972	11,912	6,136	21,019
RAB value	238,628	255,123	59,780	553,531

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

Commentary on Segmented Information

This disclosure schedule incorporates the value of tilted depreciation as presented in our "Decision on the reset of aeronautical prices for the period 1 July 2017 to 30 June 2022" pricing disclosure document. The following table shows a comparison of the actual outcomes for the 2021 disclosure year compared to our PSE3 Year 4 forecast. Discussion in respect to revenue from priced services is included in Section 8 of the Executive Summary accompanying these schedules.

Component	Value	Terminal	Airfield	Aircraft and Freight
Lease, Rental and Concession Income	PSE3 Year 4 Forecast	\$ 5,135	\$ 316	\$ 7,292
	Actuals	\$ 4,988	\$ 732	\$ 9,125
	Variance	-\$ 147	\$ 416	\$ 1,832
Explanation of variance: Revenue from non-priced services exceeded the PSE3 pricing forecast by +\$2.1m. This reflects higher than forecast rental income from the freight distribution centre (in our 2020 disclosure year the same freight variance was +\$2.0m). Refer to Section 8 of the Executive Summary for further commentary.				
Operational Expenditure - Asset Maintenance	PSE3 Year 4 Forecast	-\$ 1,493	-\$ 365	87
	Actuals	-\$ 1,907	-\$ 519	392
	Variance	\$ 414	\$ 154	305
Explanation of variance: CIAL has outsourced its maintenance services to City Care Limited (see 2018 disclosure statement). From an allocation perspective this results in an increase in external maintenance costs across all regulated activities offset by a reduction in CIAL payroll costs. Embedding this outsource model has resulted in greater overall costs.				
Operational Expenditure - Asset Management and Airport Operations	PSE3 Year 4 Forecast	-\$ 17,743	-\$ 11,131	1,076
	Actuals	-\$ 12,351	-\$ 9,950	1,644
	Variance	-\$ 5,391	-\$ 1,181	569
Explanation of variance: Overall, CIAL has incurred lower operating costs than forecast due to a cessation of discretionary expenditure and reduced terminal and airfield costs to manage the wider impacts of Covid-19 across our regulated business. Actual incentives and trade partner support were -\$3.9m below our PSE3 pricing forecast - further discussion around these costs are outlined in Section 8 of the Executive Summary accompanying these schedules. Payroll, electricity, and heating fuel costs were under our PSE3 pricing forecast but these savings were partly offset by the increased costs of rates and insurance which were greater than forecast.				
Operational Expenditure - Corporate Overheads	PSE3 Year 4 Forecast	-\$ 3,985	-\$ 3,400	104
	Actuals	-\$ 3,669	-\$ 2,606	470
	Variance	-\$ 317	-\$ 795	366
Explanation of variance: Overall, CIAL has incurred lower operating costs than forecast due to a cessation of discretionary expenditure and reduced terminal and airfield costs to manage the wider impacts of Covid-19 across our regulated business. Consultant, legal, and travel related costs were under our PSE3 pricing forecast but these savings were partly offset by the increased costs of rates and insurance which were greater than forecast.				
Depreciation	PSE3 Year 4 Forecast	\$ 16,037	\$ 7,673	786
	Actuals	\$ 15,187	\$ 6,695	699
	Variance	-\$ 850	-\$ 978	87
Explanation of variance: CIAL has incurred capital expenditure of \$61.9m against a forecast of \$64.9m over Years 1 to 4 of PSE3. Assets commissioned over this same period were \$62.7m against a forecast of \$64.9m. Key variances of note are outlined in Schedule 6. Despite these amounts being similar in value there has been a delay in the capital expenditure flowing from Works Under Construction into RAB that has resulted in lower than forecast tilted depreciation across all regulated activities.				
Revaluations	PSE3 Year 4 Forecast	\$ 4,847	\$ 5,080	946
	Actuals	\$ 8,064	\$ 8,246	1,907
	Variance	\$ 3,217	\$ 3,166	961
Explanation of variance: CIAL's Year 4 forecast PSE3 CPI value is lower than the 2021 disclosure year CPI value due solely to the significant +1.3% CPI quarter on quarter change experienced for June 2021. Calculating a CPI value off June 2020 and March 2021 index values (+2.0%) and comparing this to Year 4's forecast PSE3 value; the revaluation variance reduces to virtual nothing.				

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SCHEDULE 8: CONSOLIDATION STATEMENT

ref Version 5.0

8a: CONSOLIDATION STATEMENT

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business- GAAP	Unregulated Activities- GAAP	(\$000) Airport Company- GAAP
Net income	62,557	(198)	62,906	78,719	141,625
Total operational expenditure	33,509	(198)	33,858	32,024	65,882
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	29,048	-	29,048	46,695	75,743
Depreciation	22,581	6,286	28,867	13,067	41,934
Revaluations	18,217	(11,567)	6,650	36,830	43,480
Tax expense	3,665	(2,881)	784	14,426	15,210
Net operating surplus / (deficit) before interest	21,019	(14,972)	6,047	56,032	62,079
Property plant and equipment	553,531	108,002	661,533	648,279	1,309,812

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	(198)
Restoring Pricing Incentive costs within Total Operational Expenditure	Total Operational Expenditure	(198)
Depreciation methodology - on additions and disposals under GAAP	Depreciation	6,286
Revaluation methodology	Revaluations	(11,567)
Tax expense adjustment due to different calculation methodology	Tax Expense	(2,881)
Land held for development and Work in Progress - excluded from RAB	Property Plant and Equipment	75,721
Revaluation variance due to different methods for years 2009-2019	Property Plant and Equipment	92,168
Depreciation differences to date plus changes in allocation %	Property Plant and Equipment	(59,887)

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

Commentary on the Consolidation Statement

Regulatory/GAAP Adjustments

Net Income/Total Operational Expenditure +\$0.000m

- Reporting of airline incentives and total operational expenditure is to follow the IM and align with our approach for PSE3 however NZ IFRS 15 required the netting of pricing incentive costs within Net Income (a reduction in Net Income by -\$0.198m and the reduction in Operational Expenditure by -\$0.198m).

Depreciation +\$6.286m

- 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 -\$11.567m

- 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 -\$2.881m

- 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 +\$108.002m

- 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 2021.

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.

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SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

ref Version 5.0

9a: Asset Allocations

(\$000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	–	99,859	15,034	114,893		114,893
Assets not directly attributable	1,076	654	–	1,730	1,016	2,746
Total value land				116,623		
Sealed Surfaces						
Directly attributable assets	–	133,643	222	133,865		133,865
Assets not directly attributable	–	2	–	2	2	4
Total value sealed surfaces				133,867		
Infrastructure and Buildings						
Directly attributable assets	363	5,665	41,337	47,365		47,365
Assets not directly attributable	234,243	6,707	2,624	243,574	52,644	296,218
Total value infrastructure and buildings				290,939		
Vehicles, Plant and Equipment						
Directly attributable assets	–	7,442	22	7,464		7,464
Assets not directly attributable	2,946	1,152	540	4,638	3,065	7,703
Total value vehicles, plant and equipment				12,102		
Total directly attributable assets	363	246,609	56,615	303,587		303,587
Total assets not directly attributable	238,265	8,515	3,164	249,944	56,727	306,671
Total assets	238,628	255,124	59,779	553,531	56,727	610,258

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

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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]		

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 5.0

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

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

			Effect of Change Current Year		
			CY-1 30 Jun 20	(CY) 30 Jun 21	CY+1 30 Jun 22
79	Asset category				
80	Original allocator or components				
81	New allocator or components				
82	Rationale				
83					
84					
85	Asset category				
86	Original allocator or components				
87	New allocator or components				
88	Rationale				
89					
90	Asset category				
91	Original allocator or components				
92	New allocator or components				
93	Rationale				
94					
95	Asset category				
96	Original allocator or components				
97	New allocator or components				
98	Rationale				
99					
100	Asset category				
101	Original allocator or components				
102	New allocator or components				
103	Rationale				
104					
105	Asset category				
106	Original allocator or components				
107	New allocator or components				
108	Rationale				
109					
110	Asset category				
111	Original allocator or components				
112	New allocator or components				
113	Rationale				

114 **Commentary on Asset Allocations**

115 Changes in Asset Allocators
 116 CIAL has used the same asset allocator methodology for this disclosure statement as that used in preparing our PSE3 pricing forecast published in our associated pricing disclosure
 117 statement. There has been no change in asset allocator methodology for 2021 therefore schedule 9b(i) has not been completed.

118 2021 Terminal Cost Allocations
 119 The terminal floor space for the 2021 cost allocation process is based on the relevant terminal spatial maps produced by CIAL based on the relevant terminal configuration as at 30
 120 June 2021. There have been some changes in 2021 to the configuration of the terminal floor space when compared to that used to calculate CIAL's pricing that came into effect from
 121 1 July 2017. The terminal is a highly dynamic asset; below is a summary of terminal floor space changes that have occurred since CIAL published our PSE3 associated pricing
 122 disclosure document.

- 123 • 2019 disclosure : Gate 15 reconfiguration project and the introduction of the digital lounge which resulted in an increase to the terminal regulatory space.
- 124 • 2020 disclosure : introduction of additional retail offerings taking -\$2.0m out of the RAB.
- 125 • 2021 disclosure : inclusion of previously restricted commercial areas now earmarked for aeronautical activities, the introduction of Pathway 2 including additional space required,
 and the inclusion of previously unused spaces that are now used to provide passenger or airline customer amenities (as measured by CIAL's new mapping software).
- 126 • These 2021 terminal changes are behind the majority of the +\$6.8m 'Infrastructure and Buildings adjustment resulting from cost allocation' detailed in Schedule 4).

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
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SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref Version 5.0

10a: Cost Allocations							(\$000)
	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total	
Corporate Overheads							
Directly attributable operating costs	2,452	1,716	347	4,515		4,515	
Costs not directly attributable	1,217	889	123	2,229	4,307	6,536	
Asset Management and Airport Operations							
Directly attributable operating costs	8,210	9,240	1,488	18,938		18,938	
Costs not directly attributable	4,141	711	156	5,008	13,113	18,121	
Asset Maintenance							
Directly attributable operating costs	55	213	269	537		537	
Costs not directly attributable	1,851	306	124	2,281	2,950	5,231	
Total directly attributable costs	10,717	11,169	2,104	23,990		23,990	
Total costs not directly attributable	7,209	1,906	403	9,518	20,370	29,888	
Total operating costs	17,926	13,075	2,507	33,508	20,370	53,878	

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
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SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 5.0

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

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

		Effect of Change Current Year		
		CY-1 30 Jun 20	(CY) 30 Jun 21	CY+1 30 Jun 22
93	Operating cost category			
94	Original allocator or components			
95	New allocator or components			
96	Rationale			
97				
98				
99	Operating cost category			
100	Original allocator or components			
101	New allocator or components			
102	Rationale			
103				
104	Operating cost category			
105	Original allocator or components			
106	New allocator or components			
107	Rationale			
108				
109	Operating cost category			
110	Original allocator or components			
111	New allocator or components			
112	Rationale			
113				
114	Operating cost category			
115	Original allocator or components			
116	New allocator or components			
117	Rationale			
118				
119	Operating cost category			
120	Original allocator or components			
121	New allocator or components			
122	Rationale			
123				

124 **Commentary on Cost Allocations**

125 Changes in Cost Allocators

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

127 2021 Terminal Cost Allocations

128 The terminal floor space for the 2021 cost allocation process is based on the relevant terminal spatial maps produced by CIAL based on the relevant terminal configuration as at 30 June 2021. There have been some changes in 2021 to the configuration of the terminal floor space when compared to that used to calculate CIAL's pricing that came into effect from 1 July 2017. The terminal is a highly dynamic asset; below is a summary of terminal floor space changes that have occurred since CIAL published our PSE3 associated pricing disclosure document.

- 131 • 2019 disclosure : Gate 15 reconfiguration project and the introduction of the digital lounge which resulted in an increase to the terminal regulatory space.
- 132 • 2020 disclosure : introduction of additional retail offerings and a slight reduction in the terminal regulatory space.
- 133 • 2021 disclosure : inclusion of previously restricted commercial areas now earmarked for aeronautical activities, the introduction of Pathway 2 including additional space required, and an overall increase to the total terminal footprint due to the inclusion of previously unused spaces that are now used to provide passenger or airline customer amenities (as measured by CIAL's new mapping software).

135 Again, as with previous disclosure statements, because of our Cost Allocation Process (detailed below), this years adjustments have not had a significant impact on this schedule's cost allocations against Year 4 of our PSE3 forecasted operational expenditure.

136 Cost Allocation Process

137 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.

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

141 Step One: Direct Costs

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

143 Step Two: Review Costs for Causal Allocators

144 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 2021 are listed above.

145 Step Three: Run Cost Allocation Model

146 The cost allocation model then allocates the residual values in the Administration, Maintenance, and Terminal categories between the specified airport activities and commercial categories of the business. The allocators for 2021 and their rationale for application are also detailed above.

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For Year Ended

Christchurch International Airport Ltd
30 June 2021

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref Version 5.0

	Number	Total Duration	
		Hours	Minutes
6 Runway			
The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8 Airports	-	-	-
9 Airlines/Other	-	-	-
10 Undetermined reasons	-	-	-
11 Total	-	-	-
12 Taxiway			
The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14 Airports	-	-	-
15 Airlines/Other	-	-	-
16 Undetermined reasons	-	-	-
17 Total	-	-	-
18 Remote stands and means of embarkation/disembarkation			
The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
20 Airports	-	-	-
21 Airlines/Other	-	-	-
22 Undetermined reasons	-	-	-
23 Total	-	-	-
24 Contact stands and airbridges			
The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26 Airports	4	4	15
27 Airlines/Other	-	-	-
28 Undetermined reasons	1	1	20
29 Total	5	5	35
30 Baggage sortation system on departures			
The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
32 Airports	2	6	-
33 Airlines/Other	-	-	-
34 Undetermined reasons	-	-	-
35 Total	2	6	-
36 Baggage reclaim belts			
The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible			
38 Airports	-	-	-
39 Airlines/Other	-	-	-
40 Undetermined reasons	-	-	-
41 Total	-	-	-
42 On-time departure delay			
The total number of flights affected by on time departure delay and the total duration of the delay during disclosure year by party primarily responsible			
44 Airports	5	3	28
45 Airlines/Other	2	1	02
46 Undetermined reasons	1	-	18
47 Total	8	4	48

Regulated Airport
For Year Ended

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*

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

57 **Commentary concerning reliability measures**

58 Determining Responsibility and Validity of Interruptions

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

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

61 Operational Improvements

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

63 Fixed Electricity Ground Power

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

65 On-Time Departure Delay

66 CIAL requires the input from airlines to report the on-time departure delay information. As with other disclosure periods only one airline provided this data to CIAL. This airline historically accounts for between 75% to 80% of departing flights from CIAL within a typical disclosure year.

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

Regulated Airport **Christchurch International Airport Ltd**
 For Year Ended **30 June 2021**

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

ref Version 5.0

Runway

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

Taxiway

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

Aircraft parking stands

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

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

Busy periods for runway movements

Date	
Runway busy day	7 August 2020
Runway busy hour start time (day/month/year hour)	5 Aug 2020 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

Air passenger services	International	Contact stand-airbridge	Contact stand-walking	Remote stand-bus	Total
		Domestic jet	40	0	0
	Domestic turboprop	0	91	0	91
	Total	40	91	0	131
Other (including General Aviation)					171
Total aircraft movements during the runway busy day					302

Number of aircraft runway movements during the runway busy hour **34**

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

Parking Stand Assumptions (in support of the above numbers)

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

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

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

Runway

CIAL has two runways; the main runway and the cross-wind runway. The cross-wind runway is used during specific North West wind weather conditions and outages to the main runway. There have been no changes to the runways in the 2021 disclosure year.

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

Regulated Airport
For Year Ended

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

ref Version 5.0

	International terminal	Domestic terminal	Common area †
6 Outbound (Departing) Passengers			
7 Landside circulation (outbound)			
8 Passenger busy hour for landside circulation (outbound)—start time (day/month/year hour)	7 Jul 2020 11 AM	16 Apr 2021 7 PM	21 Apr 2021 8 AM
9 Floor space (m ²)	27	607	2,208
10 Passenger throughput during the passenger busy hour (passengers/hour)	171	878	893
12 Utilisation (busy hour passengers per 100m ²)	633	145	40
13 Check-in			
14 Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	21 Apr 2021 8 AM
15 Floor space (m ²)	N/A	N/A	2,499
16 Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	893
17 Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	36
18 Baggage (outbound)			
19 Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	21 Apr 2021 8 AM
20 Make-up area floor space (m ²)	N/A	N/A	5,033
21 Notional capacity during the passenger busy hour (bags/hour)*	N/A	N/A	2,400
22 Bags processed during the passenger busy hour (bags/hour)*	N/A	N/A	564
23 Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	893
24 Utilisation (% of processing capacity)	Not defined	Not defined	24%
25 * Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.			
26 Passport control (outbound)			
27 Passenger busy hour for passport control (outbound)—start time (day/month/year hour)	7 Jul 2020 11 AM		
28 Floor space (m ²)	71		
29 Number of emigration booths and kiosks	7		
30 Notional capacity during the passenger busy hour (passengers/hour) *	823		
31 Passenger throughput during the passenger busy hour (passengers/hour)	171		
32 Utilisation (busy hour passengers per 100m ²)	241		
34 Utilisation (% of processing capacity)	21%		
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)	7 Jul 2020 11 AM	16 Apr 2021 7 PM	
38 Facilities for passengers excluding international transit & transfer			
39 Floor space (m ²)	602	363	
40 Number of screening points	3	3	
41 Notional capacity during the passenger busy hour (passengers/hour) *	810	810	
42 Passenger throughput during the passenger busy hour (passengers/hour)	171	878	
43 Utilisation (busy hour passengers per 100m ²)	28	242	
44 Utilisation (% of processing capacity)	21%	108%	
45 Facilities for international transit & transfer passengers			
46 Floor space (m ²)	49		
47 Number of screening points	—		
48 Notional capacity during the passenger busy hour (passengers/hour)*	270		
49			
50 Estimated passenger throughput during the passenger busy hour (passengers/hour)	—		
51 Utilisation (busy hour passengers per 100m ²)	—		
52 Utilisation (% of processing capacity)	—		
53 * Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
54			

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

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

ref Version 5.0

	International terminal	Domestic terminal	Common area †
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Regulated Airport
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Christchurch International Airport Ltd
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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont)

ref Version 5.0

	International terminal	Domestic terminal	Common area †
Arrivals concourse			
Passenger busy hour for arrivals concourse—start time (day/month/year hour)	25 Jun 2021 4 PM	27 Apr 2021 7 AM	N/A
Floor space (m ²)	1,590	177	N/A
Passenger throughput during the passenger busy hour (passengers/hour)	169	845	N/A
Utilisation (busy hour passengers per 100m ²)	11	477	Not defined
Total terminal functional areas providing facilities and service directly for passengers			
Floor space (m ²)	20,316	10,110	6,772
Number of working baggage trolleys available for passenger use at end of disclosure year	390	590	260

Commentary concerning capacity utilisation indicators for Passenger Terminal Activities

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

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

Source of Data for Capacity Calculations:

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

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

Baggage Handling
CIAL operates an Integrated Domestic and International check-in facility and baggage handling system. The Integrated baggage handling system has a notional capacity of 40 bags per minute or 2,400 per hour.

The number of bags processed during the busy hour have been supplied by the operators of the Baggage system, who manage this for CIAL under an outsourced service provision contract. As the busy hour includes the departure of International flights, the number of bags processed during that hour may not include the bags for those International flights. For operational reasons bags for International flights are processed in the 2 hours prior to departure. This year the actual bags belonging to passengers who travelled in the busy hour have been included in this report.

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

Passport Control
International Departures
There are 3 desks and 4 smart gates servicing International Departures.

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

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

Floor Space
The terminal floor space is based on the relevant terminal spatial maps produced by CIAL based on the terminal's current configuration as at 30 June 2021.

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

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

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

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SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref Version 5.0

6 **Survey organisation**

7 Survey organisation used

ACI

8 If "Other", please specify

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

11 **Domestic terminal**

	Quarter for year ended	1 30 Sep 20	2 31 Dec 20	3 31 Mar 21	4 30 Jun 21	Annual average
13 Ease of finding your way through an airport		–	–	4.33	4.25	4.29
14 Ease of making connections with other flights		–	–	4.59	4.05	4.32
15 Flight information display screens		–	–	4.37	4.21	4.29
16 Walking distance within and/or between terminals		–	–	4.35	4.28	4.32
17 Availability of baggage carts/trolleys		–	–	4.30	4.17	4.23
18 Courtesy, helpfulness of airport staff (excluding check-in and security)		–	–	4.47	4.41	4.44
19 Availability of washrooms/toilets		–	–	4.37	4.32	4.34
20 Cleanliness of washrooms/toilets		–	–	4.26	4.24	4.25
21 Comfort of waiting/gate areas		–	–	4.24	4.08	4.16
22 Cleanliness of airport terminal		–	–	4.48	4.38	4.43
23 Ambience of the airport		–	–	4.22	4.15	4.19
24 Security inspection waiting time		–	–	4.48	4.27	4.37
25 Check-in waiting time		–	–	4.54	4.39	4.47
26 Feeling of being safe and secure		–	–	4.51	4.42	4.47
27 Average survey score		–	–	4.39	4.26	4.33

28 **International terminal**

	Quarter for year ended	1 30 Sep 20	2 31 Dec 20	3 31 Mar 21	4 30 Jun 21	Annual average
30 Ease of finding your way through an airport		–	–	5.00	4.00	4.50
31 Ease of making connections with other flights		–	–	–	5.00	5.00
32 Flight information display screens		–	–	4.00	4.50	4.25
33 Walking distance within and/or between terminals		–	–	4.00	4.30	4.15
34 Availability of baggage carts/trolleys		–	–	4.00	4.43	4.21
35 Courtesy, helpfulness of airport staff (excluding check-in and security)		–	–	4.00	4.63	4.31
36 Availability of washrooms/toilets		–	–	4.00	4.30	4.15
37 Cleanliness of washrooms/toilets		–	–	5.00	4.22	4.61
38 Comfort of waiting/gate areas		–	–	4.00	4.30	4.15
39 Cleanliness of airport terminal		–	–	5.00	4.80	4.90
40 Ambience of the airport		–	–	5.00	4.50	4.75
41 Passport and visa inspection waiting time		–	–	–	4.70	4.70
42 Security inspection waiting time		–	–	–	4.67	4.67
43 Check-in waiting time		–	–	4.00	4.60	4.30
44 Feeling of being safe and secure		–	–	4.00	4.70	4.35
45 Average survey score		–	–	4.33	4.51	4.42

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

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

48 CIAL monitors passenger experience ratings using the ASQ Survey (<https://aci.aero/customer-experience-asq/>). ACI currently undertakes performance surveys for over 330 airports worldwide in 34 key service areas.

49 The survey involves the establishment of a Fieldwork Document with ACI for both Domestic and International travel which is implemented quarterly. The survey results reflect the perceived passenger travel experience (the weighted average response) from using the Domestic or International terminals. The survey includes consistent sample survey questions, involving a five-point rating scale of poor (1), fair (2), good (3), very good (4) or excellent (5), which passengers rate at the departure gate.

53 CIAL's average passenger survey ratings historically are the highest ratings of the regulated New Zealand airports. CIAL's continued high scores, where able to be determined, continue to emphasise that the quality of CIAL's services meets their demands and reflect the benefits of CIAL's investment in new terminal facilities and the overall commitment of our service focused team. CIAL uses the survey results to identify additional improvements and we consult with interested parties as to the benefits such changes could have in improving the end-to-end passenger journey.

56 **Quarter 1 & 2 Measures**

57 CIAL requested a retrospective exemption to publicly disclose the associated Passenger Satisfaction Indicators for the first two quarters of disclosure year 2021. However, the Commerce Commission does not provide an exemption where non-compliance has already occurred. CIAL was unable to capture meaningful Passenger Satisfaction Indicators for the first two quarters of disclosure year 2021 due to imposed Covid-19 restrictions around passenger engagement. Therefore, our annual average results have been calculated across quarters where actual results were able to be recorded. See this link for further comments from the Commerce Commission <https://comcom.govt.nz/search?query=ID+Exemption+Application>

61 **Location of Survey Fieldwork Documentation**

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

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

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref Version 5.0

Disclosure of the operational improvement process

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

10 Due to COVID-19 Alert Level restrictions during 2020/2021 some forums could not be conducted face-to-face, and were therefore either
11 deferred, or facilitated online via MS Teams. A summary of the various operational forums are as follows:

12 *CIAL COVID-19 Working Group (CWG)*

13 The CWG comprises of senior management and subject matter expert representatives from across the business who, at the request of
14 ELT, have formed a working group to understand and manage the risks relating to the ongoing global coronavirus pandemic. A leader, and
15 a delegated second in command, have been appointed to focus on each of the areas including Airfield/Airside Operations,
16 Terminal/Landside Operations, Security and Compliance, Safety, People, Logistics and Resources, Communications and Response
17 Support (which includes management of a CWG Document Library including Action Plans, internal CIAL staff comms, Airport Stakeholder
18 updates, MoT Operator guidance, MoH Border Advisories and Alert Level Restriction legislation etc.) The CWG continue to meet
19 if/when/as required (daily, weekly, fortnightly, monthly) subject to NZ Government announcements and changes, and during the COVID-19
20 Alert Level restriction period regularly met (often daily) online via MS Teams. Chaired by the CIAL Manager Park to Plane Customer
21 Experience (representing Terminal/Landside). Representatives from ELT also attend and support.

22 *Christchurch Airport Emergency Committee*

23 The committee meets a minimum of 3 times per annum and manages/discusses matters including significant incidents, emergency
24 manuals and plans, emergency preparedness, training and response exercises, aviation security, and global and topical aviation risks.
25 Attendees include Key Emergency Responders, Border Agencies, Airlines, Airways NZ, Welfare Organisations, MoH, and CIAL. Co-
26 Chaired by the CIAL Manager Airport Fire Service/Airfield Operations Support Manager (Emergency Management).

27 *First Impact Committee*

28 Specialist group of first responders (sub-committee of the Christchurch Airport Emergency Committee) meet a minimum of 3 times per
29 annum with the primary purpose to ensure an effective, integrated initial response in the first hour of an aircraft emergency. Members
30 include representatives from Fire and Emergency New Zealand (FENZ), NZ Police, St John Ambulance, Aviation Security Service, Airways
31 NZ, and CIAL's Incident Management Team. Chaired by CIAL Manager Airport Fire Service.

32 *Airside Safety Committee*

33 This group meets bi-monthly to discuss any safety issues relating to Airport Operations, to communicate rule, process or procedure
34 changes, improve driving and parking standards, to discuss any airside incidents/events, and inform members of any impending airside
35 work. Chaired by the CIAL Apron Manager.

36 *Dakota Park Freight Apron Users Group*

37 This group meets quarterly to discuss safety and operational specific concerns for the freight apron. Stakeholders include Freight
38 companies, Fuel organisations, Airlines, and Ground Handlers. Chaired by an external Freight Operator or General Aviation representative
39 operating out of this space.

40 *Wildlife Management Committee*

41 This committee meets quarterly to analyse, discuss and share information on the management and mitigation of risk relating to bird strikes
42 and other wildlife hazards both on and off Airport. Stakeholders include Airlines, Airways NZ, CAA, General Aviation Operators, and a mix
43 of specialists including ECan, Federated Farmers, ecologists, ornithologists and Canterbury University. Chaired by the CIAL Wildlife
44 Manager.

45 *Terminal Workplace Health and Safety Committee*

46 This group meets quarterly and focuses on new and existing hazards/incidents. The group includes HS&W representatives and operational
47 leads from Border Agencies, Airlines, Ground Handlers, Tenants, CDHB/C&PH, Contractors, and CIAL personnel operating in the terminal
48 environment. Chaired by the CIAL Manager Health, Safety and Wellbeing.

49 *Airfield Projects Meetings*

50 Monthly process between CIAL areas (Airfield Operations, Aviation Safety and Security, Airfield Facilities) and Airways NZ. Discussion
51 focuses on upcoming or ongoing projects airside, APMW schedules, AIP procedures, and incidents/accidents. Chaired by the CIAL
52 Manager Airfield Operations.

53 *Weekly Operations Meeting*

54 This group meets weekly to highlighting any new or upcoming activity or process/procedure changes that may impact business as usual
55 operations. Members include all CIAL Operational Leads Airside and Landside, plus representatives from various departments across the
56 business and one regular/essential external contractor (OCS). Chaired by the CIAL IOC Duty Manager.

HS&W Kaitiaki Group Meeting

Internal working group of CIAL Health, Safety and Wellbeing Representatives responsible for talking through the 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 quite
often invite external guest speakers and/or conduct site visits for additional exposure. Chaired by the CIAL Manager 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
For Year Ended

Christchurch International Airport Ltd

30 June 2021

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES (cont)

ref Version 5.0

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

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

65 Safety Leadership

- 66 • Execution of CIAL's pandemic plan including detailed health & safety assessment for CIAL staff and the wider campus
- 67 • CIAL People and Aviation Safety Assurance Program delivered successfully despite challenges of pandemic restrictions
- 68 • Mental Health First Aid training completed as part of CIAL's Mental Health and Resilience Program

69 Sustainability and Environment

- 70 • CIAL commissioned an additional UV treatment water plant in compliance with NZ Drinking Water Standards providing for a world class water supply network across CIAL's campus
- 71 • Noise complaints in relation to CIAL managed operations on average down to 4.6 per 10,000 aircraft movement
- 72 • Delivery of the updated noise compliance contours to Environment Canterbury
- 73 • Christchurch Airport was the 1st airport in the world to undertake and be granted the highest level of decarbonisation achievement; a Level 4 Airports Council International's (ACI) decarbonisation accreditation. As such Christchurch Airport became the 1st airport in the world recognised for demonstrating 'best practice in carbon reduction'
- 74 • CIAL was:
 - 75 - a finalist in the Climate Action Innovator and Climate Action Leader categories of the Sustainable Business Network's 2021 Sustainable Business Awards
 - 76 - a finalist in the Energy Excellence Awards 'Low Carbon Future' category for our Ground Source Heat Pump system in our International Arrivals area, which delivered a 1,000 tCO₂e savings per annum, representing an 85% reduction in our Scope 1 emissions
 - 77 - a finalist for the Environment Award in the New Zealand Tourism Awards, for our contribution and leadership in decarbonisation and waste

80 Customer Experience

- 81 • CIAL provided exceptional customer hospitality and support for the thousands of people returning home on repatriation flights

82 Operational Efficiency

- 83 • Delivery of our Pathway 2 project enabling CIAL to be only 1 of 2 airports in the country to manage separately 'Red' (specified flights who require 14 days in a managed isolation and quarantine (MIQ) facility) as well as 'Green' (Quarantine Free Travel destinations) international flights into New Zealand

85 Innovation

- 86 • Investigation of robotic process automation in the areas of baggage systems and Airport Services
- 87 • Use of humanoid robots to enhance customer experience as a source of traveller information and greeting arriving passengers on their way to managed isolation
- 88 • The first airport in New Zealand to enable e-plane charging within the operational airfield to support and enable electric plane operators like ElectricAir to further enhance and develop this technology
- 89 • 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

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

96 Page 30

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref Version 5.0

		Total number of landings	Total MCTOW (tonnes)
93	(iii) The total number and MCTOW of landings of aircraft not included in (i) and (ii) above during disclosure year		
94			
95	Air passenger service aircraft less than 3 tonnes MCTOW	-	-
96	Freight aircraft	2,250	239,948
97	Military and diplomatic aircraft	360	30,082
98	Other aircraft (including General Aviation)	12,284	37,960
99	(iv) The total number and MCTOW of landings during the disclosure year		
100			
101	Total	40,711	1,298,392

16b: Terminal access

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

	Contact stand-airbridge	Contact stand-walking	Remote stand-bus	Total
105				
106	International air passenger service movements	911	-	911
107	Domestic jet air passenger service movements	14,043	-	14,043

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

16c: Passenger statistics

	Domestic	International	Total	
111				
112	The total number of passengers during disclosure year			
112	Inbound passengers [†]	1,822,816	31,120	1,853,936
113	Outbound passengers [†]	1,821,816	29,621	1,851,437
114	Total (gross figure)	3,644,632	60,741	3,705,373
116	less estimated number of transfer and transit passengers		-	-
118	Total (net figure)			3,705,373

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

16d: Airline statistics

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

	Domestic	International
123		
124	Air Nelson	Air New Zealand
125	Mount Cook Airlines	Qantas
126	Air New Zealand	Singapore
127	Jetstar	
128	Air Chathams	
129	Sounds Air	
130		
131		
132		
133		
134		
135		
136		

Regulated Airport
For Year Ended

Christchurch International Airport Ltd
30 June 2021

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref Version 5.0

143 **16e: Human Resource Statistics**

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total	
144					
145	Number of full-time equivalent employees	54.0	78.0	3.0	135.0
146	Human resource costs (\$000)				13,665

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

148 Source of Data

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

150 The human resource statistics have been calculated from payroll figures as at the end of June 2021.

151 Human Resource Movements

152 CIAL continues to look for efficiency and productivity gains across the business. Between the 2020 and 2021 disclosure years the number of full-time equivalent regulated business employees has changed by -1.

153 Other Movements

154 CIAL does not collect International Transit/Transfer numbers.

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

156 PSE3 Forecast to Actual Comparison

157 The following table shows a comparison between our pricing forecasts to actual outcomes for Years 1 to 4 of the current PSE3 pricing period. This comparison includes passenger movements, landings, and MCTOW. Other Flights have been included this disclosure year.

	PSE3-2021	ID-2021	PSE3 Year 4	PSE3-Period To Date	ID-Period To Date	Period To Date
Passengers Movements	Pricing Forecast	Actual	Variance	Pricing Forecast	Actual	Variance
161 International Arrivals	914,096	31,120	-96.6%	3,478,195	2,433,521	-30.0%
162 International Departures	914,095	29,621	-96.8%	3,478,193	2,457,185	-29.4%
163 Total International	1,828,191	60,741	-96.7%	6,956,388	4,890,706	-29.7%
Domestic Arrivals	2,722,301	1,822,816	-33.0%	10,485,438	8,883,021	-15.3%
Domestic Departures	2,722,301	1,821,816	-33.1%	10,485,436	8,924,032	-14.9%
164 Total Domestic	5,444,602	3,644,632	-33.1%	20,970,874	17,807,053	-15.1%
165 Total Passenger Movements	7,272,793	3,705,373	-49.1%	27,927,262	22,697,759	-18.7%
Landings	Pricing Forecast	Actual	Variance	Pricing Forecast	Actual	Variance
166 Domestic Flight (3 tonnes or more but <30 tonnes)	16,346	18,274	11.8%	63,096	75,671	19.9%
167 Domestic Flights (30 tonnes MCTOW or more)	17,913	7,093	-60.4%	69,000	35,789	-48.1%
168 Total Domestic	34,259	25,367	-26.0%	132,096	111,460	-15.6%
169 International Flights	5,677	450	-92.1%	22,177	15,112	-31.9%
170 Other Flights	6,470	14,894	130.2%	25,880	55,399	114.1%
Total Landings	46,406	40,711	-12.3%	180,153	181,971	1.0%
MCTOW	Pricing Forecast	Actual	Variance	Pricing Forecast	Actual	Variance
171 Domestic Flight (3 tonnes or more but <30 tonnes)	343,276	377,222	9.9%	1,321,783	1,592,300	20.5%
172 Domestic Flights (30 tonnes MCTOW or more)	967,269	545,290	-43.6%	3,719,732	2,694,196	-27.6%
173 Total Domestic	1,310,545	922,512	-29.6%	5,041,515	4,286,496	-15.0%
174 International Flights	782,939	67,889	-91.3%	3,042,229	2,113,095	-30.5%
175 Other Flights	187,274	307,991	64.5%	749,096	942,790	25.9%
Total MCTOW	2,280,758	1,298,392	-43.1%	8,832,840	7,342,381	-16.9%

176 Covid-19 and the resulting limitations it imposed on aircraft travel has again had a significant impact on available seats and hence passenger numbers as compared to the PSE3 forecast. Dramatically fewer seats were available across all categories than was originally indicated in the Schedules used as a basis for the PSE3 pricing forecast - total passenger movements were down -49% overall as compared to forecast. This drop was the result of international passenger numbers being -1,767,450 (-97%) and domestic passenger numbers being -1,799,970 (-33%) lower as compared to that forecast for the disclosure year.

177 In line with this; actual Landings and MCTOW were also dramatically lower with the exception of 3 tonne to <30 tonne aircraft and other flights.

- 178 • 3 tonne to <30 tonne aircraft actual Landings and MCTOW was up by +12% and +10% (PSE3 Period To Date of around +20% and +21%) respectively.
- 179 • Other flights (driven by freight aircraft) actual Landings and MCTOW was up by +130% and +65% (PSE3 Period To Date of around +114% and +26%) respectively

Regulated Airport
For Year EndedChristchurch International Airport Ltd
30 June 2021**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	8,972
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	12,809
Net operating charges from airfield activities relating to international flights	1,911
Net operating charges from specified passenger terminal activities relating to domestic passengers	22,766
Net operating charges from specified passenger terminal activities relating to international passengers	484
	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,732,053
Number of domestic passengers on flights of 30 tonnes MCTOW or more	1,912,579
Number of international passengers	60,741
	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	791,877
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	1,445,456
Total MCTOW of international flights	339,417

17b: Pricing Statistics

	Average charge (\$ per passenger)	Average charge (\$ per tonne MCTOW)
Average charge from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	5.18	11.33
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	6.70	8.86
Average charge from airfield activities relating to international flights	31.46	5.63
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from specified passenger terminal activities	6.25	7.97
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	12.22	39.44

Commentary on Pricing Statistics

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

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

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

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

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

ref Version 5.0

25: Regulatory Asset Base Value for Land

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

Commentary

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

Independent Assurance Report

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

The Auditor-General is the auditor of Christchurch International Airport Limited (the company). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to provide a reasonable assurance opinion, on his behalf, on schedules 1 to 17 for the regulatory year ended 30 June 2021 ('the Airport Disclosure Schedules'), prepared by the company in accordance with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010, as amended in 2019 (the 'Determination').

Opinion

In our opinion:

- Subject to clause 2.6(3) of the Determination, and as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Airport Disclosure Schedules have been kept by the company.
- Subject to clause 2.6(2) of the Determination, the disclosure information in schedules 1 to 13 and 15 to 17 complies, in all material respects, with the Determination.

Qualified opinion

In our opinion, except for the matter set out in our basis for qualified opinion:

- Subject to clause 2.6(3), the historical non-financial information in schedule 14 pursuant to clause 2.4(1) of the Determination complies, in all material respects, with the Determination.

Basis for qualified opinion

Subject to clause 2.6(3) and pursuant to clause 2.4(1), schedule 14 is required to be prepared as part of the Airport Disclosure Schedules by the Determination. For the year ended 30 June 2021, the company did not include information in schedule 14 for the quarters ended 30 September and 31 December 2020. We are therefore unable to provide reasonable assurance that schedule 14 complies, in all material respects, with the Determination. Information has been included in respect of the quarters ended 31 March and 30 June 2021, and our opinion is not qualified in respect of these quarters.

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

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

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

The engagement also involves evaluating:

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

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' responsibility for the Airport Disclosure Schedules

The directors of the company are responsible for preparation and fair presentation of the Airport Disclosure Schedules in accordance with the Determination, and for such internal control as the directors determine is necessary to enable the preparation of Airport Disclosure Schedules that are free from material misstatement or non-compliance due to fraud or error.

Auditor's responsibility

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

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

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

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control, it is possible that fraud, error, or non-compliance may occur and not be detected.

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

Further, a reasonable assurance engagement for the year ended 30 June 2021 does not provide assurance on whether compliance with the requirements of the Determination will continue in the future.

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

Use of this report

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

Independence and quality control

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board. We also complied with the independent auditor requirements specified in clause 1.4 of the Determination.

We have applied the Auditor-General's Statement on Quality Control (AG PES 3 (Amended)) and, have accordingly, maintained a comprehensive system of quality control.

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



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
30 November 2021