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

Company Name	Christchurch International Airport Limited
Disclosure Date	30 November 2012
Disclosure Year (year ended)	30 June 2012
Pricing period starting year (year ended) [1]	30 June 2009

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

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

1. Introduction

The following report provides Christchurch International Airport Limited's (CIAL) Annual Information Disclosure for the Financial Year ending 30 June 2012 (*Disclosure*). This Disclosure is CIAL's second annual disclosure under the new Part 4 of the Commerce Act disclosure regime.

One of the critical aspects of an effective information disclosure regime is that performance is assessed over time. CIAL is committed to the information disclosure process and to ensure that the new regime is given sufficient time to be established and fully implemented. However, it is necessary to consider CIAL's performance over a broader period of time rather than a specific and discrete financial year as is represented in this disclosure, not least because CIAL determines prices for a 5 year period. It is therefore the trend, rather than the specific result for each year, which is important to consider when assessing the overall performance of the company.

This is especially the case for CIAL, as it has recently made a very significant investment in the new Integrated Terminal. The true effects of this investment on our performance may be distorted by focussing on the short term, and it is only by viewing the investment in its long term context that interested persons will be able to understand its relationship with CIAL's performance.

CIAL has prepared these disclosures in accordance with the information methodologies set out in the determination. However as noted in our initial disclosure for the year ending 30 June 2011, CIAL is of the view that certain elements of the airport information disclosure regime, including in particular the asset valuation and WACC input methodologies, requires review. This is presently progressing under a merit review appeal of the asset valuation and weighted average cost of capital input methodologies.

2. Pricing Reset

The pricing reset on which this Disclosure may be compared against was for the pricing period of 1 July 2008 to 30 June 2011. However, when that reset became effective from 1 April 2009, the increase in charges was only for specified airfield activities and did not include any changes to specified terminal activity charges.

The pricing period was specifically designed to be for 3 years to 30 June 2011, following which an updated consultation on new aeronautical charges would have occurred. New charges would have been set and become effective close to the completion of the new Integrated Terminal – which, during the 2008 pricing consultation, was targeted for July 2011. This timeline was not achieved owing to a mixture of extended consultation on the functional design of the new terminal, delays as a consequence of the Canterbury earthquakes, and extended construction stages as the development progressed.

Accordingly there were no forward projections beyond June 2011 for forecast capital expenditure, operating costs and aeronautical movements. An exemption has been received from the Commerce Commission for the exclusion of comparison against forecast for the year ending 30 June 2012.

The pricing consultation for the reset of aeronautical charges, to be reset post the substantial completion of the new Integrated Terminal has been underway since March 2012 and a decision on the new prices (effective from 1 December 2012) was notified to the airlines on 24 October 2012.

3. Integrated Terminal Development

The construction of the new Integrated Terminal commenced mid-2009 and resulted in significant expansion to meet the growing domestic passenger volumes, and also to meet the functional capability required by the changing airline business models for the facilitating of passenger departing and arriving processes likely to occur in coming years.

The first stage of the new integrated terminal was commissioned in May 2011 and included the development of a new integrated check-in and baggage handling system for both domestic and international passenger movements. The next stage involved the airside departure process and was completed in March 2012. The final development is expected to be completed in early 2013 with final airside works being completed by the end of April 2013.

The new integrated terminal development has and will provide significant improvements in performance, including:

- **Capital Investment Efficiency**

  A critical element of the terminal development was the development of a new integrated check-in and baggage handling system, which enabled the merger of the previously separate locations and functions for the passenger check in and handling of baggage for domestic and international passengers. This integration resulted in significant capital investment efficiency as, through the integration and the use of technology for the integrated baggage handling system, it resulted in the physical footprint of the terminal being significantly less than what it would have been if the existing separate footprints for domestic passengers and international passengers had been continued (approximately 72 counters versus the present 60 counters).

- **Operating Cost Efficiency**

  The development of the new integrated terminal will provide significant cost efficiencies over the previous terminal which was built in 1960. This relates to the efficiency of materials used in the construction process (reduced maintenance) but also in terms of the physical layout of the terminal which will provide productivity gains for the handling and processing of passengers.

  In addition, the use of innovative environmentally efficient use of underground aquifers as the fuel source for air-conditioning will produce significant improvement in energy consumption per square metre of footprint in the terminal.

- **Service Performance Improvements**

  The new integrated terminal will provide significant improvements in the services provided to and by the airlines for the travelling public and the people of Canterbury and the South Island.

  - **Customer Satisfaction**

    - The new integrated terminal has provided a significantly improved customer experience. Customer satisfaction as monitored by the ASQ survey has significantly improved following the completion of the new integrated terminal development to date, as compared with that prevailing for the previous 1960 era terminal. This has provided significant improvements in way-finding, signage, passenger processing and check-in, improved retail offerings and more effective processing of passengers from landside to the aircraft.
    - In addition, and as part of CIAL's people enablement strategy, a "One Team Best Airport" initiative has been implemented. This recognises that there are multiple contact points throughout a passenger's journey, all of which need to be positive. This initiative involves all parties at the airport working together with a single objective of improving customer service excellence.

  - **Swing Gate Capacity**

    The integrated terminal has provided increased swing gate capacity for airlines which will enable a more effective utilisation of aircraft by the airlines, particularly with respect to the transfer of passengers between domestic and international services without having to move the aircraft. This is both a significant improvement for passengers but also a cost saving for the airlines through the avoidance of the need to move aircraft between domestic and international gates.

- **Integration of the Old with the New**

  The development of the new integrated terminal was a complex undertaking, as it required the development of a new terminal whilst at the same time providing and delivering services to the airlines and the travelling public in an operational terminal. A particular enabler to achieving integration between the old and the new terminal operating functions was through the use of a process called ORAT (Operational Readiness and Transition Planning). This process enabled significant feasibility testing of all of the stages of the new terminal development in advance of the new terminal coming on-line, which led to material improvements and removal of teething issues when the new stages of development were brought into operation. This required significant planning and the use of international expertise for resources with previous experience in airport development transition.

4. Canterbury Earthquake Adverse Events

The Canterbury earthquakes in late 2010/11 and subsequent aftershocks have continued to have a considerable impact on the Canterbury region and South Island, and CIAL has been affected as have all businesses. This has led to significant impacts on both our operational and financial performance through:

- Increased costs for earthquake damage remediation
  - Remarkably, given the delays and the moderate amount of quake damage to the construction project, the ITP development will be completed within 1-2% of its budgeted costs. CIAL is proud of this result and it will be a further benefit for our airline customers.
- Significant costs to handle the continuing aftershocks
  - This included the development of a comprehensive earthquake response methodology which, depending on the category of tremor, determines the response required from the airport. The responses range from one of simply recognising there has been an aftershock to one of a total evacuation and review of the terminal and a complete physical examination of the runways.
  - CIAL notes that despite these interruptions, the expertise and the experience demonstrated by the Christchurch Airport campus staff has meant that the airport has reinstated full operating capability within one to two hours after any major aftershock.
- Increased costs of operation and passenger processing
  - The earthquakes have an on-going impact on operating costs, with one particular consequence being for insurance premiums. When comparing the 2010 financial year ending June the insurance premium was approximately $1.1 million, but for the 12 month period from 1 September 2011 the annual insurance premiums for the company as a whole increased to approximately $4.4 million.
- Adverse impacts on passenger/aircraft movements
  - The impact of the earthquakes and the continuing aftershocks has had a significant negative effect on leisure travel for Christchurch Airport. Approximately 84% of international passengers to and from Christchurch are either for tourism activity or leisure travel visiting friends and family.
  - As a consequence of leisure travel being a discretionary activity, the continuing (albeit diminishing) impact has meant that passenger volumes have reduced. The chart below demonstrates the reduction in passenger numbers from 2010 to 2012.
  - The impact of the earthquakes (through the drop in passenger numbers as a result of the loss of hotels, meeting and conference facilities, sporting facilities and tourism attractions in the city) for the company as a whole has resulted in a reduction of approximately $15 million at an EBITDA level for the year ending June 2012.

Passenger movements	2010	2011	2012
Domestic	4,377,773	4,287,338	4,131,741
International	1,622,641	1,488,362	1,419,859
Total	**6,000,414**	**5,775,700**	**5,551,600**
Movement		*-3.74%*	*-3.88%*

5. Earnings Performance

The impact of major investment in terminal infrastructure, completed by airports every 40-50 years, is reflected clearly in CIAL's earnings performance for the year ending 30 June 2012.

The terminal development is close to completion at the time of this Disclosure. In allocating costs to Specified Terminal Activities for 2012 a weighted average footprint of the progressive Integrated Terminal development has been used as the predominant cost allocator driver. A robust set of cost allocation factors was applied to other costs not related to this footprint, including incentives which were allocated on a relative revenue basis

The increased costs arising from the ITP investment (through the increased capital base leading to significant increases in both on-going operating costs but also depreciation of the investment) are already being borne by CIAL. However there has been no increase in charges to airlines as yet for the use of this facility, as this will not occur until December 2012 post the substantial completion of the total development.

For the reasons above, the return on investment for specified terminal activities at 1.58% is significantly under the Commerce Commission benchmark of 7.56%, as illustrated in the table below.

Item	2011	2012	Variance
	$'000		
Regulatory Profit	$18,884	$7,517	-$11,367
Adjusted Regulatory Profit	$17,873	$6,386	-$11,487
Regulatory Investment value	$315,238	$404,058	$88,820
ROI – comparable to post tax WACC	5.67%	1.58%	-4.09%
Post tax WACC	8.06%	7.56%	-0.50%

This clearly identifies that for major infrastructure investment, such as CIAL's new integrated terminal, the level of return and the mechanisms used by the Commerce Commission to monitor performance needs to be measured not over one discrete regulatory control period, but in fact over a number of periods, as airline charges set to recover the increased costs of such investment take a medium to long term perspective.

The development of the new integrated terminal is the first major investment by CIAL for some time. With the inclusion of the investment in the Disclosure schedules, it demonstrates a significant increase in the assets employed by CIAL but has a negative impact on returns for this period. The current level of return, as determined under Schedule 1 to this Disclosure (which reports the return on investment for all specified airport activities) identifies a significant variance to the Commerce Commission's WACC benchmark. Moreover, in Schedule 7 (which reports the individual segment returns on investment value) specified terminal activities with a return of 1.82% are in fact much lower than the overall return for the group of specified airport activities. This reflects the significant increase in investment and consequently the need for significant increases in airline charges.

6. Earning a fair and reasonable return on investments made

As outlined in the introduction and as detailed in Schedule 1 of the Disclosure, CIAL believes that the results illustrate the need for returns on investment to be measured over a period of time rather than the single point in time represented by this Disclosure.

While CIAL's new airport facilities will deliver benefits to not only Christchurch and the South Island, but also to New Zealand as a whole through improved tourism and trade, we recognise that the new infrastructure will represent a significant investment that will impact future airport charges.

In setting its new charges, CIAL is conscious of the challenging environment which airports currently face, including the impacts of the global financial crisis, and as such these concerns are being balanced with the requirement to ensure airports have the right incentive to invest in infrastructure to meet medium to long term business needs.

It is clear that the current market and international environment are creating external influences out of CIAL's control and this was experienced in 2009 in the resetting of airport airfield charges, which were lower than would have otherwise been the case because of the challenging environment then being experienced by airlines. This has continued through to today in the resetting of new charges the pricing period 1 December 2012 to 30 June 2017, with such charges being set at levels that balance the competing demands of the airlines, CIAL and the travelling public.

Table of Contents

Disclosure Template Guidelines for Information Entry

Internal consistency check | OK

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

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

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

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

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

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

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

ref *Version 2.0*

($000 unless otherwise specified)

1a: Return on Investment

		CY-2 *	CY-1 *	Current Year CY
Return on Investment (ROI)	*for year ended*		**30 Jun 11**	**30 Jun 12**
Regulatory profit / (loss)			18,884	7,517
less Notional interest tax shield			1,010	1,131
Adjusted regulatory profit			17,873	6,386
Regulatory investment value			315,238	404,058
ROI—comparable to a post tax WACC (%)			5.67%	1.58%
Post tax WACC (%)			8.06%	7.56%
ROI—comparable to a vanilla WACC (%)			5.99%	1.86%
Vanilla WACC (%)			8.40%	7.86%

Commentary on Return on Investment

Adjusted regulatory profit is down 64% in comparison to 2011. This when considered against an increased Regulatory Investment Value results in an actual return on investment in 2012 of 1.58% post tax. This result is well below the Commerce Commission benchmark of 7.56% and considerably less than CIAL's 2011 return of 5.67%.

Item	2011	2012	Variance
	$'000		
Regulatory Profit	$18,884	$7,517	-$11,367
Adjusted Regulatory Profit	$17,873	$6,386	-$11,487
Regulatory Investment value	$315,238	$404,058	$88,820
ROI – comparable to post tax WACC	5.67%	1.58%	-4.09%
Post tax WACC	8.06%	7.56%	-0.50%

There are a number of reasons for this reduction in return and these are highlighted in the following schedules as well as in the executive summary at the beginning of this document.

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

	Regulated Airport	Christchurch International Airport Limited
	For Year Ended	30 June 2012

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)

ref *Version 2.0*

($000 unless otherwise specified)

1b: Notes to the Report

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

RAB value - previous year		396,690
Debt leverage assumption (%)		17%
Cost of debt assumption (%)		5.99%
Notional deductible interest		4,039
Tax rate (%)		28.0%
Notional interest tax shield		1,131

1b(ii): Regulatory Investment Value

Regulatory asset base value - previous year		396,690

	Commissioned Projects	Assets Commissioned—RAB Value ($000)	Proportion of Year Available (%)	Proportionate Regulatory Value
	Terminal project	24,797	25%	6,199
	Runway Maintenance	3,499	25%	875
				–
				–
				–
				–
				–
				–
				–
plus	Other assets commissioned	2,271	50%	1,136
plus	Adjustment for merger, acquisition or sale activity			–
less	Asset disposals	1,684	50%	842
	RAB investment	28,883		
	RAB proportionate investment			7,368
	Regulatory investment value			404,058

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref | Version 2.0

2a: Regulatory Profit

ref				($000)
7	**Income**			
8		Airfield Charges	18,773	
9		Terminal Charges	7,018	
10		Counter Charges	2,266	
11		Passenger Service Charges	14,657	
12		Lease, rental and concession income	7,366	
13		Other operating revenue	2,318	
14		Net operating revenue		52,399
15				
16		Gains / (losses) on sale of assets	17	
17		Other income	310	
18		Total regulatory income		52,726
19	**Expenses**			
20		Operational expenditure:		
21		Corporate overheads	8,573	
22		Asset management and airport operations	17,576	
23		Asset maintenance	2,166	
24		Total operational expenditure		28,315
25				
26	**Operating surplus / (deficit)**			24,411
27				
28		Regulatory depreciation		18,967
29				
30	*plus*	Indexed revaluation	3,739	
31	*plus*	Non-indexed revaluation	–	
32		Total revaluations		3,739
33				
34	**Regulatory Profit / (Loss) before tax & allowance for long term credit spread**			9,183
35				
36	*less*	Allowance for long term credit spread		–
37				
38	**Regulatory Profit / (Loss) before tax**			9,183
39				
40	*less*	Regulatory tax allowance		1,665
41				
42	**Regulatory Profit / (Loss)**			7,517

43 **Commentary on Regulatory Profit**

- Revenue from specified airport activities, particularly airfield, terminal and passenger services charges, continues to be affected by the aftermath of the Canterbury earthquake aftershocks with reduced passenger and aircraft movements.
- Other operating revenue includes $1.2m of earthquake insurance claims.
- Increased operating costs, including a full year of operating ITP costs post the commissioning of Stage I together with increased insurance and earthquake mitigation costs
- Increased depreciation costs through a full years cost post the commissioning of Stage I in May 2011. In addition there was $1.6m accelerated depreciation for the write off of a specified aircraft and freight building deemed uneconomic to repair post a structural review after the earthquakes.
- Reduced revaluations as the CPI index has remained relatively flat at .95% for the year on year movement (2011 3.21%)
- No recovery of increased costs through increased charges post the substantial completion of ITP as the price reset will not be implemented until December 2012
- A full year impact of the new license charges for the new check-in counters in the Integrated terminal

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Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref Version 2.0

($000 unless otherwise specified)

2b: Notes to the Report

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

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

Qualifying debt	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value	Term Credit Spread Difference	Execution cost of an interest rate swap	Notional debt issue cost readjustment
No qualifying debt								
						–	–	–

	–
Attribution Rate (%)	
Allowance for long term credit spread	–

2b(ii): Financial Incentives

		($000)
Pricing incentives	1,712	
Other incentives	279	
Total financial incentives		1,991

2b(iii): Rates and Levy Costs

	($000)
Rates and levy costs	739

2b(iv): Merger and Acquisition Expenses

	($000)
Merger and acquisition expenses	–

Justification for Merger and Acquisition Expenses

There were no merger and acquisition expenses.

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref *Version 2.0*

3a: Regulatory Tax Allowance

ref					($000)
7		Regulatory profit / (loss) before tax			9,183
8					
9	*plus*	Regulatory depreciation	18,967		
10		Other permanent differences—not deductible	16	*	
11		Other temporary adjustments—current period	289	*	
12					19,272
13					
14	*less*	Total revaluations	3,739		
15		Tax depreciation	14,393		
16		Notional deductible interest	4,039		
17		Other permanent differences—non taxable	–	*	
18		Other temporary adjustments—prior period	336	*	
19					22,508
20					
21		Regulatory taxable income (loss)			5,947
22					
23	*less*	Tax losses used	–		
24		Net taxable income			5,947
25					
26		Statutory tax rate (%)	28.0%		
27		Regulatory tax allowance			1,665

** Workings to be provided*

3b: Notes to the Report

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

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

Details of the tax differences are as follows:

- **Permanent Differences – not deductible -** 50% of entertainment expenses are not deductible for tax purposes - $16,066
- **Other Temporary adjustments – current period -** These include personnel accruals that are not deductible in the year they are accrued of $811,593. These accruals were allocated in the same ratio as payroll allocations (61%) to specified airport activities. In addition, uniforms capitalised for tax purposes are included at $40,000.

  A deferred lease settlement ($400,000) is being spread over five years for tax purposes and is included as a current temporary difference. This related to specified aircraft and freight activities.

  ITP staging costs are additional operating costs incurred to ensure business operations can meet required operating standards while the new integrated terminal is being constructed. These are deductible for tax purposes over the period of the project development. They amount to ($171,275) in the current period (total company costs times the new specified terminal allocation of 67.53%)

  Difference between tax and accounting gain on asset disposal of $8,495
- **Other permanent differences – non-taxable -** Nil
- **Other Temporary adjustments – prior period -** These differences are effectively the reversal of the previous year accruals and total $335,913. Note that the temporary adjustments in the prior year disclosure were incorrect in the split between current and prior and this has been corrected in 2012. There was no impact to the regulatory tax allowance.

3b(ii): Tax Depreciation Roll-Forward

ref			($000)	
48		Opening RAB (Tax Value)	151,816	
49	*plus*	Regulatory tax asset value of additions	27,752	
50	*less*	Regulatory tax asset value of disposals	24	
51	*plus*	Regulatory tax asset value of assets transferred from/(to) unregulated asset base	769	
52	*less*	Tax depreciation	14,393	
53	*plus*	Other adjustments to the RAB tax value	(1,647)	
54		Closing RAB (tax value)		164,273

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

ref			($000)	
57		Tax losses (regulated business)—prior period	–	
58	*plus*	Current year tax losses	–	
59	*less*	Tax losses used	–	
60				
61		Tax losses (regulated business)		–

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref | Version 2.0

ref			Unallocated RAB * ($000)	Unallocated RAB * ($000)	RAB ($000)	RAB ($000)
8		**RAB value—previous disclosure year**		467,059		396,690
9	*less*					
10		**Regulatory depreciation**		23,097		18,967
11	*plus*					
12		Indexed revaluations	4,407		3,739	
13		Non-indexed revaluations	–		–	
14		**Total revaluations**		4,407		3,739
15	*plus*					
16		Assets commissioned (other than below)	40,340		29,331	
17		Assets acquired from a regulated supplier	–		–	
18		Assets acquired from a related party	2,199		1,236	
19		**Assets commissioned**		42,539		30,567
20	*less*					
21		Asset disposals (other)	17		17	
22		Asset disposals to a regulated supplier	–		–	
23		Asset disposals to a related party	1,667		1,667	
24		**Asset disposals**		1,684		1,684
25						
26	*plus*	**Lost and found assets adjustment**		–		–
27						
28		**Adjustment resulting from cost allocation**				- 1,352
29						
30		**RAB value †**		489,225		408,993

31 **Commentary**

There was no revaluation of land under the market value alternative use valuation methodology in 2012.

Land assets were included with other assets and revalued using the CPI index of .95%

A major project for CIAL over the last two years has been the construction of a new integrated terminal. Stage I of the new terminal was opened in May 2011 and Stage II in April 2012. Stage II has added nearly $25 million to the RAB in 2012, with the two stages combined adding approximately $114 million to specified terminal activities over 2011 and 2012.

The assets acquired from related parties are predominantly a building used for Aviation Security that was transferred from the commercial to the aeronautical side of the business.

The assets disposed to related parties are assets that were previously included in Aircraft and Freight but are now classified as commercial properties.

Depreciation has increased significantly since 2011 principally as a result of Stage I of the new terminal development being commissioned in 2011. In addition, a specified aircraft and freight building was found to have a classification of less than 33% against the new building standard, and is deemed uneconomic to repair. This building has been fully depreciated in the current disclosure period ($1,572,000), and disclosed as non-standard depreciation.

The adjustment resulting from cost allocation of ($1.3m) is the result of changes in percentages year on year for the allocation of various asset groups. Predominantly this is the result of the changing footprint of the new integrated terminal still under construction – 2012 0.3%, 2011 0.5%.

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

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

4b: Notes to the Report

4b(i): Regulatory Depreciation

		Unallocated RAB ($000)	RAB ($000)
	Standard depreciation	21,524	17,395
	Non-standard depreciation	1,572	1,572
	Regulatory depreciation	23,097	18,967

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

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

ref | Version 2.0

($000 unless otherwise specified)

4b(ii): Non-Standard Depreciation Disclosure

Non-standard Depreciation Methodology	Depreciation charge for the period (RAB)	Year change made (year ended)	RAB value under 'non-standard' depreciation	RAB value under 'standard' depreciation
Accelerated depreciation - reduced useful life to 0 as at the end of 2012	1,572	2012	–	1,572

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

Summary of Change	Justification for change in depreciation methodology	Extent of customer disagreement and supplier response
Write off of building deemed uneconomic to repair after earthquakes	External advice confirmed the cost of bringing the building up to the new building code was uneconomic.	

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

CPI at CPI reference date—previous year (index value)		1,157
CPI at CPI reference date—current year (index value)		1,168
Revaluation rate (%)		0.95%

		Unallocated RAB		RAB	
	RAB value—previous disclosure year		467,059		396,690
less	Revalued land	–			
less	Assets with nil physical asset life	1,795		1,726	
less	Asset disposals	1,684		1,684	
less	Lost asset adjustment	–			
	Indexed revaluation		4,407		3,739

4b(v): Works Under Construction

		Unallocated works under construction		Allocated works under construction	
	Works under construction—previous disclosure year		53,251		35,921
plus	Capital expenditure	42,119		30,401	
less	Asset commissioned	42,539		30,567	
less	Offsetting revenue	–		–	
plus	Adjustment resulting from cost allocation				(128)
	Works under construction		52,830		35,627

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

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

ref | Version 2.0

4b(vi): Capital Expenditure by Primary Purpose

ref				
105		Capacity growth	9,990	
106	*plus*	Asset replacement and renewal	20,411	
107		Total capital expenditure		30,401

4b(vii): Asset Classes

ref			Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
110		RAB value—previous disclosure year	87,619	92,081	209,253	7,737	396,690
111	*less*	Regulatory depreciation	–	4,485	13,380	1,103	18,967
112	*plus*	Indexed revaluations	817	875	1,974	72	3,739
113	*plus*	Non-indexed revaluations	–				–
114	*plus*	Assets commissioned	68	3,499	26,507	492	30,567
115	*less*	Asset disposals	1,667	–	–	17	1,684
116	*plus*	Lost and found assets adjustment	–	–	–	–	–
117	*plus*	Adjustment resulting from cost allocation	85	–	(1,077)	(360)	(1,352)
118		RAB value	86,922	91,971	223,279	6,822	408,993

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

4b(viii): Assets Held for Future Use

ref			Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total
121		Assets held for future use—previous disclosure year	42,707	8,068	28	2,091	52,838
122	*plus*	Assets held for future use—additions[1]	–	4,168	–	426	4,594
123	*less*	Transfer to works under construction	–	–	–	–	–
124	*less*	Assets held for future use—disposals	–	–	–	–	–
125		Assets held for future use[2]	42,707	12,236	28	2,517	57,432

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

126 *[2] Each category value shown in the 'Assets held for future use' line (Base Value, Holding Costs, Net Revenues, and Tracking Revaluations) is carried forward into the following year's disclosure as 'Assets held for future use—previous disclosure year' .*

ref			
127		Highest rate of finance applied (%)	6.89%

128

Regulated Airport	Christchurch International Airport Limited
For Year Ended	30 June 2012

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref *Version 2.0*

5(i): Related Party Transactions

	($000)
Net operating revenue	113
Operational expenditure	4,437
Related party capital expenditure	–
Market value of asset disposals	–
Other related party transactions	80,386

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
Christchurch City Holdings Limited	Majority Shareholder
Christchurch City Council	Owner of Majority Shareholder
Connectics Ltd	Subsidiary of Majority Shareholder
Red Bus Ltd	Subsidiary of Majority Shareholder
Eco Central Ltd	Subsidiary of Majority Shareholder
Canterbury Development Corp	Subsidiary of Majority Shareholder
Meridian Energy Limited	Common directors
PGG Wrightson Limited	Common directors
House of Travel Holdings Limited	Common directors

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price ($)	Value ($000)
Christchurch City Holdings Limited (CCHL)	Subordinated loan balance payable		50,000
Christchurch City Holdings Limited (CCHL)	Interest paid		2,760
Christchurch City Holdings Limited (CCHL)	Group Loss offset		10,951
Christchurch City Council (CCC)	Rates		3,390
Christchurch City Council (CCC)	Operational expenses		238
Christchurch City Council (CCC)	Subvention payments / Losses		11,049
Orion New Zealand Limited	Operational expenses		621
Connectics Ltd	Operational expenses		144
Red Bus Ltd	Revenue		106
Meridian Energy Limited	Electricity		2,350
PGG Wrightson Limited	Agricultural and landscaping supplies		23
House of Travel Holdings Limited	Travel, accommodation, lease tenancy		691
Other related party transactions	various		51
Christchurch International Airport Limited	Management compensation of key personnel including Directors and Executive Management, incorporating salaries and other short term employee benefits		
	- Directors Fees		281
	- Executive Management		2,281

Commentary on Related Party Transactions

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

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

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

The major elements are loans, interest on loans and subvention payments ($80,386). These transactions relate to the full company, and are not able to be allocated to specific activities. The Company considers that the remaining transactions ($4,550) cannot reasonably be allocated to specified airport activities without considerable and disproportionate effort and expense.

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST EXPENDITURE

ref *Version 2.0*

6a: Actual to Forecast Expenditure

($000)

Expenditure by Category	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1
Capacity growth	9,990	N/A	N/A	52,905	N/A	N/A
Asset replacement and renewal	20,411	N/A	N/A	106,984	41,758	N/A
Total capital expenditure	30,401	N/A	N/A	159,889	41,758	N/A
Corporate overheads	8,573	N/A	N/A	31,923	N/A	N/A
Asset management and airport operations	17,576	N/A	N/A	55,862	N/A	N/A
Asset maintenance	2,166	N/A	N/A	9,019	N/A	N/A
Total operational expenditure	28,315	N/A	N/A	96,804	51,480	N/A
Key Capital Expenditure Projects						
Integrated Terminal Project	23,600	N/A	N/A	132,577	–	N/A
Pavement maintenance	3,041	N/A	N/A	17,148	20,925	N/A
Other capital expenditure	3,761	N/A	N/A	10,165	20,833	N/A
Total capital expenditure	30,401	N/A	N/A	159,889	41,758	N/A

Explanation of Variances

The current pricing regime was the subject of consultation over 2007-2009 for the three year period ending 30 June 2011.

A new pricing reset was planned to be implemented post the completion of ITP, targeted for July 2011. Owing to a number of factors including an extended capital consultation period and the detrimental effects from the Canterbury earthquakes this reset will now not come into effect until December 2012.

The pricing reset to 30 June 2011 was extended to 30 November 2012 owing to the revised substantial completion timeline. The forecasts specifically excluded estimates of capital expenditure for the new integrated terminal as this project was still undergoing capital consultation with the airlines at the time of pricing consultation.

As the 2008-2011 price reset did not include any forecasts for operating and capital expenditure post 30 June 2011, no comparison to actual is available for the year ended 30 June 2012.

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

** Disclosure year coincides with Pricing Period Starting Year + 3.*

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

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

ref *Version 2.0*

6b: Forecast Expenditure

From most recent disclosure following a price setting event

Starting year of current pricing period (year ended): 30 June 2009

	Expenditure by Category	for year ended	Pricing Period Starting Year 30 Jun 09	Pricing Period Starting Year + 1 30 Jun 10	Pricing Period Starting Year + 2 30 Jun 11	Pricing Period Starting Year + 3 30 Jun 12	Pricing Period Starting Year + 4 30 Jun 13
81	Capacity growth		–	–	–	–	–
82	Asset replacement and renewal		8,721	17,901	15,136	–	–
83	Total forecast capital expenditure		8,721	17,901	15,136	–	–
84							
85	Corporate overheads		N/A	N/A	N/A	–	–
86	Asset management and airport operations		N/A	N/A	N/A	–	–
87	Asset maintenance		N/A	N/A	N/A	–	–
88	Total forecast operational expenditure		17,815	16,690	16,976	–	–

	Key Capital Expenditure Projects	for year ended	Pricing Period Starting Year 30 Jun 09	Pricing Period Starting Year + 1 30 Jun 10	Pricing Period Starting Year + 2 30 Jun 11	Pricing Period Starting Year + 3 30 Jun 12	Pricing Period Starting Year + 4 30 Jun 13
91	International terminal project		–	–	–	–	–
92	Pavement Maintenance		4,645	6,870	9,410	–	–
93			–	–	–	–	–
94			–	–	–	–	–
95			–	–	–	–	–
96			–	–	–	–	–
97			–	–	–	–	–
98			–	–	–	–	–
99			–	–	–	–	–
100	Other capital expenditure		4,076	11,031	5,726	–	–
101	Total forecast capital expenditure		8,721	17,901	15,136	–	–

Regulated Airport: Christchurch International Airport Limite
For Year Ended: 30 June 2012

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref | Version 2.0

($000)

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*
Airfield Charges	–	18,773	–	18,773
Terminal Charges	7,018	–	–	7,018
Counter Charges	2,266	–	–	2,266
Passenger Service Charges	14,657	–	–	14,657
Lease, rental and concession income	3,420	232	3,714	7,366
Other operating revenue	2,073	138	107	2,318
Net operating revenue	29,434	19,143	3,821	52,399
Gains / (losses) on asset sales	–	17	–	17
Other income	159	139	11	310
Total regulatory income	29,593	19,300	3,833	52,726
Total operational expenditure	16,012	10,458	1,844	28,315
Regulatory depreciation	11,215	5,712	2,041	18,967
Total revaluations	1,855	1,739	145	3,739
Allowance for long term credit spread	–	–	–	–
Regulatory tax allowance	562	743	361	1,665
Regulatory profit/ loss	3,659	4,126	(268)	7,517
Regulatory investment value	201,504	184,864	17,690	404,058

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

Commentary on Segmented Information

The regulatory profit for the year ending 30 June 2012, prior to the inclusion of the interest rate shield, is $7.517 million, and $6.386 million post the notional interest tax shield.

Regulatory investment value for the year ending 30 June 2012 has increased to a total of $404.058 million; up substantially from the same period last year at $315.238 million. This significant increase is the consequence of the full impact of Stage I ITP development for the 12 months, as compared with only 2 months in the previous year. In addition Stage II of the ITP development was also added post commissioning in March 2012, an equivalent period of 3 months.

The returns on investment for the respective specified airport activity categories is detailed below, with the 2011 comparative performance included in brackets.

Specified Terminal	Specified Airfield	Specified Aircraft & Freight
1.82% (7.00%)	2.23% (5.13%)	-1.51% (8.07%)

Considering each of these segments in turn;

Specified Passenger Terminal Activities

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

- A reduction in terminal and related income owing to the reduced passenger and aircraft movements;
- Increased operating and depreciation costs for terminal activity post the commission of ITP Stage 1 (May 2011) for a full year
- Increased operating costs owing to the impact of the Christchurch earthquakes; including increased insurance premiums and remedial costs for the completion of earthquake related damage not covered by insurance;
- Reduced revaluations of regulatory investment value from 2011 to 2012 with the CPI Index being only 0.95% (3.21% 2011).

Commentary on Segmented Information (continued)

Specified Airfield Activities

The return on airfield activities has also decreased for similar reasons:

- Reduced aeronautical activity through reduced aircraft movements;
- Operating costs, impacted by earthquake activity including the increased insurance premiums and costs to manage the effects of the continuing aftershocks and the impacts of the heavy snow storms in June 2012;
- An increase in regulatory investment value primarily due to annual work on major pavement maintenance.

Specified Aircraft and Freight

The return on aircraft and freight has also reduced due to:

- Operating costs have marginally increased, but
- The major impact was through significantly increased regulatory depreciation. This was due to the accelerated write off of a building which following a structural review was found to be less than the new minimum building standard. This building was deemed uneconomic to repair and accordingly has been removed from service.
- In addition to this, revaluation revenue was lower owing to the reduced CPI Index rate, as previously noted being significantly below that experienced in 2011.

Regulated Airport For Year Ended: **Christchurch International Airport Limited — 30 June 2012**

SCHEDULE 8: CONSOLIDATION STATEMENT

ref *Version 2.0*

8a: CONSOLIDATION STATEMENT

($000)

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business– GAAP	Unregulated Activities– GAAP	Airport Company– GAAP
Net income	52,726	1	52,727	67,051	119,778
Total operational expenditure	28,315	–	28,315	21,857	50,172
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	24,411	1	24,412	45,194	69,606
Depreciation	18,967	1,123	20,090	8,061	28,151
Revaluations	3,739	11,806	15,545	(1,066)	14,479
Tax expense	1,665	(1,888)	(223)	6,921	6,698
Net operating surplus / (deficit) before interest	7,517	12,572	20,089	29,147	49,236
Property plant and equipment	408,993	105,077	514,070	368,782	882,852

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

($000)

Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
Depreciation methodology - on additions and disposals under GAAP	Depreciation	1,123
Sale of assets - depreciation on disposal increases the gain on sale	Net income	1
CPI index revaluation - excluded under GAAP	Revaluations	(3,739)
Revaluation per Opus - included under GAAP	Revaluations	15,545
Tax expense adjustment due to different calculation of surplus as well as perm/temp diffs	Tax expense	(1,888)
Land Held for development and Work in Progress - excluded from RAB	Property plant & equipment	53,932
Revaluation variance due to different methods for years 2009-2012	Property plant & equipment	48,941
Depreciation differences to date plus changes in allocation %	Property plant & equipment	2,204

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

Commentary on the Consolidation Statement

Depreciation

Under regulatory rules, there is no depreciation on the asset being commissioned or disposed in the actual year of addition or disposal. Under GAAP however, assets are depreciated for partial use in the year of completion thereby resulting in depreciation under GAAP rules being higher than depreciation costs under regulatory rules.

Revaluation

Under GAAP, revaluation of assets to market value is allowed under NZ IAS16 and requires the determination of market values for each class of asset. Under regulatory rules, all assets are initially established at values in the 2009 base year and then revalued annually using the change in the CPI index. Land is the only exception to this rule and can be valued using the MVAU method or CPI. CIAL has incorporated the MVAU valuation of land as per the initial RAB calculation determined in the 2009 year. This land has then been revalued annually by the CPI index increment to 30 June 2012. Land is to be revalued at least every five years with the difference in such values and prior CPI valuation indexation being treated as revenue in the year such MVAU revaluation occurs.

Tax Expense

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

Property Plant & Equipment

Differences in asset values under GAAP when compared with Information Disclosure rules are the result of differing methodologies for asset valuations and depreciation since the initial RAB calculation in 2009. The adjustment value shown is a summation of variances from 2009 through to 2012.

Finally, neither Work in Progress nor land held for future development is included in the initial RAB calculation whilst it is included in asset values under GAAP. This amounted to a GAAP value of $18.3m (Land) and $35.6 (WIP) as at 30 June 2012.

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

ref *Version 2.0*

9a: Asset Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	1,777	78,456	4,619	84,852		84,852
Assets not directly attributable	1,056	757	256	2,070	1,658	3,727
Total value land				86,922		
Sealed Surfaces						
Directly attributable assets	–	91,971	–	91,971		91,971
Assets not directly attributable	–	–	–	–	–	–
Total value sealed surfaces				91,971		
Infrastructure and Buildings						
Directly attributable assets	16,160	4,368	8,873	29,402		29,402
Assets not directly attributable	189,289	3,589	999	193,877	76,526	270,403
Total value infrastructure and buildings				223,279		
Vehicles, Plant and Equipment						
Directly attributable assets	535	3,995	36	4,566		4,566
Assets not directly attributable	1,225	853	178	2,256	2,048	4,304
Total value vehicles, plant and equipment				6,822		
Total directly attributable assets	18,472	178,790	13,529	210,791		210,791
Total assets not directly attributable	191,570	5,199	1,433	198,203	80,231	278,434
Total assets	210,042	183,989	14,962	408,993	80,231	489,225

Asset Allocators

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

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

Version 2.0

Asset Allocators (cont)

ref	Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
49	Terminal - International Ground Floor	Floor area	Proxy Cost Allocat	Specific terminal assets that are located on the International ground floor are allocated according to International ground floor space split into aeronautical / non-aeronautical	Infrastructure & Buildings
50	Terminal - International Second Floor	Floor area	Proxy Cost Allocat	Specific terminal assets that are located on the International second floor are allocated according to International second floor space split into aeronautical / non-aeronautical	Infrastructure & Buildings
51	Terminal - Integrated	Floor area	Proxy Cost Allocat	New terminal assets that were commissioned in 2011 relate to the new terminal project and the new footprint is deemed to be the best allocator of aeronautical/non-aeronautical values	Infrastructure & Buildings
52			[Select one]		
53			[Select one]		
54			[Select one]		
55			[Select one]		
56			[Select one]		
57			[Select one]		
58			[Select one]		
59			[Select one]		
60			[Select one]		
61			[Select one]		
62			[Select one]		
63			[Select one]		
64			[Select one]		
65			[Select one]		
66			[Select one]		
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102			[Select one]		
103			[Select one]		
104			[Select one]		
105			[Select one]		
106			[Select one]		
107			[Select one]		

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

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 2.0*

9b: Notes to the Report

9b(i): Changes in Asset Allocators

($000)

			Effect of Change		
			CY-1 30 Jun 11	Current Year (CY) 30 Jun 12	CY+1 30 Jun 13
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–

Commentary on Asset Allocations

Overview:

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

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

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

Changing Terminal Footprint

In 2011, the integrated terminal assets were allocated according to the terminal footprint in use from 1 May 2011 when Stage I of the integrated terminal was commissioned.

Stage II of the integrated terminal was commissioned at the end of March 2012, with assets being allocated on the basis of the terminal footprint at this date.

Regulated Airport For Year Ended: **Christchurch International Airport Limited — 30 June 2012**

SCHEDULE 10: REPORT ON COST ALLOCATIONS

Version 2.0

10a: Cost Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Corporate Overheads						
Directly attributable operating costs	146	1,373	101	1,621		1,621
Costs not directly attributable	4,896	1,831	226	6,953	7,894	14,847
Asset Management and Airport Operations						
Directly attributable operating costs	2,846	6,103	1,294	10,243		10,243
Costs not directly attributable	6,805	465	64	7,333	11,256	18,589
Asset Maintenance						
Directly attributable operating costs	4	396	88	488		488
Costs not directly attributable	1,315	291	71	1,677	2,088	3,766
Total directly attributable costs	2,997	7,872	1,483	12,352		12,352
Total costs not directly attributable	13,016	2,587	361	15,964	21,239	37,202
Total operating costs	16,012	10,459	1,844	28,316	21,239	49,554

Cost Allocators

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Management Payroll	Staff time	Causal Relationsh	Estimate of staff time spent on regulated and unregulated activities	Asset management & airport operations, corporate overheads
Admin Payroll	Staff time	Causal Relationsh	Estimate of staff time spent on regulated and unregulated activities	Asset management & airport operations, corporate overheads
Airport services payroll	Staff time	Causal Relationsh	Estimate of staff time spent on regulated and unregulated activities	Asset management & airport operations
Supervisors payroll	Staff time	Causal Relationsh	Estimate of staff time spent on regulated and unregulated activities	Asset maintenance
Incentives	Revenue generated by aircraft, passenger service and concession charges for the year	Causal Relationsh	The spend on Promotion and Airline incentives that will give rise to increased Pax numbers should be allocated by the revenue that is genrated by those Pax.	Asset management & airport operations
Promotions	Revenue generated by aircraft, passenger service and concession charges for the year	Causal Relationsh	The spend on Promotion and Airline incentives that will give rise to increased Pax numbers should be allocated by the revenue that is genrated by those Paxs.	Asset management & airport operations
Consultant Fees	Direct gross regulatory revenue	Causal Relationsh	Split of aeronautical revenue deemed to be a suitable driver	Corporate overheads
Regulatory advice	Direct gross regulatory revenue	Causal Relationsh	Split of aeronautical revenue deemed to be a suitable driver	Asset management & airport operations
Administration costs	Proportion of direct admin costs	Proxy Cost Allocat	Directly attributable administration costs are deemed to be a suitable driver of in-direct administration costs	Corporate overheads, asset management and airport operations
Maintenance costs	Proportion of direct maintenance costs	Proxy Cost Allocat	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 Allocat	Contestable/non-contestable floor space within the international terminal is deemed to be a suitable driver of international temrinal cost allocations	Corporate overheads, asset management and airport operations, asset maintenance
Domestic terminal	Floor space	Proxy Cost Allocat	Contestable/non-contestable floor space within the domestic terminal is deemed to be a suitable driver of domestic temrinal cost allocations	Corporate overheads, asset management and airport operations, asset maintenance
Total terminal	Floor space	Proxy Cost Allocat	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
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref | Version 2.0

Cost Allocators (cont)

	Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
54			[Select one]		
55			[Select one]		
56			[Select one]		
57			[Select one]		
58			[Select one]		
59			[Select one]		
60			[Select one]		
61			[Select one]		
62			[Select one]		
63			[Select one]		
64			[Select one]		
65			[Select one]		
66			[Select one]		
67			[Select one]		
68			[Select one]		
69			[Select one]		
70			[Select one]		
71			[Select one]		
72			[Select one]		
73			[Select one]		
74			[Select one]		
75			[Select one]		
76			[Select one]		
77			[Select one]		
78			[Select one]		
79			[Select one]		
80			[Select one]		
81			[Select one]		
82			[Select one]		
83			[Select one]		
84			[Select one]		
85			[Select one]		
86			[Select one]		
87			[Select one]		
88			[Select one]		
89			[Select one]		
90			[Select one]		
91			[Select one]		
92			[Select one]		
93			[Select one]		
94			[Select one]		
95			[Select one]		
96			[Select one]		
97			[Select one]		
98			[Select one]		
99			[Select one]		
100			[Select one]		
101			[Select one]		
102			[Select one]		
103			[Select one]		
104			[Select one]		
105			[Select one]		
106			[Select one]		
107			[Select one]		
108			[Select one]		
109			[Select one]		
110			[Select one]		
111			[Select one]		
112			[Select one]		
113			[Select one]		
114			[Select one]		
115			[Select one]		
116			[Select one]		
117			[Select one]		
118			[Select one]		

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

120

Regulated Airport	**Christchurch International Airport Limited**
For Year Ended	**30 June 2012**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref *Version 2.0*

10b: Notes to the Report

10b(i): Changes in Cost Allocators

			CY-1 30 Jun 11	Current Year (CY) 30 Jun 12	CY+1 30 Jun 13
			Effect of Change		**($000)**
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–

Commentary on Cost Allocations

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

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

Step Two: Review Costs for Causal Allocators
All remaining income and expense items are then reviewed with any costs that can be allocated based on a causal relationship being allocated manually. The causal allocators used in 2012 are listed above.

Step Three: Run Cost Allocation Model
The cost allocation model then allocates the residual values in the administration, maintenance and terminal categories between the specified airport and commercial sides of the business. The allocators for 2012 and their rationale for application are detailed above.

2012 Terminal Cost Allocations
As a consequence of the opening of Stage II of the integrated terminal at the end of March 2012, a combination of the 2011 Stage I and 2012 Stage II building footprint plans have been used as the basis for the 2012 cost allocation process.

Two cost allocation models were run, one covering 9 months to the end of March 2012 and the other covering the 3 months to the end of June 2012. The results of the two models were then combined to give a total allocation of costs for specified terminal activity for the year ended 30 June 2012.

Changes in Cost Allocators
CIAL has used the same allocation methodology for the years ended 2011 and 2012. Accordingly schedule 10b(i) has not been completed.

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

Version 2.0

ref		Number	Total Duration Hours	Total Duration Minutes
6	**Runway**			
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8	Airports	1	2	45
9	Airlines/Other	–	–	–
10	Undetermined reasons	–	–	–
11	Total	1	2	45
12	**Taxiway**			
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14	Airports	–	–	–
15	Airlines/Other	–	–	–
16	Undetermined reasons	–	–	–
17	Total	–	–	–
18	**Remote stands and means of embarkation/disembarkation**			
19	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
20	Airports	–	–	–
21	Airlines/Other	–	–	–
22	Undetermined reasons	–	–	–
23	Total	–	–	–
24	**Contact stands and airbridges**			
25	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26	Airports	17	25	45
27	Airlines/Other	3	1	30
28	Undetermined reasons	–	–	–
29	Total	20	27	15
30	**Baggage sortation system on departures**			
31	The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
32	Airports	6	4	59
33	Airlines/Other	1	–	20
34	Undetermined reasons	–	–	–
35	Total	7	5	19
36	**Baggage reclaim belts**			
37	The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible			
38	Airports	4	9	36
39	Airlines/Other	–	–	–
40	Undetermined reasons	–	–	–
41	Total	4	9	36
42	**On-time departure delay**			
43	The total number of flights affected by on time departure delay and the total duration of the delay during disclosure year by party primarily responsible			
44	Airports	N/A	N/A	N/A
45	Airlines/Other	N/A	N/A	N/A
46	Undetermined reasons	N/A	N/A	N/A
47	Total	–	–	–
48				

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref | Version 2.0

Fixed electrical ground power availability (if applicable)

The percentage of time that FEGP is unavailable due to interruptions* | N/A

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

Commentary concerning reliability measures

Determining Responsibility and Validity of Interruptions

CIAL operations staff record all interruption data manually in a database. This is completed at the time the interruption occurs and includes full details of the interruption with an assessment as to the party responsible.

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

Operational Improvements

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

On Time Departure Delay

CIAL requires the input from Airlines to report the on time departure delay information from 2012. To date the information for the requirement has not been provided to CIAL by the airlines and an exemption for this section has been received from the Commerce Commission.

Note: N/A = Not Available

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 Limited
For Year Ended: 30 June 2012

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

ref | Version 2.0

Runway

		Runway #1	Runway #2	Runway #3
Description of runway(s)	Designations	02-20	11-29	N/A
	Length of pavement (m)	3,288	1,741	N/A
	Width (m)	45	45	N/A
	Shoulder width (m)	8	N/A	N/A
	Runway code	4E	4E	N/A
	ILS category	Category I	N/A	N/A
Declared runway capacity for specified meteorological condition	VMC (movements per hour)	42	38	N/A
	IMC (movements per hour)	38	28	N/A

Taxiway

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

Aircraft parking stands

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

		Contact stand–airbridge	Contact stand–walking	Remote stand–bus
Air passenger services	International	10	2	3
	Domestic jet	5	1	–
	Domestic turboprop	–	11	–
Total parking stands		15	14	3

Busy periods for runway movements

	Date
Runway busy day	27 October 2011
Runway busy hour start time (day/month/year hour)	20 Jan 2012 6 p.m.

Aircraft movements

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

		Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
Air passenger services	International	28	–	–	28
	Domestic jet	70	–	–	70
	Domestic turboprop	–	113	–	113
	Total	98	113	–	211
Other (including General Aviation)					–
Total aircraft movements during the runway busy day					211

Number of aircraft runway movements during the runway busy hour: 22

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

Parking Stand Assumptions:

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

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

Runway

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

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

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

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

Version 2.0

ref	Outbound (Departing) Passengers	International terminal	Domestic terminal	Common area †
	Landside circulation (outbound)			
	Passenger busy hour for landside circulation (outbound)—start time (day/month/year hour)	22 Jul 2011 3 p.m.	10 Apr 2012 2 p.m.	
	Floor space (m^2)	2,801	3,451	
	Passenger throughput during the passenger busy hour (passengers/hour)	783	809	
	Utilisation (busy hour passengers per $100m^2$)	28	23	Not defined
	Check-in			
	Passenger busy hour for check-in—start time (day/month/year hour)	0 Jan 1900 12 a.m.	0 Jan 1900 12 a.m.	8 Apr 2012 12 a.m.
	Floor space (m^2)	–	–	2,443
	Passenger throughput during the passenger busy hour (passengers/hour)	–	–	1,284
	Utilisation (busy hour passengers per $100m^2$)	Not defined	Not defined	53
	Baggage (outbound)			
	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	0 Jan 1900 12 a.m.	0 Jan 1900 12 a.m.	8 Apr 2012 12 a.m.
	Make-up area floor space (m^2)	–	–	4,647
	Notional capacity during the passenger busy hour (bags/hour)*	–	–	2,400
	Bags processed during the passenger busy hour (bags/hour)*	–	–	963
	Passenger throughput during the passenger busy hour (passengers/hour)	–	–	1,284
	Utilisation (% of processing capacity)	Not defined	Not defined	40%

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

Passport control (outbound)		
Passenger busy hour for passport control (outbound)—start time (day/month/year hour)	22 Jul 2011 3 p.m.	
Floor space (m^2)	775	
Number of emigration booths and kiosks	14	
Notional capacity during the passenger busy hour (passengers/hour) *	823	
Passenger throughput during the passenger busy hour (passengers/hour)	783	
Utilisation (busy hour passengers per $100m^2$)	101	
Utilisation (% of processing capacity)	95%	

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

Security screening		
Passenger busy hour for security screening—start time (day/month/year hour)	22 Jul 2011 3 p.m.	10 Apr 2012 2 p.m.
Facilities for passengers excluding international transit & transfer		
Floor space (m^2)	217	163
Number of screening points	3	3
Notional capacity during the passenger busy hour (passengers/hour) *	810	810
Passenger throughput during the passenger busy hour (passengers/hour)	783	809
Utilisation (busy hour passengers per $100m^2$)	361	496
Utilisation (% of processing capacity)	97%	100%
Facilities for international transit & transfer passengers		
Floor space (m^2)	47	
Number of screening points	1	
Notional capacity during the passenger busy hour (passengers/hour)*	270	
Estimated passenger throughput during the passenger busy hour (passengers/hour)	–	
Utilisation (busy hour passengers per $100m^2$)	–	
Utilisation (% of processing capacity)	–	

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

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

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

Version 2.0

ref		International terminal	Domestic terminal	Common area †
61				
62	**Airside circulation (outbound)**			
63	Passenger busy hour for airside circulation (outbound)—start time			
64	(day/month/year hour)	22 Jul 2011 3 p.m.	10 Apr 2012 2 p.m.	
65	Floor space (m²)	808	2,431	
66	Passenger throughput during the passenger busy hour (passengers/hour)	783	809	
67	Utilisation (busy hour passengers per 100m²)	97	33	
68	**Departure lounges**			
69	Passenger busy hour for departure lounges—start time (day/month/year hour)	22 Jul 2011 3 p.m.	10 Apr 2012 2 p.m.	
70	Floor space (m²)	4,215	443	
71	Number of seats	601	784	
72	Passenger throughput during the passenger busy hour (passengers/hour)	783	809	
73	Utilisation (busy hour passengers per 100m²)	19	183	
74	Utilisation (passengers per seat)	1.3	1.0	
75	**Inbound (Arriving) Passengers**			
76	**Airside circulation (inbound)**			
77	Passenger busy hour for airside circulation (inbound)—start time			
78	(day/month/year hour)	17 Mar 2012 12 a.m.	15 Jun 2012 6 p.m.	
79	Floor space (m²)	3,467	2,621	
80	Passenger throughput during the passenger busy hour (passengers/hour)	791	798	
81	Utilisation (busy hour passengers per 100m²)	23	30	Not defined
82	**Passport control (inbound)**			
83	Passenger busy hour for passport control (inbound)—start time			
84	(day/month/year hour)	17 Mar 2012 12 a.m.		
85	Floor space (m²)	693		
86	Number of immigration booths and kiosks	26		
87	Notional capacity during the passenger busy hour (passengers/hour) *	850		
88	Passenger throughput during the passenger busy hour (passengers/hour)	791		
89	Utilisation (busy hour passengers per 100m²)	114		
90	Utilisation (% of processing capacity)	93%		
91	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
92	**Landside circulation (inbound)**			
93	Passenger busy hour for landside circulation (inbound)—start time			
94	(day/month/year hour)	17 Mar 2012 12 a.m.	15 Jun 2012 6 p.m.	
95	Floor space (m²)	1,202	1,042	
96	Passenger throughput during the passenger busy hour (passengers/hour)	791	798	
97	Utilisation (busy hour passengers per 100m²)	66	77	Not defined
98	**Baggage reclaim**			
99	Passenger busy hour for baggage reclaim—start time (day/month/year hour)	17 Mar 2012 12 a.m.	15 Jun 2012 6 p.m.	
100	Floor space (m²)	1,587	1,969	
101	Number of reclaim units	3	4	
102	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	4,050	5,400	
103	Bags processed during the passenger busy hour (bags/hour)*	633	559	
104	Passenger throughput during the passenger busy hour (passengers/hour)	791	798	
105	Utilisation (% of processing capacity)	N/A	N/A	
106	Utilisation (busy hour passengers per 100m²)	50	41	
107	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
108	**Bio-security screening and inspection and customs secondary inspection**			
109	Passenger busy hour for bio-security screening and inspection and			
110	customs secondary inspection—start time (day/month/year hour)	17 Mar 2012 12 a.m.		
111	Floor space (m²)	1,025		
112	Notional MAF secondary screening capacity during the passenger busy hour	900		
113	(passengers/hour)*			
114	Passenger throughput during the passenger busy hour (passengers/hour)	791		
115	Utilisation (% of processing capacity)	88%		
116	Utilisation (busy hour passengers per 100m²)	77		
117	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
118	**Arrivals concourse**			
119	Passenger busy hour for arrivals concourse—start time (day/month/year hour)	17 Mar 2012 12 a.m.	15 Jun 2012 6 p.m.	
120	Floor space (m²)	1,217	190	
121	Passenger throughput during the passenger busy hour (passengers/hour)	791	798	
122	Utilisation (busy hour passengers per 100m²)	65	420	Not defined
123				

Regulated Airport: **Christchurch International Airport Limited**
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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont 2)

ref *Version 2.0*

	International terminal	Domestic terminal	Common area †
Total terminal functional areas providing facilities and service directly for passengers			
Floor space (m^2)	18,007	12,310	7,090
Number of working baggage trolleys available for passenger use at end of disclosure year	877	273	

Commentary concerning capacity utilisation indicators for Passenger Terminal Activities

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

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

These data sources are considered materially accurate.

Source of Data for Capacity Calculations:

Security Screening

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

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

Bio-Security

The Notional capacity figures were sourced from the AIRBIZ capacity and utilisation study dated 14 May 2010. There have been no changes in 2012.

Trolleys

Trolley allocation is based on Company figures and internal policy.

Baggage Handling

CIAL operates an Integrated Domestic and International check-in facility and baggage handling system. The Integrated baggage handling system has a notional capacity of 40 bags per minute or 2400 per hour. The actual bag count for the peak hours identified are not available as the information is presently held for 3 months. The information will be available in 2013.

Baggage Outbound

Bags processed during the busy hour have been estimated by CIAL based on an approximate bags per passenger figure. This figure was the result of detailed in-house analysis done when investigating the feasibility of the new baggage handling system.

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 and the relatively short length of reclaim belts.

At this time actual baggage reclaim figures are not recorded by CIAL and again the bags processed have been estimated based on approximate bags per passenger figures.

Passport Control

International Departures

As at 22 July 2011 there were 4 double booths and 6 kiosks. Notional capacity figures were obtained from the AIRBIZ report dated 14 May 2010 and these are still relevant for the 2012 busy hour.

International Arrivals

As at 17 March 2012 there were 7 double booths and 12 kiosks. There are a further 2 Smart Gate gates.

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

Seating

Numbers listed include General, Food Court and Tenancy seats.

Floor Space

The international terminal footprint has not changed so the majority of floor space calculations are from the Air Biz 2010 study. The domestic and integrated terminals floor space is based on the relevant terminal spatial maps produced by CIAL.

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

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

Regulated Airport: **Christchurch International Airport Limited**
For Year Ended: **30 June 2012**

SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref *Version 2.0*

Survey organisation

Survey organisation used	ACI
If "Other", please specify	

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

Domestic terminal	*Quarter*	**1**	**2**	**3**	**4**	**Annual**
	for year ended	**30 Sep 11**	**31 Dec 11**	**31 Mar 12**	**30 Jun 12**	**average**
Ease of finding your way through an airport		3.7	3.8	3.9	3.8	3.8
Ease of making connections with other flights		3.7	4.0	4.0	3.9	3.9
Flight information display screens		4.0	4.1	4.0	3.9	4.0
Walking distance within and/or between terminals		3.6	3.8	3.8	3.7	3.7
Availability of baggage carts/trolleys		4.1	4.2	4.0	4.0	4.1
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.4	4.3	4.4	4.1	4.3
Availability of washrooms/toilets		4.1	4.1	4.1	4.1	4.1
Cleanliness of washrooms/toilets		4.2	4.1	4.0	4.0	4.1
Comfort of waiting/gate areas		3.8	3.8	3.7	3.7	3.8
Cleanliness of airport terminal		4.4	4.2	4.2	4.2	4.3
Ambience of the airport		4.1	4.0	4.0	4.0	4.0
Security inspection waiting time		4.4	4.4	4.4	4.2	4.4
Check-in waiting time		4.6	4.4	4.3	4.4	4.4
Feeling of being safe and secure		4.3	4.3	4.4	4.3	4.4
Average survey score		4.1	4.1	4.1	4.0	4.1

International terminal	*Quarter*	**1**	**2**	**3**	**4**	**Annual**
	for year ended	**30 Sep 11**	**31 Dec 11**	**31 Mar 12**	**30 Jun 12**	**average**
Ease of finding your way through an airport		4.1	4.1	4.3	4.1	4.1
Ease of making connections with other flights		4.1	3.9	4.5	4.3	4.2
Flight information display screens		4.1	4.0	4.2	4.3	4.1
Walking distance within and/or between terminals		4.1	3.9	4.2	4.1	4.1
Availability of baggage carts/trolleys		4.2	4.3	4.1	4.1	4.2
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.3	4.3	4.3	4.4	4.3
Availability of washrooms/toilets		4.1	4.2	4.2	4.2	4.2
Cleanliness of washrooms/toilets		4.2	4.2	4.1	4.2	4.2
Comfort of waiting/gate areas		4.1	4.0	4.1	4.0	4.0
Cleanliness of airport terminal		4.5	4.4	4.4	4.4	4.4
Ambience of the airport		4.3	4.1	4.1	4.2	4.2
Passport and visa inspection waiting time		4.1	4.3	4.2	4.4	4.2
Security inspection waiting time		4.4	4.3	4.3	4.6	4.4
Check-in waiting time		4.3	4.1	4.1	4.3	4.2
Feeling of being safe and secure		4.5	4.5	4.5	4.6	4.5
Average survey score		4.2	4.2	4.2	4.3	4.2

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

Commentary concerning report on passenger satisfaction indicators

The results of the passenger satisfaction survey, out of a score of 5, reflect the passenger perception of passenger experiences including the condition and ambience of the domestic terminal.

The commissioning of Stages I and II of the new integrated terminal have led to significant improvement in passenger experience when compared to 2011 figures (Domestic 3.9, International 4.1).

Location of Survey Fieldwork Documentation

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

Accuracy of Passenger Data to prepare Utilisation Indicators

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

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: hristchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref *Version 2.0*

Disclosure of the operational improvement process

CIAL has a continuous improvement focus to improve operational service excellence. This is achieved through a number of operational forums which meet on a regular basis to consider operations and operational improvement.

As a result of these forums, a number of initiatives have been implemented in 2012, such as:

- Improvements to passenger flow through international arrivals and departures via the application of a Lean Principles programme
- Development of a Snow and Ice Plan to optimise aircraft movements during snow and ice.
- Wildlife Hazard Management Program to reduce the risk of a major birdstrike
- Air bridge theming – to improve the passenger experience
- Programme to install taxi-lane lead in lights for aircraft stands to increase the level of apron safety for aircraft.
- Replacement of security access control system

A summary of the various operational forums follow:

Airline Working Group

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

Facilitation Group

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

Airline Operating Committee

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

Airside Safety Group

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

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

Regulated Airport **Christchurch International Airport Limited**
For Year Ended **30 June 2012**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref *Version 2.0*

6 ### 16a: Aircraft statistics

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

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

ref	Aircraft type	Total number of landings	Total MCTOW (tonnes)
10	Boeing 747-400	3	1,191
11	Boeing 777-300ER	364	127,946
12	Boeing 777-300	6	1,796
13	Boeing 777-200	383	91,055
14	Airbus A330-300	192	44,736
15	Airbus A330-200	2	230
16	Boeing 767-300	9	1,682
17	Boeing 737-800	1,054	83,284
18	Airbus A320	2,311	166,392
19	Boeing 737-700	38	2,638
20	Boeing 737-400	2	136
21	Boeing 737-300	142	9,661
53	Total	4,506	530,747

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont)

ref *Version 2.0*

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	4,006	288,432
Airbus A330-200	1	230
Boeing 747-400	1	397
Boeing 737-300	7,299	496,609
Total	11,307	785,668

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
CVLT	61	1,604
ATR 72-500	7,846	172,590
De Havilland Dash 8 (300)	7,192	140,280
Beech B190	2,385	18,520
Beech 1300 commuter	2	6
Cessna 421	2	3
Total	17,488	333,003

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref *Version 2.0*

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

	Total number of landings	Total MCTOW (tonnes)
Air passenger service aircraft less than 3 tonnes MCTOW	–	–
Freight aircraft	2,569	118,671
Military and diplomatic aircraft	268	36,652
Other aircraft (including General Aviation)	8,736	27,601

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

	Total number of landings	Total MCTOW (tonnes)
Total	44,874	1,832,342

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
International air passenger service movements	9,360	–	–	9,360
Domestic jet air passenger service movements	21,972	319	–	22,291

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

16c: Passenger statistics

	Domestic	International	Total
The total number of passengers during disclosure year			
Inbound passengers†	2,053,376	707,311	2,760,687
Outbound passengers†	2,078,365	712,548	2,790,913
Total (gross figure)	4,131,741	1,419,859	5,551,600
less estimated number of transfer and transit passengers		–	–
Total (net figure)			5,551,600

† 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
Air Chathams	Air Asia X
Air Nelson	Air NZ
Air NZ	Air Pacific
Eagle Airways	Emirates
Jetstar	Jetstar
Mt Cook Airlines	Pacific Blue
Pacific Blue	Qantas
	Singapore Airlines
	Virgin Australia

Regulated Airport: Christchurch International Airport Limited
For Year Ended: 30 June 2012

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref *Version 2.0*

Airline statistics (cont)

Domestic	International

16e: Human Resource Statistics

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
Number of full-time equivalent employees	66	68	5	139
Human resource costs ($000)				10,314

Commentary concerning the report on associated statistics

Source of Data:

Data collated for the air passenger services is obtained from the Airline Billing Database, which is compiled from information electronically provided on a monthly basis from the Airways Corporation information system.

The data for terminal access figures originates from Airlines, customs and FID's (Flight information data system) data.

The human resource statistics has been calculated from payroll figures as at the end of 2012.

Additional Notes:

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

The following table identifies a comparison of passenger movements since 2010. The reduction in passenger volumes is primarily a consequence of the Canterbury earthquakes and the unfavourable impact on tourism and leisure travel. This movement had a negative impact on aeronautical revenues in both 2011 and 2012.

Passenger Movements:

	2012	2011	2010	% Change since 2010
International Arrivals	707,311	744,439	821,669	-13.9%
International Departures	712,548	743,923	800,972	-11.0%
Total International	**1,419,859**	**1,488,362**	**1,622,641**	**-12.50%**
Domestic Arrivals	2,053,376	2,119,230	2,160,510	-5.0%
Domestic Departures	2,078,365	2,168,108	2,217,263	-6.3%
Total Domestic	**4,131,741**	**4,287,338**	**4,377,773**	**-5.6%**
Total Passenger Movements	**5,551,600**	**5,775,700**	**6,000,414**	**-7.5%**
% Change	**-3.8%**	**-3.7%**		

Regulated Airport: ristchurch International Airport Limit
For Year Ended: 30 June 2012

SCHEDULE 17: REPORT ON PRICING STATISTICS

ref *Version 2.0*

17a: Components of Pricing Statistics

	($000)
Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	2,718
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	9,642
Net operating charges from airfield activities relating to international flights	6,366
Net operating charges from specified passenger terminal activities relating to domestic passengers	3,967
Net operating charges from specified passenger terminal activities relating to international passengers	17,709

	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,436,260
Number of domestic passengers on flights of 30 tonnes MCTOW or more	2,695,481
Number of international passengers	**1,419,859**

	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	333,003
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	802,131
Total MCTOW of international flights	530,748

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	1.89	8.16
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	3.58	12.02
Average charge from airfield activities relating to international flights	4.48	11.99

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from specified passenger terminal activities	0.96	12.47

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	3.95	16.96

Commentary on Pricing Statistics

The pricing outcomes above reflect:

- The holding of terminal charges at levels set in 2001
- The delayed resetting of airfield charges to recover the required return of revenue, both historically and in 2009 when the reset took consideration of the adverse impacts of the global financial crisis on the industry overall
- The reduction in passenger and aircraft movement over the 2010-2012 periods as a consequence of the impacts of the Christchurch earthquakes and continuing after shocks
- The change in aircraft type to service domestic routes as airlines sought to improve yields following the reduction in passenger numbers.

Christchurch International airport Limited

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

Schedule 20 – Certification for Disclosed Information – year ended 30 June 2012

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

David Mackenzie
Chairman
30 November 2012

Catherine Drayton
Director
30 November 2012

Independent Auditor's Report

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

The Auditor-General is the auditor of Christchurch International Airport Limited (the company). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to provide an opinion, on her behalf, on Schedules 1 to 17 for the regulatory year ended 30 June 2012 ('the Airport Disclosure Schedules'), prepared by the company in accordance with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 (the 'Determination').

Directors' responsibility for the Airport Disclosure Schedules

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

Auditor's responsibility

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

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

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

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

Use of this report

This report has been prepared for the directors of the company and for the Commerce Commission for the purpose of providing those parties with independent audit assurance about whether the Airport Disclosure Schedules have been prepared, in all material respects, in

accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

Because of the inherent limitations of an audit engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected. The opinion expressed in this report has been formed on the above basis.

Independence

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

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

Opinion

In our opinion:

- Subject to clause 2.6(3) of the Determination, and as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Airport Disclosure Schedules have been kept by the company; and

- Subject to clause 2.6(2) of the Determination, the disclosure information in Schedules 1 to 17 complies, in all material respects, with the Determination.

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

Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
30 November 2012