

OUR PLACE

IN THE WORLD

2017 EDITION | Annual Report

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*Championing
the South Island*

CHRISTCHURCH
AIRPORT

OUR PLACE

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CHAIRMAN'S REPORT

I am very pleased to report that for the year ended 30 June 2017 the airport company has produced another good result for shareholders.

Net profit after tax was \$64.6 million (2016: \$43.1m), with earnings before interest, tax, depreciation, and amortisation of \$108.7m (2016: \$103m).

The uplift in profitability arises from both improved operational performance and as a result of various property developments undertaken by the airport company being independently valued at a substantially increased amount over cost.

The dividend to shareholders will, for the 2017 year, total \$38.3 million, equating to 66 cents per share (2016: \$31m, 54 cps).

The uplift in the value of the airport company's property portfolio reflects the work being done by our property managers who have been able to achieve excellent rental returns on the airport company's property investments, as well as deliver new developments to efficiently use airport land.

Christchurch Airport's Net Profit after Tax for FY17 grew \$21.5 million (50%) to \$64.6m, revenue grew \$7.4 million (4.3%) and passenger numbers hit a new high of 6.57m (+4.1%).

The opportunity for Christchurch Airport with regard to Australian traffic is to attract travellers who seek a wider New Zealand visitor experience than just Queenstown. As well as whole of South Island experiences that also involves the City of Christchurch which is now beginning to move ahead with its visitor planning as the City rebuild continues. The

establishment of ChristchurchNZ is a valuable step to assist the airport company in growing its aeronautical business.

Passenger numbers through our terminals for the financial year ended 30 June 2017 were 6.57m (2016: 6.3m). The airport company remains on track to achieve its 2025 target of 8.5m passengers per annum. Our aeronautical business managers have initiated some proposals to further enhance passenger growth.

In the five key areas of sustainability: water protection and usage, energy efficiency and move to renewables, waste diversion, land remediation, and noise management and mitigation, the airport company has achieved improvement in every area. That reflects quality planning and implementation by the managers concerned. The detail of the airport company's sustainability achievements is shown elsewhere in this report.

The airport company has spent a lot of time and resource ensuring the health, safety, and well-being of our staff and contractors, as well as visitors to the airport campus. I am pleased to be able to report the airport company has performed well against all relevant indicators and benchmarks.

All in all the airport company has completed a good year in each area; financial, social, and environmental.

This is my last report as Chair of the airport company. Having completed three terms of three years each, it is now time for me to step down. I thank my fellow board members



and the management teams who have helped make Christchurch Airport what it has become over the nine years of my tenure. The place has been transformed in that time, both physically and as a business.

The old bland red brick domestic terminal of 1960s vintage has been replaced by a modern integrated terminal. Bare land providing no return and previously serving no day-to-day purpose has been developed to enable commercial operations which benefit from an airport presence, such as may now be found in our freight and logistics park and our rental car precinct. Property developments, such as the recently constructed Spitfire Square retail precinct, also service those who operate on the campus.

On our runways, there are now numerous airlines operating wide-bodied aircraft on a variety of international routes: to Australia (Perth), China, Singapore, Taiwan, and Dubai. Christchurch has the distinction of being the smallest city in the world to have a regular daily A380 aircraft service. Christchurch Airport has also shown good domestic traffic growth and has regained Trans-Tasman traffic levels lost after the seismic activity of 2011.

Financially the airport company is continuing to move ahead, with significantly increasing profitability and value over the last nine years. Dividends have lifted, reflecting the improving profitability as the airport company strategies played out. A special focus on health, safety and well-being,

as well as on sustainability, has ensured good outcomes in all of those areas, and they will continue to receive a lot of attention as the airport company seeks to maintain the record it has in these areas to date.



My successor as Chairman is Catherine Drayton, who has been on the airport company board for some time and who is familiar with and part of what the company has been doing in recent years. I wish Catherine all the best for her tenure leading the airport company and look forward to observing its continued success as I watch from the sidelines.

David Mackenzie, Chairman



CHIEF EXECUTIVE'S REPORT FOR FY17

As we close off FY17, we, as a team, are very pleased with the progress we are making in bringing our "Purpose" to life (Championing the South Island's social, economic and environmental contribution to New Zealand). We are doing this by focusing on delivering three things: Building a Stronger Business and Enhancing Customer Journeys and Being Great Kaitiaki (safety, society and sustainability).

This past year has been focused on strategy activation across our 6 Ps (Planes, Passengers, Property, People, Protection and Planet) and we are now seeing the results of this begin to emerge.

Operating Revenue grew \$7.4 million (4.3%), Net Profit after Tax grew \$21.5m (50%), with growth across all parts of our commercial business, good productivity increases in our operations, and solid property valuation gains reflecting the work and contracts our Property team have been delivering recently.

Our focus on growing value over volume has also delivered us pleasing growth in our NOPAT (net operating profit after tax) per passenger, up circa 9.5% over the past few years and the strongest growth rate in margin amongst the major airports in our part of the world.

People capability and talent development has been a key component of achieving this and we have stepped this up during FY17, with increased focus on leadership development and culture building programmes. Pleasingly,

we have seen this translate into strong engagement by our team, with more than 93% of our team believing in the purpose of CIAL, 94% believing the job they do makes a difference, 96% believing CIAL is an enjoyable place to work and being prepared to recommend it to others, and 97% believing they work for a successful company.

A project team also spent much of the year looking out to 2040, to the Christchurch Airport of the future. With a focus on how we might handle 12-13 million passengers a year and materially increased parcel freight volumes, while increasing productivity for our stakeholders and customers and minimising the social impact on our communities, this group has developed a concept of how we will evolve Christchurch Airport over the next 23 years.

We have also made significant progress in terms of safety and sustainability. Across the balance of this report, you will read about the many and varied projects and activations our team has been involved with to deliver what has been a successful year in our journey.

BUILDING A STRONGER BUSINESS

Aeronautical and Property teams have been activating new aeronautical and property development strategies.

Airline seats were 8.3 million in FY17 (up 7%) and passenger numbers were at 6.57 million (up 4.1%). For the past three years, Christchurch International Airport Limited (CIAL) has been working with all 13 regions of the South Island and national stakeholders to recover the Australian holiday market who drive around the South Island on 7-10 day visits. These ongoing marketing efforts in Australia saw airlines increase capacity on the Tasman, with 15% more seats than a year ago (noting that in FY17 many of these services commenced mid-year). This included the commencement by Emirates of a daily A380 service, making Christchurch the smallest city on the planet to enjoy a daily A380 service and the only city in New Zealand with an A380 connection to Sydney/Dubai.

The combination of on-going marketing and increased airline capacity saw Australian holiday arrivals at Christchurch grow by 9% in the second half of FY17. Overall, international passengers at Christchurch grew by 6.9% against the previous year, which is important as international arrivals at Christchurch spread more widely into the regions of the South Island, stay longer and spend more than they do when they arrive through other entry ports.

During the year, we initiated and completed a MOU with Alibaba Group, aimed at harnessing data to increase the value the many small businesses who host our international visitors can achieve, to make it more convenient for international visitors while they are here, and to begin establishing a micro-exporting market that enables small regional businesses to export their produce in parcel-sized movements to international households and consumers. We estimate the market may be as large as 60,000 tonnes of new parcel freight a year once their partnership is fully established.

In February 2017 we saw, for the first time, the growing influence of Chinese middle class consumers, when Singapore Airlines ran a series of dedicated 747 Freighters to carry South Island cherries to China for Chinese New Year. In all, some 300 tonnes was air freighted to the tables of Chinese families as they enjoyed this special time of the year.

The Property team has had a very pleasing year, with a number of property developments being commissioned and completed. Our team commissioned the 200-room Novotel Christchurch Airport to service the drive/fly market CIAL relies heavily on (those from surrounding provinces who drive to the airport to early morning or late night flights to/from Australia). This will be opened in the first half of calendar year 2018.

We also completed the \$50 million freight and logistics campus for Courier Post and Freightways. This automated

Executive Leadership Team (L-R): Rhys Boswell, Caroline Harvie-Teare, Justin Watson, Malcolm Johns, Michael Singleton, Tim May, Blair Forgie



parcel processing site provides seamless parcel movements from airside to landside and will handle circa 85% of all parcel freight into and out of the South Island. E-commerce is driving unprecedented volumes of parcel freight and we expect this to continue. This growth is also attracting the attention of international air freight companies with a number of parties interested in increasing freight servicing to the South Island.

In FY17 CIAL achieved an average yield on developed investment property (including land and buildings) of 7.8% and maintained a WALT (weighted average lease tenure) of 4.53 years.

We have continued our focus on increasing opex productivity through migrating from supplier relationships to supplier partnerships. We expect to see ongoing focus on opex productivity over FY18/19 as we continue to develop our people and optimise our operations.

ENHANCING CUSTOMER JOURNEYS

During FY17, CIAL continued to be rated as one of Australasia's best for customer service and amenities, as rated by independent surveys.

New retail offerings were launched with 3 Wise Men, Tech2Go, Sunglass Hut and an additional TravelPharm (domestic airside) all commencing trading during FY17. We also have around six new commercial spaces coming on to the market within the terminal.

Our team has also worked on the creation of new more comfortable spaces for people to dwell in. They have also added items of interest (chess set, photo booth), opened a new multi-faith prayer room and installed more device charging stations across the terminal. A new reinvigorated terminal theming approach was implemented for events and terminal promotions, visually making the terminal more vibrant and interesting. Christmas even got a work-over, with increased theming including Christchurch's largest Christmas tree and a staff programme to deliver 'random acts of kindness' to visitors to the terminal over the festive season.

KAITIAKI (GUARDIANS FOR SAFETY, SOCIETY & SUSTAINABILITY)

At the heart of our approach to safety is the mission of 'Protecting our People'. That means all those who work, visit and use the airport; 6,000 workers across 250 companies and 36,000 members of the public a day.

Our safety strategy has three pillars - Culture, Risk Management and Safety Management Systems. Culture permits safety to exist across our campus, risk management minimises the opportunity for adverse events and safety management systems work to continually improve our approach and outcomes. We have highlighted within this report a number of the projects our teams have been working on in this area.

Our approach to sustainability is centred on the Maori concept of Kaitiakitanga – responsibility, care and guardianship. Our approach is founded on five focuses (water, energy, waste, land and noise) that touch on each area of our business.

To support our approach this year, we have established a Sustainability Working Group made up of CIAL team members who are either responsible for, or have a passion for, this area. Furthermore, we have established an External Panel, whose members contribute by reviewing the efforts of the Working Group, offering advice and challenging our thinking and ambition. This helps ensure we are always striving for best practice and in areas where we do lead, are pushed to achieve more. We call this group our 'critical friends'. We have highlighted within this report a number of the projects our teams have been working on in this area.

FAREWELL

This report is the last one for our Chairman of the past nine years, David Mackenzie. David's nine years have seen some unprecedented events: the complete redevelopment of the airport terminal, the Canterbury earthquakes and the post-quake reset for recovery of the airport business.

During David's period at the helm of CIAL, revenue has doubled, profit is up 340% and dividends to

shareholders have risen from circa \$10m p.a. to now be above \$38 million p.a. Shareholder value has grown \$500 million, producing a total annualised return of 13.4% p.a. A highly commendable achievement for a company that was materially knocked about by New Zealand's largest natural disaster.

On behalf of all the team at CIAL, I would like to thank David for his reliable, fair and consistent leadership of the Board and the Company.

WELCOME

As David steps down, Catherine Drayton steps up as our incoming Chair. Catherine has been on the Board for the past few years and it is fantastic to see her appointment, which produces a 50/50 male/female split on the Board and our first female Chair.

SUMMARY

FY17 has been a great activation year and a positive step forward in our recovery journey. I would like to thank our team and the Board for the ongoing effort they have put in.

It is a pleasure to part of the team.

Malcolm Johns, Chief Executive



NEW BEGINNINGS AT A BOARD TABLE

Kate Morrison moved from London to Christchurch three years ago, knowing only her husband's family, and saw an opportunity to re-shape her career.



"The work I did in London isn't available here. I was new to Christchurch with a young family, finding my feet and was blown away by people's willingness to meet over coffee to discuss possibilities and offer suggestions of ways to create a new future," Kate says. "Christchurch seems to me a welcoming city of opportunity, where it is possible to start something new."

Which she did. She set up a consultancy with a business partner, advising clients on succession planning, strategy and financial management. She also heard of the Christchurch City Holdings Limited (CCHL) director internship scheme, and saw an opportunity to gain high-quality board experience.

After 20 years as an executive in the banking industry in London, Kate saw the internship scheme as an opportunity to be mentored by an experienced director and to learn the skills of good governance, in this case from the board of Christchurch International Airport Limited.

"As I look back, I consider the internship as a great opportunity for a number of reasons. The scheme is well structured and CCHL, the sponsor, has been extremely supportive throughout the whole process. Their portfolio of companies offers a range of diverse and interesting businesses to participate in from a governance perspective and the term of 18 months allows interns to observe more than an annual cycle of board activities and decisions.

"I consider myself very fortunate to have been placed with the airport company. The business is interesting and diverse and performing well, despite having a number of challenging

issues to grapple with. I have a huge amount of respect for the board and management team, all of whom have been extremely supportive during my internship and great to learn from."

Being self-employed gave Kate something of an advantage.

"I could structure my diary to be able to attend all of the board meetings and most of the committee meetings and workshops. Some months that has meant two full days in the board room, plus hundreds of pages of board papers to be read in preparation. It's a significant commitment, but absolutely worthwhile – there is no substitute for this kind of hands-on learning experience.

"I would highly recommend the internship scheme to others wanting to learn and understand governance at the table of an established commercial business."

CCHL CEO Paul Munro says CCHL is a supporter of good governance and identified in 2014 the need for younger blood and a new generation to be introduced to the field of governance in the city. The CCHL board also recognised it has influence over eight boards and is able to ensure good quality younger directors are nurtured for future boards, bringing fresh new faces into the boardrooms and a diverse and wider range of skills.

In establishing the scheme, CCHL complemented its support at that time of the Institute of Directors Intern Programme which it was participating in. The scheme was also launched as part of celebrating 20 years of CCHL.

"The first Internship Programme in 2014 received 178 applicants and the second in 2016 received 145," Paul says. "There are currently 13 Interns working on boards under the CCHL scheme, which has been extended to include the Arts Centre Trust board and Regenerate Christchurch board.

"Each Intern is given a Mentor, who is an experienced director currently on each board. No fees are paid to the Interns but they are supported with a training budget of up to \$1,000 to use on an Institute of Directors course.

"The Interns from both intakes have described the experience as invaluable – one likened it to completing an MBA in Governance. The feedback from all concerned, both Interns and companies, has been positive and CCHL remains fully committed to continuing to support Director development in our region."

Cheering ON OUR DEPARTING CHAIRMAN

After almost nine years, David Mackenzie is standing down as Chairman of Christchurch International Airport Limited.

At the time of his appointment in 2008, David was acknowledged as having excellent commercial and leadership skills, with substantial specialist experience and knowledge in the aviation sector.

David's first year as Chairman, 2008/2009, is on record as being challenging for business generally, in the wake of the global recession. However on David's watch, the airport company has gone on to overcome many challenges, instigate change and enjoy success.

Most visible to the public are the new buildings on campus – the air control tower built for Airways and the new integrated terminal. The terminal is a once in 50 years project and includes a state of the art baggage sorting system, new four-level car parking building, check-in hall, regional lounge, and retail and food court area.

Other precincts around the campus have also been developed while David has been Chairman – Mustang Park the tourism travel hub, the freight and logistics precinct known as Dakota Park, and Spitfire Square, the retail and convenience hub.

In 2011, the year of Canterbury quakes, the company and its people were directly and indirectly affected. During a time that was far from business as usual, airport company staff went above and beyond their duties for months at a time, which was noted and appreciated by the board.

In recent years, the company has further developed its drive to lift the profile of South Island tourism opportunities, most notably the "South" programme, collegially working with all the Regional Tourism Organisations to collectively market our place in the world.

David is a qualified pilot, so has taken particular pleasure in seeing the many aeronautical successes in his time at the board table. Highlights include: NASA's airborne telescope known as SOFIA choosing Christchurch as its home away

from home, a visit by the world's first Boeing 787-900, establishing the new China Southern Airlines service from mainland China and the daily visit by the Emirates A380.

As we reflect over the years of David's tenure, we note that under David's leadership, revenue has almost doubled, profit has grown 340%, dividends have grown from \$10 million to more than \$38m p.a., shareholder value is up \$500 million, generating a gross annual average return of just on 17%.

We take this opportunity to thank David most sincerely for his calm and assured leadership across his years as Chairman of the airport company and wish him well for his future endeavours.





FINANCIAL SUMMARY

TOTAL PASSENGER MOVEMENTS **6.57 MILLION** **+4.1%**

INTERNATIONAL PASSENGER MOVEMENTS **1.66 MILLION (+6.9%)**
DOMESTIC PASSENGER MOVEMENTS **4.91 MILLION (+3.2%)**

TOTAL OPERATING REVENUE¹ **\$177.3 MILLION** **+4.3%**

EBITDAF² **\$108.7 MILLION** **+5.5%**

NET SURPLUS AFTER TAX **\$64.6 MILLION** **+50.8%**

TOTAL DECLARED DIVIDENDS **\$38.3 MILLION** **+24.5%**
CENTS PER SHARE **66 c**

TOTAL ASSETS **\$1,347 MILLION** **+6.8%**
AS AT 30 JUNE 17 (BOOK VALUE)

TOTAL EQUITY **\$826.9 MILLION** **+4.5%**
AS AT 30 JUNE 17 (BOOK VALUE)

¹ Excludes unrealised fair value movements on investment properties, but includes realised gains/losses on asset disposals.

² Earnings before interest, tax, depreciation, amortisation and net investment property fair value movements.



REVENUE



EBITDAF



NPAT



DECLARED DIVIDENDS

SHAREHOLDER VALUE
FY14 - FY17



\$500 MILLION

**BUILDING A
STRONGER
*Business***



GEARING UP TO WELCOME THE A380

Learning we were going to be the smallest city on the planet to receive a daily A380 service also signalled we had some work to do.

The world's largest passenger plane needs very exacting and considerably larger facilities than for other aircraft, so we needed to consider how such a large aircraft could best operate at our airport.

Fortunately, we had spent the previous year replacing aged concrete on the shoulders of the runways and took the opportunity to widen them at the same time.

Knowing the large aircraft could use the runways, led to thinking about which stand it would use and how it would get there every day. We had had a previous visit by two A380s, diverted due to a runway closure in Auckland, so knew we had basic facilities but a daily visit required more than that for operational and passenger facilitation.

The A380 is classified by the International Civil Aviation Organisation (ICAO) as a Code F aircraft, which means there are certain specified requirements, including dual passenger boarding bridges (to accommodate the double decks) and an increased stand size which could take the larger footprint.

A Multiple Aircraft Ramp System (MARS) stand was required, to allow for use by one large aircraft, such as the A380, or simultaneously by two smaller aircraft to give flexibility for the stand.

We considered three stands, but settled on 30/31, where the A380 wouldn't impact on neighbouring stands, the refuelling facilities were already in place, and the air-bridges could be accommodated. It would also be possible to add a Ground Power Unit for the A380, so it could use electricity rather than auxiliary power or

diesel generators (burning fuel) to operate their systems while on the stand.

This considerable amount of work began with replacing the concrete pad the aircraft would sit on and finished eight months later with commissioning of the new airbridges.

Ground staff around the airport still get a thrill from seeing the spectacular aircraft pull up at the stand and plug in to power up. This saves around 900kg of fuel and 2,835 kgs of carbon emissions each turnaround.

These days the A380 looks right at home here. Visitors and aviation enthusiasts alike stop to admire it and take photos from various places around the campus. Many tell us they are proud their local airport has the world's largest and most recognisable aircraft visiting every day.





Our small city LANDING BIG AIRLINES

We see a lot of excited people meeting international aircraft at this airport, but the day the world's largest passenger aircraft arrived here for the first time, that excitement went to a whole new level.

Thousands of people took up positions all around the airport and surrounding roads, including at the "Planespotters' Park" established just for the day near the runway, to see the first scheduled Emirates A380 land here from Dubai via Sydney.

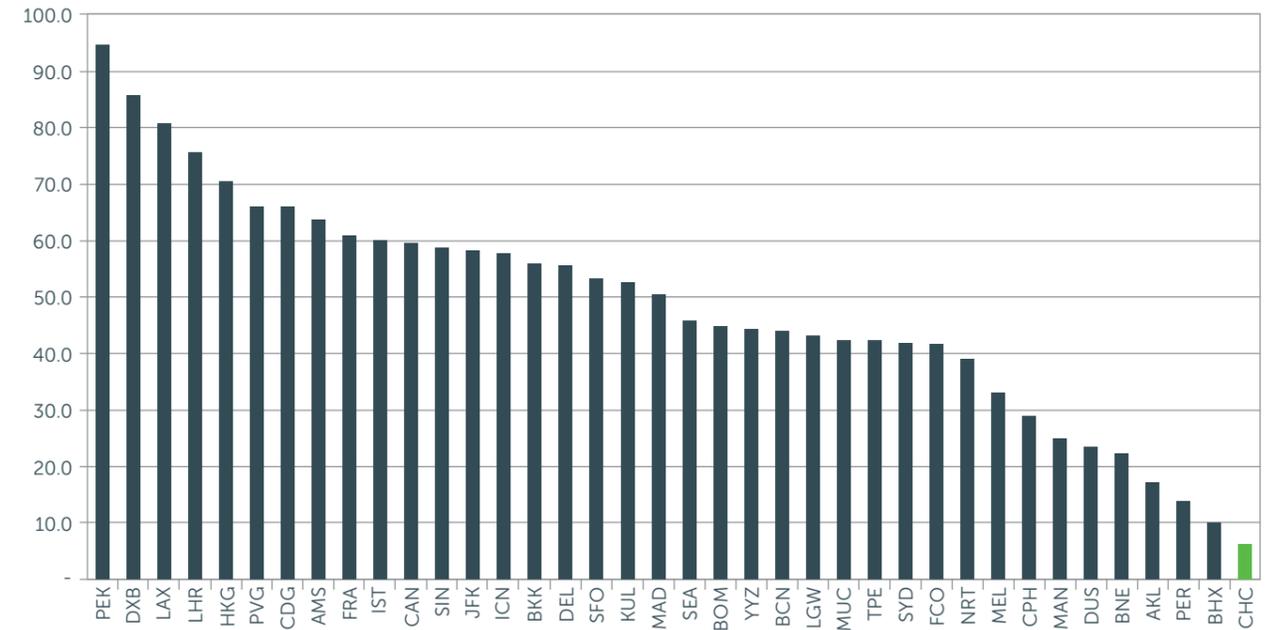
The Emirates A380 is a spectacular sight to behold. It's a double deck, wide body, four engine jet airliner famous for offering travellers a very comfortable experience on long haul flights.

Since October 31 last year, it has become a daily visitor to Christchurch – the smallest city in the world to have such a daily service. It flies Christchurch-Sydney-Dubai and on to

38 destinations in Europe, 22 in Africa and 17 in the Middle East, so South Islanders can now fly on an A380 from their home airport to the UK and Europe.

Having this impressive aircraft fly here should not be over-estimated. Although findings from an international independent passenger survey shows we are Australasia's best airport, we are, by international standards, small.

Emirates is in good company, with many other large airlines flying through Christchurch Airport. We are Guangzhou's 91st largest international market, in fact the 281th largest city destination if you include Chinese



domestic points on the network, yet China Southern Airlines flies here direct.

We are Singapore Airlines' 94th largest market served from the hub, yet the airline has flown direct here for more than 30 years.

We had been talking to Emirates about flying the A380 here, rather than the Boeing 777-300, for a couple of years. Growing passenger numbers through our airport strengthened the case for more capacity, and when Dubai and Sydney confirmed they could make necessary spaces available the conversation picked up speed.

In the first three months of the service, the A380 brought 43,000 passengers to Christchurch.

The service certainly contributed to the record summer at the airport. As well as the new A380 service, we saw double-daily flights from Singapore Airlines over the peak period, a two-fold increase in Qantas flights including new daily Melbourne and Brisbane services, increased flights on China Southern Airlines direct to Guangzhou, increased flights to Nadi with Fiji Airlines, a return of China Airlines summer service from Taiwan via Melbourne and Sydney, and a larger Air New Zealand 787 Dreamliner flying between Perth and Christchurch. Rarotonga is now in its second successful year of operation and our domestic network expanded with more flights linking New Zealand's regions to and through Christchurch

We are continuing conversations with airlines, both to connect South Islanders to the places and people they want to visit, and international travellers keen to experience our place in the world.

Together we've brought the world's largest passenger aircraft to Christchurch

The team clocked over 74,000 man hours replacing and widening the runway 02/20 shoulders.
Todd Lester, Propel Asset Services

It took two and a half years of negotiations to upgrade to the Emirates A380.
Gordon Bevan, Airline Development

Together we co-hosted an inaugural flight celebration and on-board tour for VIP and government delegates.
Gareth Williamson, Trade Development

We constructed a world class MARS gate system.
Mike Parker, Operations

We're welcoming and farewelling up to 1,000 passengers on the aircraft every day.
Sara Peery, Airport Services

Upskilling on A380 features and helping with runway works were topped off with a water arch on arrival.
Mark Lewis, Christchurch Airport Fire

We worked with stakeholders to make Christchurch safety and security ready for the A380.
Ford Robertson, Operations

We welcomed over 2,000 people to Plane Spotters Park, the applause of the crowd exceeded the engines!
John Raso, Property

BUILDING A STRONGER BUSINESS **ENHANCING CUSTOMER JOURNEYS** **BEING GREAT KAITIAKI** **CHRISTCHURCH AIRPORT**

Good things COME IN FAST PARCELS

Next time you buy something online and are delighted when it turns up quickly, you need to be aware Christchurch Airport has helped make that possible.



Project Kereru - a world class freight hub on our doorstep

Decades of master planning, land rezoning and closing Avonhead Road made the project possible.
Riya Sawvel, Strategy & Sustainability

The building design was all about what the tenants needed. Their smiles say it all!
Laurie Corbett, Operations & Property

We had to plan for changes in aviation security requirements and efficiencies in ground handling.
Ford Robertson, Operations

We developed the Safety Champions campaign and launched it on the Project Kereru site.
Sarah O'Leary, Marketing

Collaboration with the operator ensured cost-effective freight apron design that maximises operating safety.
Nick Packer, Strategy & Sustainability

Internal and external partners shared the goal of protecting our people while delivering the project.
Katrina Barry, Health & Safety

Environmental protection considerations resulted in innovative design solutions to ensure Kaikaitianga.
Brodie Alachich, Strategy & Sustainability

Providing leading property solutions is easy when both businesses have passionate people delivering quality customer experiences.
John Rao, Property

BUILDING A STRONGER BUSINESS **ENHANCING CUSTOMER JOURNEYS** **BEING GREAT KAITIAKI** **CHRISTCHURCH AIRPORT**

Our new Southern Operations Centre is located in Dakota Park to give aircraft the quickest access to NZ Post's parcel handling facility. This prime location allows for the fastest possible off-load and re-load of freight aircraft. The hub is a direct response to changing times. In the past ten years, NZ Post has changed considerably - we used to be a letters business that delivered parcels, now we're a parcels business that delivers letters.

That change has come about mostly through e-commerce and online shopping, and the numbers we are being quoted at the moment suggest online shopping will double by 2020.

We were previously operating on another site at the airport, but you don't get any better than this new one. We have 12,500 square metres fully covered from weather and right on the tarmac. Aircraft land at our front door 24/7, so we off-load and re-load freight continually as it arrives or departs from the South Island.

State Highway One is also 200 metres behind us, so we can send arriving freight by road in any direction pretty quickly. It is just the perfect spot for us, especially because in our game, time and transport links are absolutely critical.

Our new parcel sorting system handles up to 6,500 parcels an hour. Incoming parcels start their South Island journey in Christchurch, whether they come into the site by air or road.

All parcels go onto the sorter, they are scanned, photographed and from this information they are sorted to destination. The final part of this process is still completed by our sorting staff, who place the item in a container ready for local delivery, road or air transport.

From there, it's a short time until one of our team of dedicated couriers loads up their van and hits the road.

In less than 24 hours the parcel you ordered online can be in your hands. Fast and efficient.

John Roche, Canterbury Regional Delivery Manager, NZ Post



HIGH VALUE SOUTH ISLAND PRODUCE ON CHINESE DINNER TABLES

Chinese New Year is a time of very significant celebration for Chinese families – and has become an equally significant time for exporters in the South Island.

Chinese New Year is part of the Spring Festival and sees the largest migration on the planet; hundreds of millions of Chinese travelling to celebrate with family. Generations of families get together for what they consider the most important meal of the year. It is associated with many traditions to celebrate a year of hard work and set up the family for a new lucky and prosperous year, so streets, buildings and homes are decorated with red, believed by Chinese to be an auspicious colour. In preparation for the dinner, every family thoroughly cleans the house to sweep away any ill-fortune and to make way for incoming good luck. Windows and doors are decorated and the best food the family can offer is prepared.

This year that premium food included hundreds of tonnes of seasonal food from the South Island, freighted out of Christchurch on scheduled and chartered flights.

Singapore Airlines put on four special charter flights to get hundreds of tonnes of South Island cherries to Asia in time for Chinese New Year. The 747 "cherry flights" each carried up to 95 tonnes of fruit and Central Otago growers estimated they exported a total of about \$50 million worth of the precious stone fruit over the summer season – an increase of about \$7 million on last year with much of that coinciding with Chinese New Year.

The other in-demand food being freighted out of Christchurch for the celebrations was lobster (crayfish) and exporters acknowledge the ability to air-freight time sensitive produce out of Christchurch directly into Asian markets is a major factor in their success story. It allows the produce to be in-market sooner than the main competitor market which uses sea freight.

Airport Chief Aeronautical and Commercial Officer Justin Watson says the freight volumes are significant around Chinese New Year, but so are the number of visitors arriving here on family holidays at that time.

"It's a time of celebration and consumption, like Christmas is here, with big Chinese New Year dinners," he says. "We see additional freight capacity the international airlines offer out of here allowing South Island products to participate in that market."

"We see a tourism impact from Chinese New Year as well as a production impact, with South Island cherries top of the dinner wish-list, followed by our crayfish. It's literally a delicious win-win!"





SUPPORTING THE REGIONS

The regional leadership and activities at Christchurch Airport make a significant contribution to the social and economic well-being of the communities and economies of Christchurch, Canterbury, and to the regional social and economic development of the South Island. This makes a better contribution to the nation's outcomes, because building a socially strong and prosperous South Island helps build a strong New Zealand.

Airports have a strong multiplier effect on the economies they serve and are critical regional economic development and social infrastructure. Christchurch Airport has been independently estimated at 50:1 - in other words, for every \$1 CIAL earns, the wider South Island economy earns \$50.

Official statistics reveal adding one international airline seat into Auckland generates an average of 1.5 commercial guest nights in the South Island. Adding one international airline seat into Christchurch generates an average of 7.5 commercial guest nights into the South Island. The average visitor spend of visitors arriving through Christchurch Airport is also the highest in the country, in fact 7.8% higher than the national average.

To make the most of the fact that visitors arriving in through this airport stay longer and spend more than if they arrive through another airport, we are actively growing international connectivity into Christchurch. We want to give international visitors easy air access to the South Island, help them have a positive and memorable experience here, then either go home to encourage friends to come here, or make plans to return themselves.

Attracting more international air services is highly competitive and involves a significant amount of effort by the airport and the regions of the South Island, but the rewards are significant, with each additional visitor spending more than \$3,000 when they are in the country. We achieve

outcomes well above what the maths says we should. This is primarily because the South Island drives New Zealand's tourism industry, we are the primary gateway to the South Island, and a strong enough airport to be able to compete for a share of this (and we have strong competitors for that share).

We welcome more than 10,000 international flights a year. We have international air connections to the major airport hubs of Melbourne, Sydney, Brisbane, Dubai, Singapore, Guangzhou and Taipei, which together handle more than 200 million passengers per annum. We are the only long haul airport outside the top 100 that Singapore Airlines and China Southern Airlines operate year-round scheduled air services to, and the smallest city in the world to achieve a daily A380 service.

Australia is our most important international visitor market. During FY17, we saw increased Trans-Tasman capacity and grew visitor arrivals ahead of the national levels. This was driven by a million dollar joint campaign we ran with Tourism New Zealand to promote South Island road trips through Christchurch. Together we and Australian travel trade partners reminded Australians they used to love coming here to drive themselves around, and invited them to come do it again.

The road trips campaign has seen Australians cross the Tasman into Christchurch and set off in one of the rental vehicles from Mustang Park, our tourism transport hub. Most of the South Island's rental car fleets are based here

and in the past year we have seen an increase in their use. The Australian road-trippers have been offered six different itineraries and regardless of which they choose, their average stay in the South Island is seven to ten days.

The work we do through our "South" programme promotes the South Island in the key markets in Asia. "South" sees the airport work collegially and collectively with all the regional tourism organisations of the South Island, marketing the whole island as an attraction, rather than region by region independently. Our current work in China has identified and is focused on attracting younger independent travellers who want to explore our place in the world.

Chinese visitor arrivals into Christchurch are higher value visitors than those arriving into Auckland. Specifically, they stay longer (11.4 days vs 7.9 days), spend more (+35% higher spend), are more independent travellers (86% independent travellers vs 48%), are more likely to be younger professional single females travelling in small groups, and visit more regions.

Through the trade missions we lead into China with South Island tourism operators, and our dedicated Asian staff, we not only develop itineraries to help spread visitors throughout the island, we also help tourism operators get the best from their interaction with those visitors.

You will read elsewhere in this publication about 'New Horizons', the tourism development fund and mentoring programme which is showing measurable results for South Island operators.

REGIONAL DISPERSAL OF INTERNATIONAL VISITOR NIGHTS - (ALL PORTS, YE SEP 16)





ENHANCING CUSTOMER *Journeys*



OF WINGS AND PRAYERS

Travellers of all faiths passing through Christchurch Airport now have the opportunity for quiet reflection in a newly established Prayer Room.

We have been considering establishing such a space for some time, in response to comments from travellers who suggested it would be a valuable addition to our facilities.

We researched the Prayer Rooms offered at different airports and took advice on all aspects of the project before we began. That research was further enhanced by discussions with local faith community leaders, who offered suggestions and support for our plan and their opinion that the room would be well received.

In July, representative leaders of the Anglican, Catholic, Muslim, Hindu and Buddhist communities attended a

dedication ceremony and each individually blessed the room. The dedication ceremony was offered in the spirit of friendship and respect, to embody why the multi-faith Prayer Room was built.

The room is located on the ground floor next to the domestic baggage area collection point, between international arrivals and the check-in hall, and is open during the domestic terminal hours of operation, seven days a week. It offers a varied selection of holy books, both in English and other languages, to ensure people of all faiths feel welcome.

Enabling TOURISM SUCCESS

An incredible programme that delivers results – the only way I can describe the Christchurch Airport ‘New Horizons’ programme.

The programme was first announced at TRENZ 2015 to help regional South Island companies like ours make the most of the growing number of Chinese visitors.

It’s part of the powerful “South” programme, which sees the South Island regional tourism industry working collaboratively in offshore visitor markets.

‘New Horizons’ gave our team a thorough understanding of China and, most importantly, connected us with the right people to showcase Hanmer Springs and its many attractions. As a result, our Chinese visitor numbers more than quadrupled, to more than 40,000 per year - a huge injection.

Statistics show Christchurch is the fastest growing arrival point for Chinese visitors to New Zealand, so we had been looking for ways to take advantage of that. The visitors coming in through Christchurch have a distinct profile – they are more likely to be younger independent travellers who stay longer and spend more than the national average. They also want to travel through the regions, which is good for companies like ours.

‘New Horizons’ has helped us improve what we offer our Chinese visitors and educated the village’s tourism operators on cultural differences and how we can cater to them. It’s been an eye-opening and enjoyable process. Christchurch Airport has helped us establish special packages to appeal to the China market, translated our website and other promotional materials and taken us on a ‘Kia Ora South’ trade mission into China. That mission saw us tell our story to hundreds of Chinese travel wholesalers and the airport team personally introduced us to companies we could work with to attract visitors. It made an enormous difference.

Taylor Tian from the Marlborough Tour Company was with us and told me ‘New Horizons’ has resulted in a huge increase in business for his company too. He valued the introduction to the key players and says the company has seen a handful of Chinese visitors grow to hundreds as a result. Like us, he says there’s no way we could achieve that without the tutoring and tremendous support of Christchurch Airport.

It is great to see the programme being offered to a wide range of operators. This year’s recipients were West

Coast Wildlife Centre from Franz Josef; Christchurch Tram, Gondola and Punting; Monarch Wildlife Cruises from Dunedin; and Hassle Free Tours from Christchurch.

What we and they have learned and benefitted from will be shared with next year’s companies - Encounter Kaikoura; Mt Cook Glacier Guiding; KiwiRail; and Black Cat Cruises. Each of the companies involved so far has a different and complementary offering. It seems to me the breadth of companies involved is giving the Chinese travel agents a wide range of experiences for their travellers, which can only be good for them and for the South Island.

I am sure I speak for all the ‘New Horizons’ recipients when I say we will always be grateful for Christchurch Airport’s decision to share its expertise – this is a real commitment to growing and supporting the South Island’s tourism sector and shows true leadership.

Graeme Abbot, General Manager Hanmer Springs Thermal Pools and Spa



Moving in the RIGHT DIRECTION

In January 2017, Christchurch International Airport Ltd, partnering with HMI Technologies Ltd became the first organisation in New Zealand, and the first airport in Australasia, to begin trialling a Level 4 Autonomous Shuttle.

This launch of a highly disruptive technology set a significant and important milestone for the airport, Christchurch and New Zealand.

Numerous organisations, people and interest groups have since visited the airport and the trial site over the past six months, both to see the technology in use and to develop



a better understanding of what is involved in the process around deploying autonomous vehicles like the Smart Shuttle (Level 4 Autonomous Shuttle).

The support we've had across the city confirms Christchurch as a city of opportunity, a place where anything is possible. Our airport partners see the potential for driverless vehicles to transform and enhance mobility and transport options on the airport campus. Together we are exploring the possibility of deploying autonomous vehicles to assist people moving around the airport campus efficiently and sustainably.

Ensuring safety is paramount. We've adopted phased testing, starting with developing understanding of the infrastructure and operating requirements for the vehicles. That first phase has been a steep learning curve for all the parties involved! We've looked at every possible element of the Smart Shuttle's technical infrastructure, in some cases to failure, to evaluate what the impacts are.

The Smart Shuttle itself has featured at external presentations, including an appearance at the University of Canterbury Engineering School open day where 300 visitors attended presentations from the airport and HMI. Many also sat in the vehicle to ask questions and get some very real hands-on experience with the technology.

Today, the new trial test site has a bright colourful banner depicting the City of Christchurch, its culture and some of

its key landmarks. This runs alongside the road where trials are underway and can be seen across the runways from the Regional Lounge. Quite soon, travellers in that lounge and on aircraft using the runway will be able to witness the testing site evolve, as traffic signals, bus stops, obstacles and road markings are added, to assist with upcoming human factors and case testing, as the bright green, white and blue coloured shuttle moves back and forth along the site.

University of Canterbury Masters and PhD students have been evaluating and researching Human Factors, developing use cases and considering how people interact with autonomous vehicles in general terms. While they do this, safety experts are working with NZTA, HMI and CIAL to make

sure the Smart Shuttle is totally safe and able to be ridden by the public. Outreach activities will soon take on more and more importance for the trial process in the wider and far more complex airport environs.

To prepare for this, efforts are underway to re-programme and refresh the shuttle so it can really be used to test that "last mile" solution in a live context on public roads. A selection of possible use cases has been considered and we hope members of the public will soon be able to experience what one day soon will be part of our future.

Dave Verma, Australasia AV Initiatives Director,
HMI Technologies





More to do and see AT THE AIRPORT

We are committed to making sure everyone who visits the airport has a safe, seamless and enjoyable experience.

Every day the equivalent of the population of Timaru comes onto the airport campus and from the time you park your car, or are dropped off, to the time you board your flight, we want you to find what you need easily and enjoy yourself along the way.

Over the past 18 months, we have had a big focus on better understanding what our customers want across the airport campus and in particular from what we term park to plane. In a series of interviews, we asked more than 1500 customers what they liked and what they felt could be improved. This has helped inform a number of changes that have been made over the past year and what will be made over the coming year.

We launched new retail offerings with 3 Wise Men, Tech2Go, Sunglass Hut and an additional TravelPharm, which all began trading during FY17. In addition, we have a number of new sites that will welcome new retail and food and beverage offerings over the coming year.

We've worked on giving people more options for where and how to spend time between flights. The previously rather bland walkway towards the regional terminal on Level 1 now offers more than 20 new seats. It's also a space where we have offered displays - for example our '12 schools of Christmas' programme, showcasing Hurunui and the NASA flying telescope known as SOFIA. This space is now a much-used lounge and from time to time offers short-term events.

One thing people were crying out for is more charging stations for their phones and devices so we have installed a number of dedicated charging stations across the terminal where people can attach to our unlimited free wi-fi to either simply charge devices, or catch up on some work or messages between flights.

Families are finding more to do and explore in the terminal now. Even if they don't understand the moves and the rules, lots of youngsters and their parents are making use of the giant chess sets at multiple locations in the terminal.

There's a new photo booth in the international arrivals area to capture those special moments, and outside we trialled some comfy bean bags over summer and will have about 40 of them over the coming summer.

We'll also have table tennis tables from the central city in place outside the terminal in the summer and of course our manicured grass spaces and ever changing flower beds are designed to showcase the seasons of the garden city.

To date, for 14 consecutive quarters (more than three years), we have been named by visitors as the number one airport in Australasia.

That doesn't mean our job is done, in fact quite the reverse, it gives us motivation to try more new ideas and enhance the customer journey even more.



UNLOCKING VALUE WITH ALIBABA

The world's largest retail commerce company is about to connect small and regional New Zealand businesses with Chinese visitors before, during and after they come here.

Alibaba and Christchurch Airport, in a world first partnership, are working together to make it easier for Chinese visitors to book, shop while they're in New Zealand, then keep ordering Kiwi-made items after they get home. The partnership means Chinese travellers will be able to use the Alibaba Group apps they are familiar with and which most use in preference to a credit card.

This is a big opportunity for Kiwi businesses. In 2016, 443 million Chinese consumers purchased products and services through Alibaba Group's apps. Looking forward, by 2026 Alibaba is working towards having two billion consumers in micro-trading relationships with tens of millions of businesses around the world.

The focus of the partnership is to create a better experience for Chinese visitors in New Zealand and to use Alibaba apps to create, capture and create value for our small and regional businesses - using tourism as the basis for the first interaction.

Alibaba Group's e-commerce is the biggest in the world. It's integrated and very powerful, but it's focused on one-

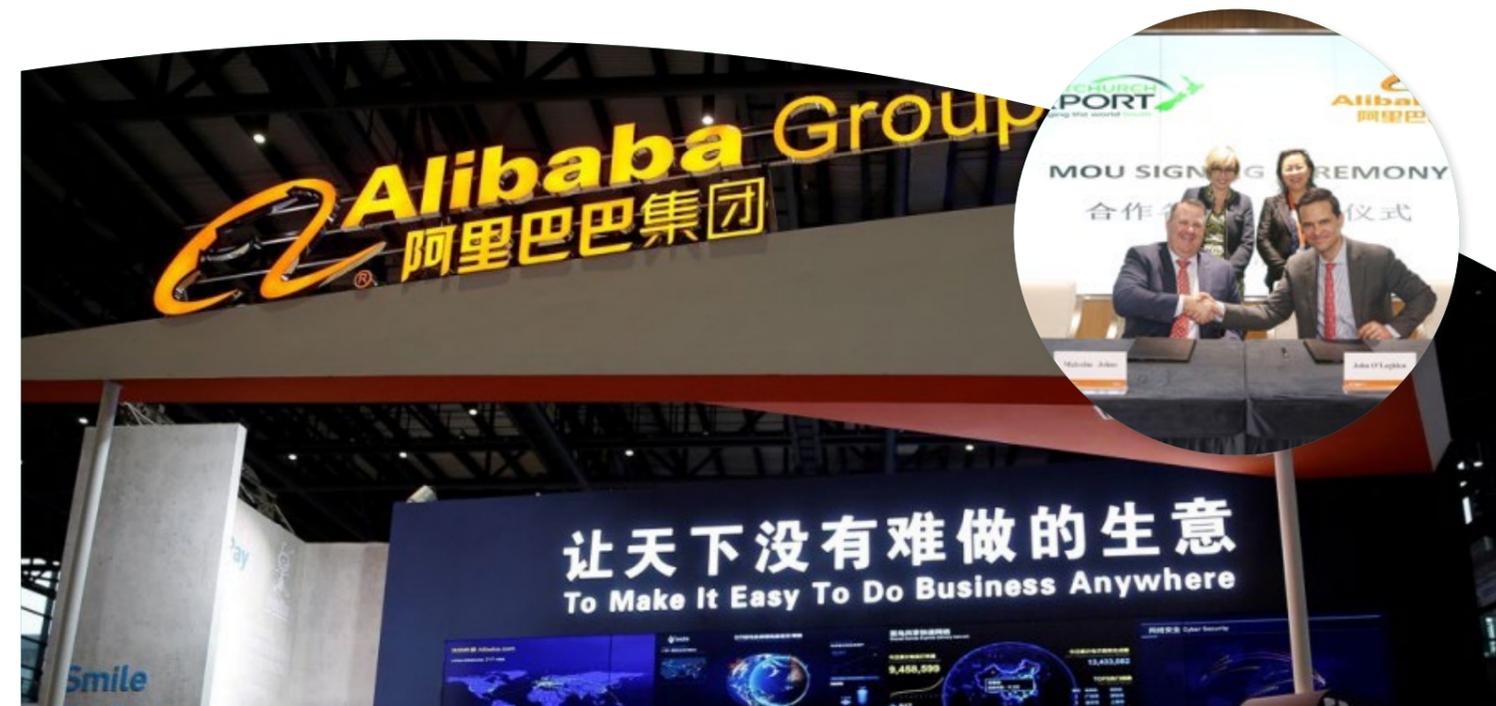
on-one direct trading relationships that will support the development of micro-exporting.

Christchurch Airport is focused on championing social and economic growth, and with so many small/medium businesses, ours is one of the best placed countries for micro-exporting using the integrated tech Alibaba has developed.

The project will integrate existing Alibaba apps such as Alitrip (to target value ahead of a visit), Fliggy and Ant Financial's Alipay (to capture value during a visit) and Tmall Global (to create value after a visit).

The project rollout is beginning in the South Island under the airport's established and successful "South" programme. It brings all South Island regional tourism organisations and major South Island tourism operators together to work together internationally - for example, leading seven trade missions last year to Australia, South East Asia and China.

New Zealand products such as honey, alpaca rugs, lavender pillows, seafood and merino products are already among Chinese buyers' favourite holiday purchases, with the list growing all the time.





Being Great Kaitiaki

BEING
GREAT
Kaitiaki

Growing EVEN GREENER

From the mountains to the Canterbury plains, the crystal blue southern lakes to the white sandy Abel Tasman beaches, we live in a spectacular part of the world.

Christchurch Airport is incredibly proud of the South Island and we're passionate about going above and beyond to protect this special place.

Being kaitiaki, or guardians, of the environment is one of the three core functions embedded into the Christchurch International Airport Limited (CIAL) Business Strategy. FY17 has seen us make some great gains.

We have undergone our first EarthCheck benchmarking audit. This measures us against EarthCheck members in similar industries, which for us, included airports across South East Asia and Australasia.

The EarthCheck audit revealed we are the regional leader in limiting waste, sending just 0.114 litres of waste to landfill for every passenger – a fraction of the average (2 litres per pax).

We also lead the region with the lowest Greenhouse Gas Emissions - ours sit at 70.7 kgCO₂-e/m², well below the regional average of 113 kgCO₂-e/m².

The average energy consumed regionally was 2,085 megajoules per square metre, we sit at 1,468.7 MJ/m² just behind the regional leader.

Historically we have not had access to reliable passenger water use information. This has been remedied with the recent installation of water metering technology that provides us with accurate real time water use information for our passenger terminal facilities.

Our first analysis of this data shows we are using a little under 10.4 litres/pax which compares favourably

to EarthCheck's benchmark's regional average of 39.8 litres/pax.

Sustainability is not a new focus for us. We have long measured our use of natural resources, our carbon emissions and energy use. As an ambitious and outcome-focused organisation, we look at these numbers, hold ourselves to account and challenge ourselves to do even more.

Since our integrated terminal opened in 2013, we have reduced our annual energy use by 20% through working alongside the Energy Efficiency Conservation Authority (EECA) to fine tune the way the terminal operates. In that time, our terminal carbon emissions have fallen by 32% - largely due to our Kiwi-designed artesian heating and cooling system.

We have also pushed and changed the way we operate to lift our recycling rates, worked hard to ensure we keep noise complaints at exceptionally low levels, and take great care in managing the more than 1,000 hectares of land we own. FY17 saw us remediate a former landfill site into valuable commercial property. It is gratifying to be able to remedy the mistakes of past generations.

Why? Because our team thrives on making a difference.

We are not perfect, but rest assured, we are committed to this and will continue to innovate and change to lift our performance even higher.

Our 2017 Sustainability Report is available on our website christchurchairport.co.nz

A REAL COMMITMENT

Christchurch Airport launched our first Sustainability Strategy in March 2016. It's centred around the Maori concept of kaitiakitanga or guardianship, placing emphasis on looking after the environment for future generations.

The strategy identifies five areas we focus our sustainability work on – water, energy, waste, land and noise. Clear goals have been established for each area.

We have established an Internal Sustainability Working Group made up of CIAL team members in each focus area.

To push us even further, we have established an external panel of experts who review the efforts

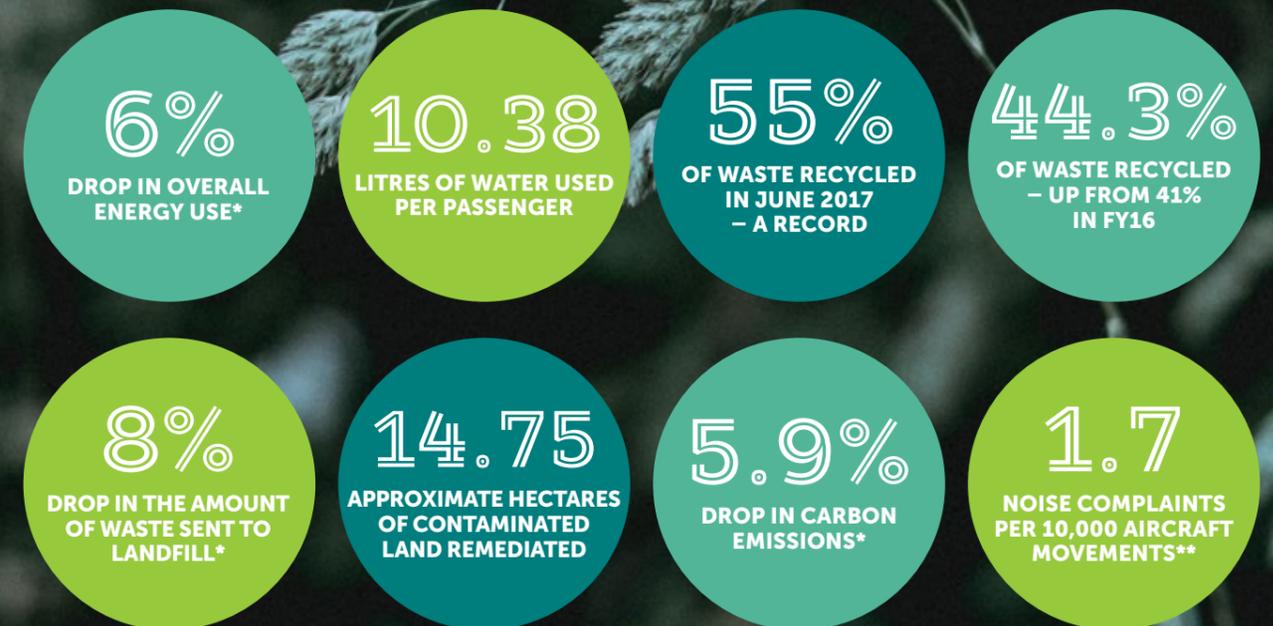
of each Internal Working Group. This panel offers advice and, most importantly, challenges our thinking, to help ensure we are doing all we can to become even more sustainable.

We focus on enduring sustainability. That means the actions we take or investments we make to improve our sustainability must have long term and measurable benefits. This approach ensures our work in this area does not negatively impact on the overall financial performance of our business and is truly sustainable.

It's an approach that is working - in FY17 we made gains in all five of our focus areas.



FY17 SUSTAINABILITY HIGHLIGHTS



ONLY 1 REPEAT NOISE COMPLAINANT

*Compared to FY16

** This is well below the 10 complaints per 10,000 aircraft movements set by the Sustainability Strategy.



TAKEAWAY MESSAGE

They're being described as "giant coffee cups" and are our latest visible commitment to sustainability.

The bespoke brown bins are designed only for takeaway coffee cups - that means no food, rubbish or even marshmallows should see the inside of the big brown bins! (There are other bins for those things.)

We hope the takeaway cups will soon be compostable or recyclable, so as a first step, we have started making it easier for all the coffee cups to be managed on their own.

Airport staff now use their own reusable cups for coffee, rather than disposable ones. Data suggested an individual staff member using and re-using their own coffee cups every day could save 3.6 kilos of landfill every year, so all staff were invited to start the change by using the cup they each were given.

We surveyed airport staff before and after they were given their sustainable cups. The results show before they

were given their cups, 47 per cent of staff never used a reusable cup. After they were given their own cup, that number dropped to 25 per cent. The number of staff who always used a reusable cup rose from seven per cent to 28 per cent.

The airport company has a firm commitment to divert more than 60% of its waste away from landfill by 2025. Disposable coffee cups present a major challenge to achieving this goal, but we're not alone in thinking about how to tackle the issue. Worldwide, billions of takeaway coffee cups are thrown out every year and initiatives in various cities are highlighting that.

Our new brown bins are another way we are managing our waste, by inviting our visitors to join the change - one coffee cup at a time.



THE TOUGHEST TWO MINUTES

We have always considered our fire fighters to be real winners, but their outstanding results in recent "toughest fire fighter" events in Wellington and America, have officially confirmed them as champions.

Commonly known as "the toughest two minutes in sport", the Combat Challenge aims to encourage firefighter fitness and demonstrate the profession's rigours to the public.

Wearing "full bunker gear" and breathing apparatus, pairs of competitors race head-to-head as they simulate the physical demands of real-life firefighting through a series of five tasks. Those tasks include climbing a five-storey tower, dragging fire hoses and "rescuing" a life-sized 79kg "victim", all the time racing themselves, their opponent and the clock.

In Wellington, our relay team won the event and broke the national record, so are the champions of the event. In what most describe as "a clean sweep", our firefighters won

the Co-ed Tandem division, the over-60s division (and beat all the over-50s), the over-40s division, and the Open Female division.

In Alabama, two of our Airport Fire staff competed in a fierce competition, the individual world record was broken three times (one of those was by one of our staff), and one of our representatives recorded a new personal best. There were more than 100 competitors in that competition and with success to their name, both of our fire fighters are training to return to the next American competition to improve their placings.

Our fire fighters not only train every day for emergency events which could occur at the airport and maintain high fitness levels, but also are the first responders to medical events at the airport. Each year they respond to an average of 368 medical events in the terminal and some of them also train members of staff across the campus in first aid measures to manage emergency situations.



KEEPING AN EYE ON WILDLIFE NEAR THE AIRPORT

Each time a wildlife incident on or near the airfield is reported by pilots, we are required to notify the Civil Aviation Authority (CAA).

Early last year, our Airfield Safety Officers (ASOs) realised our wildlife incident reporting needed an overhaul. The "system" at the time, involved reports being handwritten and faxed from the Christchurch Airways tower to the airport's. Not surprisingly, this often meant the reporting was delayed and disjointed.

We were not alone in this. Airports across the country experience difficulty with wildlife reporting, often because there are multiple sources sending information to CAA. Accurate reporting in this space is really important, because it forms the basis of trend analysis for incidents, and benchmarks wildlife hazard levels at our airport against other airports around the country.

When the issue was raised with our technology and information team, all the teams joined forces to collectively design and implement an automated system for wildlife reporting, which went live in April.

Wildlife Incident electronic forms are now filled in by the Christchurch Tower, and ASOs are notified immediately by

email of an incident for their review and investigation. When the ASO has reviewed and added comments/amendments, the form is submitted and automatically emailed to CAA and other interested CIAL parties.

Through this cross-company teamwork, the technology team overcame some significant software hurdles, including enabling a third party (Airways) to submit data directly to CIAL servers. This new system now ensures accurate reporting to CAA and provides us with great data to use internally. Coordinating our reporting with Airways minimises duplication in incident reporting, and ensures each incident is investigated on the ground to identify bird species and add information to the report before it is sent to CAA.

Without a doubt, we now have the most seamless, coordinated and accurate reporting for wildlife incidents at airports in the country. This is a true team effort, spanning various parts of the organisation, which has improved the efficiency and accuracy of an important reporting system.

Immediately following the earthquake, CIAL supported the evacuation efforts of visitors through Christchurch, as well as providing guidance and financial assistance to the tourism entities impacted.

The airport company then led the coordination of a group representing the top of the South Island tourism industry and Tourism New Zealand to collectively review the localised and region wide tourism issues and opportunities resulting from the Kaikoura earthquake.

It then led the development of a multi-year recovery plan for the effected regions of Kaikoura, Marlborough and Hurunui, along with a region wide approach for the touring experiences of the top of the South Island.

Delivering the plan required additional funding which was sought through MBIE. On February 27 2017 Cabinet agreed to provide a support package of \$880k over two years, to be administered through a governance body overseen by the airport company.

SUPPORTING KAIKOURA

Christchurch International Airport Limited (CIAL) played a significant role in assisting Kaikoura and the regions of the top of the South Island following the November 2016 Kaikoura earthquake.



DOING GOOD IN THE COMMUNITY

Christchurch Airport does more than welcome and support passengers – we also welcome and support a lot of charities and community work.

As well as our annual dividend supporting Christchurch City Council activities, we ourselves directly support community groups, charities and organisations doing great and often un-sung work.

The Christchurch Airport Community Fund starts as small change donated by visitors and staff at the airport. It might be currency an international visitor drops into the donation bin as they head home, coins an intrepid Kiwi traveller leaves behind as they go off to see the world, or the change from a staff member's cup of coffee.

How it gets there becomes even more interesting when you consider the noble work it does later on.

We regularly empty the bins, tally the funds, convert the foreign currency (our record is 14 different currencies at once!) and deposit into an account, which is then topped up by a generous amount from the airport company.

Twice a year we ask for applications from community groups and projects, then a selection committee considers all the options for ways to spend the fund's resources. It's a tough task, weighing up how far we can spread the

available dollars and how many ways we can use the fund to enrich lives.

Once the decisions are made, we invite the recipients to an event at the airport. They each receive their grant and give a short address explaining what they do and how they'll use the grant. It's a place new friendships and working partnerships are made, adding even more power to the Community Fund.

This year the Community Fund gave more than \$53,000 to 37 groups and projects across the region.

For example, we gave 12 schools each a \$1000 donation and were rewarded with their heart-warming performances in the terminal in the run-up to Christmas. We also used \$4988 to help the Antarctic Heritage Trust save Sir Ed Hillary's historic hut at Scott Base.

These grants enabled three free community events in Phillipstown, an international quilt symposium to be hosted, the City Park Community Patrol to keep people safe in parks, DrugARM art classes, Halswell Community Hall to open its doors to community events, and a radio programme to connect, inform and entertain disabled listeners.

We supported the establishment of a garden at Canterbury Charity Hospital and club rooms for Oxford Football Club. We assisted social workers support new migrants to settle in New Zealand, enabled the 180 Degrees Trust to take vulnerable Canterbury youth into our great outdoors, and the development of an app to help residents and visitors find street art around Christchurch ... plus many more great initiatives and community support.

We use our lighting to "colour up" the terminal walls to show support for national and international charities - bright pink for Breast Cancer Foundation, blue for Blue September

fighting prostate cancer and orange to support World Vision's 40 hour Famine weekend – and have those charities collecting your donations in the terminal on national collection days.

So next time you pass through the airport, you might choose to leave some small change behind. We'll make sure it makes a big difference.





A FOCUS ON OUR PEOPLE

Our people are passionate about our purpose to unequivocally champion the South Island and are proud of the difference the airport makes to our city, our island and our country.

During FY17 we have focused on our objective to build a champion team who all understand, and are committed to achieving, our purpose, as well as our key strategic pillars of building a stronger business, enhancing customer journeys and being great kaitiaki - champions of safety, security and sustainability.

The results of the internal measures we have in place highlight our team members are highly engaged, understand where we are going and how we plan to get there, and are proud to work for a successful organisation that has such impact on the experiences and lives of residents and visitors.

To build our champion team which is core to delivering our purpose and key strategic pillars, we have committed to the following things - development and building capability across the business; building a leadership group which leads with possibility and purpose; engaging our team in our purpose, strategy and values. We are working on creating an environment where we celebrate our successes, learn from our mistakes, take personal accountability for our own self-leadership, and reward and recognise our people for outstanding contributions to achieving our strategic objectives.

It is clear, too, that our people understand the unquestionable emphasis we put on protecting them – as well as every person who comes onto the airport campus. Safety is just the way we do things and comes before everything. Our safety strategy is underpinned by our commitment to develop a safety culture with leadership at its heart, a strategic approach to risk management, quality systems that drive continuous improvement, and partnerships with our key stakeholders who align with our safety philosophies.

Our people know we are committed to their protection and to their well-being, with a significant focus on developing a comprehensive wellbeing programme focused on mind health, physical health, sense of connection and giving back.

Every member of our team knows they play a part in our success and that success wouldn't be possible without each of their individual contributions. Everyone's part is different but the impact is the same. Together we enhance our customers' journeys, we build a stronger business and we champion safety, sustainability and security by being great kaitiaki.

SAFETY AT OUR FINGERTIPS

Safety is our top priority at the airport and comes before everything else.

We have a safety culture that is core to how we do business and drives our behaviour. Every person on campus knows what is expected of them to keep themselves, their colleagues and our visitors safe and is clear on our commitment to providing them the tools and systems to do so.

We are creating an environment that actively encourages and rewards reporting of anything which has the potential to hurt someone, and part of encouraging that reporting is making it easy to do at the time a potential incident is noticed.

For eight months of this year, our information and technology team worked on the development of a programme now known as SERF (Safety Event Report Form).

The SERF combines aviation and airside operations, security and people safety reporting in one location, offered through an app on all company mobile phones. It is literally at our fingertips!

The new format enables, processes and gathers a much broader data set to support more of our operations safety. Staff no longer need to fill in different forms for different hazards, accidents or near misses, because SERF combines all types of safety event reporting into one, making it simpler and more accessible for staff. A risk-assessment then determines what level of investigation is required, based on pre-determined parameters.

When a report is logged, it goes to the manager of the person reporting for review. The SERF system provides transparency by ensuring the person who made the report is updated throughout the process. Everyone who considers the report and offers additional information or a follow-up action leaves a record to show what has been done by way of follow-up. This assures the original reporter the incident has been followed up.

The system also sends reminders to managers to ensure timeframes are met and that we react quickly to adverse safety events.

Since the inception of SERF in May 2017, we've been pleased to see an increase in the number of reports logged.

They are a combination of aviation related incidents, security incidents and driving-related incidents around aircraft. They all help inform us where some more information or training might be required, and how we can keep all people safe at the airport.

From our safety announcements which play regularly through the airport terminal, reminding people not to leave a bag unattended or a child playing on the escalator, to being Safety Champions on our construction sites, we put safety front and centre of all we do ... and hope that makes you, as a visitor, feel safe while you're with us.



Photographic contributions by: Wayne Williams, Kelly Shakespeare,
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