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Specified Airport Services Information Disclosure Requirements Information Templates for Schedules 1–17, 23

Company Name	Christchurch International Airport Limited
Disclosure Date	31 May 2012
Disclosure Year (year ended)	30 June 2011
Pricing period starting year (year ended) ¹	30 June 2009

Reissued 3 December 2012

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 & 23 (Annual Disclosure)
Version 2.0. Prepared 25 January 2012

Regulatory Information Disclosure – Specified Airport Services

Annual Information Disclosure for the financial year ending 30 June 2011

Updated Disclosure

This Disclosure, dated 3 December 2012, is a reissue of the Information Disclosure report dated 31 May 2012. This reissue is required to:

- *Correct an overstatement in the 2011 Disclosure* - discovered during the preparation of the 2012 Information Disclosure Report of Lease, rental and concession revenue (\$4.467 million). This item incorrectly included a component of commercial revenue in Specified Terminal Activities. The impact of this revision reduces the ROI comparable to a post-tax WACC to 5.95%, and
- *A reclassification of activity for two leases in aircraft and freight activities* –again identified during the preparation of the 2012 Information Disclosure Report, following a legal review of the activity classification. The revenue excluded amounts to \$1.253m. The impact of this revision reduces the ROI comparable to a post-tax WACC a further 0.28% to 5.67% (previously 6.94%).

2 Introduction

Christchurch International Airport (CIAL) is committed to the new Information Disclosure process and to ensure that the new regime is given sufficient time to be established and fully implemented.

CIAL is committed to working with the Commerce Commission to ensure that the purpose of Part 4 of the Commerce Act is fulfilled. In CIAL's view, the new Information Disclosure regime is a significant improvement on previous reporting requirements as it provides a broader communication of performance measures, both financial and operating performance, and provides a more effective and comprehensive assessment of the regulated services comprised within the specified airport services.

However two points should be borne in mind when considering this disclosure. First, the Information Disclosure report has been compiled in accordance with the Airport Information Disclosure Determination 2010, including Amendment No.1 27 February 2012. CIAL is of the view that certain elements of this determination, particularly WACC and Asset Valuations, require review and is presently progressing this under appeal.

Second, it is necessary to consider the performance of an airport over a broader period of time rather than a discrete financial year. It is, in CIAL's view, the trend rather than the specific result for each year that is important to consider when assessing the overall performance of the company.

Pricing Period

The pricing period to which this Information Disclosure relates is the period of 1 July 2008 – 30 June 2011.

The price reset (which was effective from 1 April 2009), was the first increase in charges since January 2001 - a period of approximately 8 years. The increase in charges in the 2009 reset covered only airfield charges and whilst there was an increase on previous charges, the increase was less than required to achieve CIAL's required level of return on investment on assets employed and recover current operating costs. However the increase was set at a time when the global financial crisis was having significant impacts both on the industry and the airlines specifically and accordingly pragmatic commercial decisions were, in CIAL's view, required in the setting of such prices.

The pricing consultation to set the prices for the period 1 July 2008 to 30 June 2011 initially was a two stage process firstly incorporating existing services and then for a second step change for the new Integrated Terminal Development. However owing to the Capital consultation process on the new terminal development not being completed the pricing reset was adjusted to be for a 3 year period only for existing services and excluded any impacts or estimates of capital cost for the new Integrated Terminal Development. CIAL's objective was to reset prices post the completion of the capital consultation and the completion of the new terminal development – targeted for July 2011.

For this pricing period CIAL made a decision not to revalue assets. This decision was made to avoid the short term variations that may be caused by unrealised revaluation gains or losses. This Information Disclosure includes revaluation of assets from the opening regulated asset base at 30th June 2009, incorporated on the basis of CPI indexation from the 2009 closing asset base. The result of this unrealised revaluation gain is one of the reasons why there is a variation on the forecast financial performance previously estimated. CIAL notes that even including such revaluation of assets as revenue, the return on investment is still less than the Commerce Commission benchmark Weighted Average Cost of Capital.

4 Integrated Terminal Development

CIAL commenced the construction of a new integrated terminal in 2009. This was the consequence of a significant review of the services and functions required to meet growing traveller numbers and airline requirements, both presently and in the future. The existing domestic terminal was built in 1960 and as a consequence the levels of service were significantly below international service standards (ICAO) as required by airlines and the travelling public. This is particularly reflected in the performance measure summary detailed in Schedules 13 and 14 of this Information Disclosure.

The first stage of the new Integrated Terminal was commissioned in May 2011 and promptly led to an improvement in customer satisfaction measures (as assessed against the Schedule 14 measures, but for which will not be disclosed until the year ending 30 June 2012).

CIAL considers that in addition to the improvement in service performance and customer satisfaction the new integrated terminal will provide significant efficiencies, in terms of operating costs based on the new foot print, particularly with respect to energy efficiency.

5 Canterbury Earthquakes

The Canterbury earthquakes in late 2010 and 2011 onwards have had a significant impact on CIAL performance.

The major earthquakes in September 2010 and February 2011, followed by a significant number of aftershocks, have created significant uncertainty and disquiet in the minds of the travelling public, particularly travellers to Christchurch, which is predominantly a leisure based airport. As a consequence passenger volumes have significantly reduced over 2010, with international passenger movements being 8.3% below levels experienced for the year ending 30 June 2010, and domestic passenger movements similarly were 2.1% below the same level for the previous period. The consequence of these reduced passenger movements resulted in a significant reduction in revenues, and consequential under recovery of investment.

The impact of the earthquakes also resulted in increased operating costs. CIAL considers that it effectively managed the impact of the earthquakes and enabled the airport to restore full operation within hours after the events. However the earthquakes did result in significant increased costs to ensure on going services were able to be provided together with the completion of remedial maintenance activity required. The continuing aftershocks also created the need for additional maintenance activity to keep assets in full operational readiness. CIAL notes that the earthquakes will continue to have significant impact both on earnings, through lower passenger volumes and increased operating costs in future periods; particularly for such cost items as insurance which has increased approximately fourfold over the levels experienced prior to the earthquakes.

6 Earnings Performance

As outlined in the introduction to Schedule 1 of this Information Disclosure CIAL believes that return on investment should be measured over a period of time rather than at discrete points in time, particularly as prices are balanced over pricing periods covering up to 5 years.

The provision of new infrastructure is, in CIAL's view, an essential investment to enable aeronautical services to be provided to Christchurch and the South Island, as they provide considerable economic benefit. The development of the new Integrated Terminal is the first major investment for some considerable time and CIAL, as a commercial operator, considers it important that it achieves an appropriate return on its investment. CIAL considers that the inclusion in this Information Disclosure of information relating to the first stage of the Integrated Terminal development does not truly reflect the level of investment made and the impact on returns at this point in time. With the completion of the integrated terminal project in 2012, CIAL's subsequent information disclosures will incorporate the significant investment made by CIAL and, in CIAL's view, identifies the need for increases in prices to achieve an appropriate return on investment over the lifetime of the asset.

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16	REPORT ON ASSOCIATED STATISTICS
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Disclosure Template Guidelines for Information Entry

Internal consistency check

OK

Templates

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

Data entry cells and calculated cells

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

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

Validation settings on data entry cells

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

Data entry cells for text entries

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

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

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

Data entry cells that contain conditional formatting

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

a) Internal consistency checks

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

Schedule 4, cells N110:N118, J30;

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

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

b) Conditionally disclosed information

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

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

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

Schedule 6 comparison of actual and forecast expenditures

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

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

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

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

Regulated Airport
For Year EndedChristchurch International Airport Limited
30 June 2011

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

ref Version 2.0

(\$000 unless otherwise specified)

6 1a: Return on Investment

	CY-2 *	CY-1 *	Current Year CY 30 Jun 11
7 Return on Investment (ROI)			
8 <i>for year ended</i>			
9 Regulatory profit / (loss)			18,884
10 less Notional interest tax shield			1,010
11 Adjusted regulatory profit			17,873
12 Regulatory investment value			315,238
13			
14 ROI—comparable to a post tax WACC (%)			5.67%
15 Post tax WACC (%)			8.06%
16			
17 ROI—comparable to a vanilla WACC (%)			5.99%
18 Vanilla WACC (%)			8.40%

19 **Commentary on Return on Investment**

20 This Disclosure is a reissue of the Information Disclosure report dated 31 May 2012. This reissue is required to;

- 21 • *Correct an overstatement in the 2011 Disclosure* - discovered during the preparation of the 2012 Information Disclosure Report of Lease, rental and concession revenue (\$4.467 million). This item incorrectly included a component of commercial revenue in Specified Terminal Activities. The impact of this revision reduces the ROI comparable to a post-tax WACC to 5.95%, and
- 22 • *A reclassification of activity for two leases in aircraft and freight activities* –again identified during the preparation of the 2012 Information Disclosure Report, following a legal review of the activity classification. The revenue excluded amounted to \$1.253m. The impact of this revision reduces the ROI comparable to a post-tax WACC a further 0.28% to 5.67% (previously 6.94%).

23 The adjustments to the Information Disclosure as a consequence of these change affects schedules 1, 2, 3, 7 and 8 and those schedules have been updated accordingly. The cells that have been changed in these schedules have been highlighted in orange.

24 Schedule 1 reports on the actual return on investment compared to the Commerce Commission's estimate of WACC for the year ending 30 June 2011. This commentary provides context for the actual return on investment disclosed.

25 The return on investment for specified airport activities overall for CIAL at 5.67% is below the Commerce Commission benchmark of 8.06% and in CIAL's view predominantly reflects:

- 26 • The delayed implementation of airfield prices in the past, and the commercial challenges of achieving the appropriate level of return required when prices are actually increased;
- 27 • The increase in operating costs, particularly as a consequence of the Christchurch earthquakes; and
- 28 • The reduced aeronautical activity, again predominantly owing to the effect of the Christchurch Earthquakes.

29 CIAL believes it essential for interested parties to consider the return on investment over a period of time rather than an individual year in isolation, having regard to the nature and extent of factors incorporated in any pricing reset and the impacts when major investment in infrastructure has occurred.

30 A further factor influencing the actual return on investment relates to the extent the new Integrated Terminal Development investment is included in the regulated investment value. While stage one of the Integrated Terminal was commissioned in May 2011, the approach taken to measure the return on investment is to only take a proportion of the total investment value made in determining the regulated investment value. Accordingly, the regulated investment value does not reflect the actual investment made by the company at this point in time and, in CIAL's view, further reinforces the desirability of measuring actual return on investment over a period of time rather than at a discrete point in time.

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

Page 1

Regulated Airport
For Year Ended**Christchurch International Airport Limited**
30 June 2011**SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)**

ref Version 2.0

(\$000 unless otherwise specified)

59 **1b: Notes to the Report**60 **1b(i): Deductible Interest and Interest Tax Shield**

61	RAB value - previous year	293,761
62	Debt leverage assumption (%)	17%
63	Cost of debt assumption (%)	6.74%
64	Notional deductible interest	3,366
65	Tax rate (%)	30.0%
66	Notional interest tax shield	1,010

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

68	Regulatory asset base value - previous year	293,761
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69	Commissioned Projects	Assets Commissioned— RAB Value (\$000)	Proportion of Year Available (%)	Proportionate Regulatory Value
70	International Terminal Project	95,215	16.67%	15,872
71	Runway Maintenance	5,194	75%	3,896
72				—
73				—
74				—
75				—
76				—
77				—
78				—
79	plus Other assets commissioned	3,448	50%	1,724
80	plus Adjustment for merger, acquisition or sale activity			—
81	less Asset disposals	30	50%	15
82	RAB investment	103,827		
83	RAB proportionate investment			21,477
84				
85	Regulatory investment value			315,238

Page 2

Regulated Airport **Christchurch International Airport Limited**
For Year Ended **30 June 2011**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref Version 2.0

2a: Regulatory Profit			
7	Income		(\$000)
8	Airfield Charges	19,415	
9	Terminal Charges	7,278	
10	Counter Charges	2,077	
11	Passenger Service Charges	14,781	
12	Lease, rental and concession income	4,992	
13	Other operating revenue	825	
14	Net operating revenue		49,367
15	Gains / (losses) on sale of assets	(9)	
16	Other income	44	
17	Total regulatory income		49,402
18			
19	Expenses		
20	Operational expenditure:		
21	Corporate overheads	6,552	
22	Asset management and airport operations	15,434	
23	Asset maintenance	2,313	
24	Total operational expenditure		24,299
25			
26	Operating surplus / (deficit)		25,103
27			
28	Regulatory depreciation		12,444
29			
30	plus Indexed revaluation	9,409	
31	plus Non-indexed revaluation	-	
32	Total revaluations		9,409
33			
34	Regulatory Profit / (Loss) before tax & allowance for long term credit spread		22,068
35			
36	less Allowance for long term credit spread		-
37			
38	Regulatory Profit / (Loss) before tax		22,068
39			
40	less Regulatory tax allowance		3,185
41			
42	Regulatory Profit / (Loss)		18,884

Commentary on Regulatory Profit

Revenue from specified airport activities was adversely impacted by the September 2010 and February 2011 earthquakes.

This impacted earnings through:

- Reduced services and passenger volumes owing to the continued uncertainty from both the initial earthquakes and the subsequent aftershocks. In addition the damage to the central city and the loss of hotel accommodation was detrimental to tourism activity.
- A significant impact on operating costs through increased maintenance costs to remediate earthquake damage and increased operating costs to enable the business to function effectively. (\$1.58m) These are included under asset management and airport operation expenditure.

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref Version 2.0

(\$000 unless otherwise specified)

72 2b: Notes to the Report

73 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 -

86 2b(ii): Financial Incentives

(\$000)

Pricing incentives	3,176	
Other incentives	1,803	
Total financial incentives		4,979

91 2b(iii): Rates and Levy Costs

(\$000)

Rates and levy costs	449
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94 2b(iv): Merger and Acquisition Expenses

(\$000)

Merger and acquisition expenses	-
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97 Justification for Merger and Acquisition Expenses

There were no merger and acquisition expenses.

Regulated Airport **Christchurch International Airport Limited**
For Year Ended **30 June 2011**

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref	Version 2.0			
6		3a: Regulatory Tax Allowance		(\$000)
7		Regulatory profit / (loss) before tax		22,068
8				
9		plus Regulatory depreciation	12,444	
10		Other permanent differences—not deductible	24	*
11		Other temporary adjustments—current period	1,927	*
12				14,395
13				
14		less Total revaluations	9,409	
15		Tax depreciation	10,942	
16		Notional deductible interest	3,366	
17		Other permanent differences—non taxable	564	*
18		Other temporary adjustments—prior period	1,565	*
19				25,846
20				
21		Regulatory taxable income (loss)		10,617
22				
23		less Tax losses used	—	
24		Net taxable income		10,617
25				
26		Statutory tax rate (%)	30.0%	
27		Regulatory tax allowance		3,185

* 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 - \$24,009
- Other Temporary adjustments – current period** - These include personnel accruals that are not deductible in the year they are accrued –\$853,000. These accruals were allocated in the same % as payroll allocations of 66% to the aeronautical activities of the business. In addition, uniforms that are capitalised for tax purposes are included at \$44,000.
A deferred lease settlement (\$800,000) is being spread over five years for tax purposes and is included as a current temporary difference. This related to the aeronautical business. (aircraft and freight)
ITP staging costs are additional operating costs incurred to ensure business operations can meet required services while the new integrated terminal is being constructed. These are deductible for tax purposes over the period of the project development. They amount to \$46,000 in the current period (total company figure times the new terminal allocation of 67.53%)
A general provision of \$184,000 has been made for refunds in the current period which is not deductible for tax purposes. This has been allocated according to the corresponding revenue accounts.
- Other permanent differences – non-taxable** - A correction from the prior year of \$564,000
- Other Temporary adjustments – prior period** - These differences are effectively the reversal of the previous year accruals and total \$1,565,000

3b(ii): Tax Depreciation Roll-Forward

46				(\$000)
47		Opening RAB (Tax Value)	64,694	
48		plus Regulatory tax asset value of additions	98,081	
49		less Regulatory tax asset value of disposals	17	
50		plus Regulatory tax asset value of assets transferred from/(to) unregulated asset base	—	
51		less Tax depreciation	10,942	
52		plus Other adjustments to the RAB tax value	—	
53		Closing RAB (tax value)		151,816

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

55				(\$000)
56		Tax losses (regulated business)—prior period	—	
57		plus Current year tax losses	—	
58		less Tax losses used	—	
59				—
60		Tax losses (regulated business)		—

Regulated Airport **Christchurch International Airport Limited**
 For Year Ended **30 June 2011**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref Version 2.0

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
RAB value—previous disclosure year		331,684		293,761
<i>less</i>				
Regulatory depreciation		14,811		12,444
<i>plus</i>				
Indexed revaluations	10,621		9,409	
Non-indexed revaluations	-		-	
Total revaluations		10,621		9,409
<i>plus</i>				
Assets commissioned (other than below)	139,609		103,857	
Assets acquired from a regulated supplier	-		-	
Assets acquired from a related party	-		-	
Assets commissioned		139,609		103,857
<i>less</i>				
Asset disposals (other)	44		30	
Asset disposals to a regulated supplier	-		-	
Asset disposals to a related party	-		-	
Asset disposals		44		30
<i>plus</i> Lost and found assets adjustment		-		-
Adjustment resulting from cost allocation				2,137
RAB value †		467,059		396,690

Commentary

There was no revaluation of land under the market value alternative use valuation methodology in 2011.
 Land assets were included with other assets and revalued using the CPI index.
 A major project for CIAL over the last two years has been the construction of a new integrated terminal. Stage one of the new terminal was opened in May 2011 commissioning approximately \$130 million of the project works to date. This resulted in \$95.2million being added to the regulated asset base.

* 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	RAB
	(\$000)	(\$000)
Standard depreciation	14,811	12,444
Non-standard depreciation	-	-
Regulatory depreciation	14,811	12,444

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

ref Version 2.0

(\$000 unless otherwise specified)

4b(ii): Non-Standard Depreciation Disclosure				
	Depreciation charge for the period (RAB)	Year change made (year ended)	RAB value under 'non-standard' depreciation	RAB value under 'standard' depreciation
Non-standard Depreciation Methodology				
No non-standard depreciation				

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
Not applicable		

4b(iv): Calculation of Revaluation Rate and Indexed Revaluation of Fixed Assets			
CPI at CPI reference date—previous year (index value)			1,121
CPI at CPI reference date—current year (index value)			1,157
Revaluation rate (%)			3.21%
	Unallocated RAB	RAB	
RAB value—previous disclosure year	331,684	293,761	
less Revalued land	—		
less Assets with nil physical asset life	926	755	
less Asset disposals	44	30	
less Lost asset adjustment	—		
Indexed revaluation	10,621	9,409	

4b(v): Works Under Construction			
	Unallocated works under construction	Allocated works under construction	
Works under construction—previous disclosure year	108,595	73,596	
plus Capital expenditure	84,264	66,099	
less Asset commissioned	139,609	103,857	
less Offsetting revenue	—	—	
plus Adjustment resulting from cost allocation			83
Works under construction	53,251	35,921	

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

ref Version 2.0

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

105	Capacity growth	23,896	
106	plus Asset replacement and renewal	42,203	
107	Total capital expenditure		66,099

108 4b(vii): Asset Classes

	Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *	
109						
110	RAB value—previous disclosure year	84,895	88,163	114,379	6,324	293,761
111	less Regulatory depreciation	—	4,107	6,989	1,348	12,444
112	plus Indexed revaluations	2,726	2,831	3,660	192	9,409
113	plus Non-indexed revaluations	—	—	—	—	—
114	plus Assets commissioned	—	5,194	96,088	2,575	103,857
115	less Asset disposals	—	—	—	30	30
116	plus Lost and found assets adjustment	—	—	—	—	—
117	plus Adjustment resulting from cost allocation	(3)	—	2,115	25	2,137
118	RAB value	87,619	92,081	209,253	7,737	396,690

* Corresponds to values in RAB roll forward calculation.

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

	Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total	
120						
121	Assets held for future use—previous disclosure year	42,707	3,891	—	697	47,295
122	plus Assets held for future use—additions ¹	—	4,177	—	1,394	5,571
123	less Transfer to works under construction	—	—	—	—	—
124	less Assets held for future use—disposals	—	—	—	—	—
125	Assets held for future use ²	42,707	8,068	—	2,091	52,866

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

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

127	Highest rate of finance applied (%)	7.11%
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Regulated Airport
For Year Ended**Christchurch International Airport Limited**
30 June 2011**SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS**

ref Version 2.0

5(i): Related Party Transactions

(\$000)

6	Net operating revenue	130
7	Operational expenditure	3,627
8	Related party capital expenditure	-
9	Market value of asset disposals	-
10	Other related party transactions	74,935

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
V Base Limited	Subsidiary of Majority Shareholder
Eco Central Ltd	Subsidiary of Majority Shareholder
Civic Buildings Ltd	Subsidiary of Majority Shareholder

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price (\$)	Value (\$000)
Christchurch City Council (CCC)	Operational expenses		371
Christchurch City Council (CCC)	Rates		2,546
Christchurch City Council (CCC)	Subvention payments / Losses		4,392
(CCHL)	Interest paid		3,390
(CCHL)	Subordinated loan balance payable		50,000
(CCHL)	Subvention payments / Losses		9,033
Connectics Limited	Operational expenses		595
Red Bus Limited	Revenues		48
V Base Limited	Revenues		71
V Base Limited	Subvention payments / Losses		4,473
Eco Central Limited	Operational expenses		101
Civic Buildings Limited	Subvention payments / Losses		3,647
Other related party transactions	Various		25

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 (\$74,935). These transactions relate to the full company, and are not able to be allocated to specific activities. The Company considers that the remaining transactions (\$3,757) cannot reasonably be allocated to specified airport activities without considerable and disproportionate effort and expense.

Regulated Airport
For Year EndedChristchurch International Airport Limited
30 June 2011

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST EXPENDITURE

ref Version 2.0

6a: Actual to Forecast Expenditure

(\$000)

Expenditure by Category	Actual for	Forecast for	% Variance (a)/(b)-1	Actual for	Forecast for	% Variance (a)/(b)-1
	Current Disclosure Year (a)	Current Disclosure Year* (b)		Period to Date (a)	Period to Date* (b)	
Capacity growth	23,896	–	Not defined	42,915	–	Not defined
Asset replacement and renewal	42,203	15,136	178.8%	86,573	41,758	107.3%
Total capital expenditure	66,099	15,136	336.7%	129,488	41,758	210.1%
Corporate overheads	6,552	N/A	Not defined	23,350	N/A	Not defined
Asset management and airport operations	15,434	N/A	Not defined	38,286	N/A	Not defined
Asset maintenance	2,313	N/A	Not defined	6,853	N/A	Not defined
Total operational expenditure	24,299	16,976	43.1%	68,489	51,480	33.0%
Key Capital Expenditure Projects						
Integrated Terminal Project	60,954	–	Not defined	108,977	–	Not defined
Pavement maintenance	5,194	9,410	(44.8%)	14,107	20,925	(32.6%)
	–	–	Not defined	–	–	Not defined
	–	–	Not defined	–	–	Not defined
	–	–	Not defined	–	–	Not defined
	–	–	Not defined	–	–	Not defined
	–	–	Not defined	–	–	Not defined
	–	–	Not defined	–	–	Not defined
	–	–	Not defined	–	–	Not defined
Other capital expenditure	(49)	5,726	(100.9%)	6,404	20,833	(69.3%)
Total capital expenditure	66,099	15,136	336.7%	129,488	41,758	210.1%

Explanation of Variances

Note: The current pricing period only covers three years due to the Integrated Terminal Project (ITP). Initially a five year, two stage process with ITP forecast for completion at 30 June 2011, it was subsequently agreed that the pricing period would exclude ITP and cover the three years up to 30 June 2011.

The forecast expenditure is the expenditure used in determining the airports total revenue for the purposes of consultation undertaken as part of a price setting event. This forecast did not include those activities that are included in the disclosure expenses which are not subject to a price setting event. Examples of these activities include:

- Aircraft and freight activities
- Check-in counters
- Airline offices, airline lounge, etc. that are subject to elases
- Duty free pickup areas

Expenditure by Category:**Capacity Growth**

This represents the incremental growth created by Stage 1 of the ITP project. This item was deliberately excluded from the forecast expenditure in the pricing consultation as the capital expenditure consultation process had not been completed at that date.

Asset replacement & Renewal

Approximately \$50million of the ITP project related to asset replacement. As mentioned above, this item was deliberately excluded from the forecast expenditure in the pricing consultation as the capital expenditure consultation process had not been completed at that date.

Corporate Overheads

The increased costs of regulatory review/insurance were not envisaged when the pricing review was in progress.

Asset Management & Airport Operations

The earthquakes of September 2010 and February 2011 plus the continuing aftershocks have impacted adversely on the asset management and airport operations expenditure.

Asset maintenance

The pricing forecast did not include any increased costs for the ITP project as this was not included in the pricing reset.

Key Capital Expenditure:**ITP Variance – not defined**

As mentioned above, the ITP project was deliberately excluded from the forecast expenditure in the pricing consultation as the capital expenditure consultation process had not been completed at that date.

Pavement Maintenance variance

The forecast pavement maintenance expenditure was determined by the 20 year pavement maintenance programme, developed by Beca. Actual works are determined by an annual pavement condition review which identified a lesser programme was appropriate. In addition, actual works were also influenced by the Christchurch earthquakes.

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

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

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

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**

		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
Expenditure by Category	<i>for year ended</i>					
Capacity growth		-	-	-	-	-
Asset replacement and renewal		8,721	17,901	15,136	-	-
Total forecast capital expenditure		8,721	17,901	15,136	-	-
Corporate overheads		N/A	N/A	N/A	-	-
Asset management and airport operations		N/A	N/A	N/A	-	-
Asset maintenance		N/A	N/A	N/A	-	-
Total forecast operational expenditure		17,815	16,690	16,976	-	-
Key Capital Expenditure Projects	<i>for year ended</i>					
International terminal project		-	-	-	-	-
Pavement Maintenance		4,645	6,870	9,410	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Other capital expenditure		4,076	11,031	5,726	-	-
Total forecast capital expenditure		8,721	17,901	15,136	-	-

Regulated Airport
For Year Ended**Christchurch International Airport Limited**
30 June 2011**SCHEDULE 7: REPORT ON SEGMENTED INFORMATION**

ref Version 2.0

		(\$000)			
	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*	
6					
7					
8	Airfield Charges	-	19,415	-	19,415
9	Terminal Charges	7,278	-	-	7,278
10	Counter Charges	2,063	12	2	2,077
11	Passenger Service Charges	14,781	-	-	14,781
12	Lease, rental and concession income	1,425	49	3,518	4,992
13	Other operating revenue	504	213	107	825
14	Net operating revenue	26,051	19,689	3,627	49,367
15					
16	Gains / (losses) on asset sales	-	(9)	-	(9)
17	Other income	24	16	4	44
18	Total regulatory income	26,075	19,696	3,631	49,402
19					
20	Total operational expenditure	13,044	9,330	1,925	24,299
21					
22	Regulatory depreciation	6,419	5,512	513	12,444
23					
24	Total revaluations	3,184	5,638	587	9,409
25					
26	Allowance for long term credit spread	-	-	-	-
27					
28	Regulatory tax allowance	1,664	1,221	300	3,185
29					
30	Regulatory profit/ loss	8,132	9,270	1,481	18,884
31					
32	Regulatory investment value	116,200	180,687	18,351	315,238

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

Commentary on Segmented Information

ROI's by segment result in varying returns for the different segments as can be seen below:

	Terminal	Airfield	Aircraft & Freight
Return on Investment	7.00%	5.13%	8.07%

Specified Passenger Terminal Activities:

This return is above the total regulated business ROI. Infrastructure pricing for airport terminals seeks to, recover the required rate of return over the life of the investment. This results in lower returns in the early stages of the assets life and higher returns at the end of its economic life. The domestic terminal has now reached the end of its economic life and is presently being replaced by the new integrated terminal development thereby returning to higher return as it has a very low asset value. In addition the international terminal is 11 years old and has passed through the period of lower returns and is now entering the period where increased returns are being achieved to offset the earlier period of lower returns.

Airfield Activities:

The return on Airfield activities is a consequence of continued asset investment and increasing operating costs not being adequately compensated for by price increases. The price increase from 1 April 2009 was the first since January 2001 and while CIAL considered that it was reasonable, it was still less than required owing to the adverse economic and industry conditions prevailing at the time of the price reset in 2009.

Aircraft & Freight Activities

This return has been caused by the application of much lower MVAU values determined in 2009 for property in this segment as compared to the values carried in the company's financial statements. This method of valuation is in accordance with the Input Methodologies determination and owing to the lower land values, consequently produces a higher return on the lower valued investment.

Regulated Airport
For Year Ended**Christchurch International Airport Limited**
30 June 2011**SCHEDULE 8: CONSOLIDATION STATEMENT**

ref Version 2.0

8a: CONSOLIDATION STATEMENT

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business- GAAP	Unregulated Activities- GAAP	(\$000) Airport Company- GAAP
Net income	49,402	15	49,417	47,951	97,368
Total operational expenditure	24,299	0	24,299	16,352	40,651
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	25,103	15	25,118	31,599	56,717
Depreciation	12,444	2,838	15,281	5,512	20,793
Revaluations	9,409	17,015	26,424	(8,671)	17,753
Tax expense	3,185	(1,427)	1,758	5,896	7,654
Net operating surplus / (deficit) before interest	18,883	15,620	34,503	11,520	46,023
Property plant and equipment	396,690	94,470	491,160	363,164	854,324

8b: NOTES TO CONSOLIDATION STATEMENT**8b(i): REGULATORY / GAAP ADJUSTMENTS**

Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
Depreciation methodology - on additions and disposals under GAAP	Depreciation	2,838
Sale of assets - depreciation on disposal increases the gain on sale	Net income	15
CPI index revaluation - excluded under GAAP	Revaluations	(9,409)
Revaluation per Seagars - included under GAAP	Revaluations	26,424
Tax expense adjustment due to difference in permanent/temp diffs	Tax expense	(1,427)
Land Held for development and Work in Progress - excluded from RAB	Property plant & equipment	54,226
Revaluation variance due to different methods for years 2009-2011	Property plant & equipment	37,135
Depreciation methodology - on additions and disposals under GAAP	Property plant & equipment	3,109

* 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 information disclosure determination, from the initial RAB calculation determined in the 2009 year. 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 is deductible for tax purposes under GAAP but is incorporated in work in progress under information disclosure rules and hence has been excluded from this disclosure.

Property Plant & Equipment

Differences in asset values under GAAP compared with Information Disclosure rules are the result of differing methodologies for asset valuations and depreciation. In addition, following a reconsideration of allocation for assets being reviewed as part of setting the initial RAB calculation for 2009, (variances of approx. \$1.8m), which form part of the revaluation and depreciation variances shown.

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 \$45.7m.

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Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

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	1,760	77,650	6,243	85,653		85,653
Assets not directly attributable	962	750	254	1,966	1,726	3,692
Total value land				87,619		
Sealed Surfaces						
Directly attributable assets	-	92,081	-	92,081		92,081
Assets not directly attributable	-	-	-	-	-	-
Total value sealed surfaces				92,081		
Infrastructure and Buildings						
Directly attributable assets	17,267	3,240	10,712	31,220		31,220
Assets not directly attributable	173,093	3,900	1,041	178,033	66,717	244,750
Total value infrastructure and buildings				209,253		
Vehicles, Plant and Equipment						
Directly attributable assets	-	4,305	43	4,348		4,348
Assets not directly attributable	2,061	1,129	199	3,389	1,927	5,315
Total value vehicles, plant and equipment				7,737		
Total directly attributable assets	19,028	177,275	16,999	213,301		213,301
Total assets not directly attributable	176,116	5,778	1,494	183,388	70,370	253,758
Total assets	195,144	183,054	18,492	396,690	70,370	467,059

Asset Allocators

Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
Administration assets	Management and administration payroll \$	Proxy Cost Alloca	Administration assets are predominantly utilised by management and administration staff	Infrastructure & Buildings, Vehicles, Plant & Equipment
Maintenance assets	Company asset values	Proxy Cost Alloca	Maintenance assets are used to maintain the existing company assets	Land, Infrastructure & Buildings, Vehicles, Plant & Equipment
Terminal - Total	Floor area	Proxy Cost Alloca	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 Alloca	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 Alloca	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 Alloca	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 Alloca	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 Alloca	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 Alloca	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 Alloca	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
For Year Ended

Christchurch International Airport Limited
30 June 2011

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 2.0

Asset Allocators (cont)

47	Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
48					
49	Terminal - International Ground Floor	Floor area	Proxy Cost Alloca	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 Alloca	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 Alloca	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]		
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61			[Select one]		
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63			[Select one]		
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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]		

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

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 2.0

9b: Notes to the Report

9b(i): Changes in Asset Allocators

		Effect of Change		
		Current Year		
		CY-1	(CY)	CY+1
		30 Jun 10	30 Jun 11	30 Jun 12
120	Asset category			
121	Original allocator or components	Original		
122	New allocator or components	New		
123	Rationale	Difference	-	-
124				
125	Asset category			
126	Original allocator or components	Original		
127	New allocator or components	New		
128	Rationale	Difference	-	-
129				
130	Asset category			
131	Original allocator or components	Original		
132	New allocator or components	New		
133	Rationale	Difference	-	-
134				
135	Asset category			
136	Original allocator or components	Original		
137	New allocator or components	New		
138	Rationale	Difference	-	-
139				
140	Asset category			
141	Original allocator or components	Original		
142	New allocator or components	New		
143	Rationale	Difference	-	-
144				
145	Asset category			
146	Original allocator or components	Original		
147	New allocator or components	New		
148	Rationale	Difference	-	-
149				
150	Asset category			
151	Original allocator or components	Original		
152	New allocator or components	New		
153	Rationale	Difference	-	-
154				

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. eg. Roading 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

The terminal assets are allocated according to the terminal footprint and this has changed between 2009 and 2011 in accordance with construction of the new integrated terminal. The 2009 and 2010 allocations are based on the terminal footprint from 2008 building plans as this was ultimately the footprint in use prior to the opening of the new terminal.

Although the allocation methodology was not changed, the allocation percentages within were subsequently recalculated in 2011 when the first stage of the integrated terminal was opened on 1st May 2011.

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2010

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (2010)

ref Version 2.0

6 9a: Asset Allocations							(S000)
		Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
7	Land						
8	Directly attributable assets	1,705	75,233	6,049	82,987		82,987
9	Assets not directly attributable	935	727	246	1,908	1,670	3,578
10	Total value land				84,895		
11	Sealed Surfaces						
12	Directly attributable assets	-	88,163	-	88,163		88,163
13	Assets not directly attributable	-	-	-	-	-	-
14	Total value sealed surfaces				88,163		
15	Infrastructure and Buildings						
16	Directly attributable assets	16,741	3,237	10,768	30,746		30,746
17	Assets not directly attributable	78,965	3,654	1,015	83,634	34,874	118,508
18	Total value infrastructure and buildings				114,380		
19	Vehicles, Plant and Equipment						
20	Directly attributable assets	-	3,987	52	4,039		4,039
21	Assets not directly attributable	1,282	850	152	2,284	1,380	3,664
22	Total value vehicles, plant and equipment				6,323		
23							
24							
25	Total directly attributable assets	18,446	170,620	16,869	205,935		205,935
26	Total assets not directly attributable	81,182	5,231	1,413	87,826	37,924	125,750
27	Total assets	99,628	175,851	18,282	293,761	37,924	331,685

Asset Allocators

29	Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
30	Administration assets	Management and administration payroll \$	Proxy Cost Alloca	Administration assets are predominantly utilised by management and administration staff	Infrastructure & Buildings, Vehicles, Plant & Equipment
31	Maintenance assets	Company asset values	Proxy Cost Alloca	Maintenance assets are used to maintain the existing company assets	Land, Infrastructure & Buildings, Vehicles, Plant & Equipment
32	Terminal - Total	Floor area	Proxy Cost Alloca	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
33	Terminal - Domestic	Floor area	Proxy Cost Alloca	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
34	Terminal - Domestic Basement	Floor area	Proxy Cost Alloca	Specific terminal assets that are located in the basement are allocated according to basement floor space split into aeronautical / non-aeronautical	Infrastructure & Buildings
35	Terminal - Domestic First Floor	Floor area	Proxy Cost Alloca	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
36	Terminal - Domestic Ground Floor	Floor area	Proxy Cost Alloca	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
37	Terminal - International	Floor area	Proxy Cost Alloca	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
38	Terminal - International Basement	Floor area	Proxy Cost Alloca	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
39	Terminal - International First Floor	Floor area	Proxy Cost Alloca	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
40	Terminal - International Ground Floor	Floor area	Proxy Cost Alloca	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
41	Terminal - International Second Floor	Floor area	Proxy Cost Alloca	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
42			[Select one]		
43			[Select one]		
44			[Select one]		
45			[Select one]		
46			[Select one]		
47			[Select one]		

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2010

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (2010) (cont)

ref Version 2.0

9b: Notes to the Report

9b(i): Changes in Asset Allocators

		Effect of Change		
		Current Year		
		CY-1	(CY)	CY+1
		30 Jun 09	30 Jun 10	30 Jun 11
134	Asset category			
135	Original allocator or components	Original		
136	New allocator or components	New		
137	Rationale	Difference	-	-
138				
139	Asset category			
140	Original allocator or components	Original		
141	New allocator or components	New		
142	Rationale	Difference	-	-
143				
144	Asset category			
145	Original allocator or components	Original		
146	New allocator or components	New		
147	Rationale	Difference	-	-
148				
149	Asset category			
150	Original allocator or components	Original		
151	New allocator or components	New		
152	Rationale	Difference	-	-
153				
154	Asset category			
155	Original allocator or components	Original		
156	New allocator or components	New		
157	Rationale	Difference	-	-
158				
159	Asset category			
160	Original allocator or components	Original		
161	New allocator or components	New		
162	Rationale	Difference	-	-
163				
164	Asset category			
165	Original allocator or components	Original		
166	New allocator or components	New		
167	Rationale	Difference	-	-
168				

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. eg. Roading 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

The terminal assets are allocated according to the terminal footprint and this has changed between 2009 and 2011 in accordance with construction of the new integrated terminal. The 2009 and 2010 allocations are based on the terminal footprint from 2008 building plans as this was ultimately the footprint in use in this period prior to the opening of stage I of the new integrated terminal in May 2011.

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2009

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (2009)

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	1,678	74,025	6,069	81,772		81,772
Assets not directly attributable	920	715	242	1,877	1,643	3,520
Total value land				83,649		
Sealed Surfaces						
Directly attributable assets	-	85,318	-	85,318		85,318
Assets not directly attributable	-	-	-	-	-	-
Total value sealed surfaces				85,318		
Infrastructure and Buildings						
Directly attributable assets	17,525	2,743	13,565	33,833		33,833
Assets not directly attributable	83,485	3,602	1,003	88,090	36,750	124,840
Total value infrastructure and buildings				121,923		
Vehicles, Plant and Equipment						
Directly attributable assets	-	4,537	62	4,599		4,599
Assets not directly attributable	1,312	885	157	2,354	1,415	3,769
Total value vehicles, plant and equipment				6,953		
Total directly attributable assets	19,203	166,623	19,696	205,522		205,522
Total assets not directly attributable	85,717	5,202	1,402	92,321	39,808	132,129
Total assets	104,920	171,825	21,098	297,843	39,808	337,651

Asset Allocators

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

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2009

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (2009) (cont)

ref Version 2.0

127 **9b: Notes to the Report**

128 **Commentary on Asset Allocations**

129 **Overview:**

130
131 Where possible, assets are attributed to the relevant specified airport activities based on direct attribution of activity
132 to each segment.

133
134 There are a number of assets however that do not directly relate to one individual segment and may overlap
135 several segments. eg. Roading assets. These asset values have been allocated to the regulatory asset segment
136 according to the relevant asset allocation drivers.

137
138 The various asset allocation drivers have been determined based on the use of the asset, with the causal
139 allocators and the rationale for calculation described in the schedule above.

140 **Changing Terminal Footprint**

141
142 The terminal assets are allocated according to the terminal footprint and this has changed between 2009 and 2011
143 in accordance with construction of the new integrated terminal. The 2009 and 2010 allocations are based on the
144 terminal footprint from 2008 building plans as this was ultimately the footprint in use in this period prior to the
145 opening of stage I of the new integrated terminal in May 2011.

Regulated Airport
For Year Ended

Christchurch International Airport Limited
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SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref Version 2.0

10a: Cost Allocations							(\$000)
	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total	
Corporate Overheads							
Directly attributable operating costs	106	689	76	871		871	
Costs not directly attributable	3,789	1,629	263	5,681	5,488	11,169	
Asset Management and Airport Operations							
Directly attributable operating costs	1,550	5,610	1,194	8,354		8,354	
Costs not directly attributable	6,356	609	115	7,080	8,831	15,911	
Asset Maintenance							
Directly attributable operating costs	1	398	171	570		570	
Costs not directly attributable	1,243	396	105	1,744	2,032	3,776	
Total directly attributable costs	1,657	6,697	1,441	9,795		9,795	
Total costs not directly attributable	11,388	2,634	483	14,505	16,351	30,856	
Total operating costs	13,045	9,331	1,924	24,300	16,351	40,651	

Cost Allocators

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

Regulated Airport
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Christchurch International Airport Limited
30 June 2011

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
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]		
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]		
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92			[Select one]		
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112			[Select one]		
113			[Select one]		
114			[Select one]		
115			[Select one]		
116			[Select one]		
117			[Select one]		
118			[Select one]		

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

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 2.0

127 **10b: Notes to the Report**

128 **10b(i): Changes in Cost Allocators**

		(\$000)		
		Effect of Change		
		CY-1	Current Year	CY+1
		30 Jun 10	(CY) 30 Jun 11	30 Jun 12
131	Operating cost category			
132	Original allocator or components	Original		
133	New allocator or components	New		
134	Rationale	Difference	-	-
135				
136	Operating cost category			
137	Original allocator or components	Original		
138	New allocator or components	New		
139	Rationale	Difference	-	-
140				
141	Operating cost category			
142	Original allocator or components	Original		
143	New allocator or components	New		
144	Rationale	Difference	-	-
145				
146	Operating cost category			
147	Original allocator or components	Original		
148	New allocator or components	New		
149	Rationale	Difference	-	-
150				
151	Operating cost category			
152	Original allocator or components	Original		
153	New allocator or components	New		
154	Rationale	Difference	-	-
155				
156	Operating cost category			
157	Original allocator or components	Original		
158	New allocator or components	New		
159	Rationale	Difference	-	-
160				
161	Operating cost category			
162	Original allocator or components	Original		
163	New allocator or components	New		
164	Rationale	Difference	-	-
165				

166 **Commentary on Cost Allocations**

167 **Cost Allocation Process:**

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

172 **Step One: Direct Costs**

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

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

175 All remaining income and expense items are then reviewed with any costs that can be allocated based on a causal relationship being allocated
176 manually. The causal allocators used in 2011 are listed above.

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

178 The cost allocation model then allocates the residual values in the administration, maintenance and terminal categories between the specified airport
179 and commercial sides of the business. The allocators for 2011 and their rationale for application are detailed above.

180 **2011 Terminal Cost Allocations**

181 Due to the opening of Stage I of the integrated terminal in May 2011, a combination of the 2008 and 2011 building plans have been used to calculate the
182 cost allocation percentages for the terminal cost centres.

183 A weighted average with proportions of 10months at the 2008 floor areas and 2 months at the 2011 floor areas has been calculated and subsequently
184 used in the allocation of domestic and international terminal costs.

185 **Changes in Cost Allocators**

186 CIAL has used the same allocation methodology for the years ended 2010 and 2011. Therefore schedule 10b(i) is not required to be completed.
187
188
189
190
191
192
193

Regulated Airport
For Year Ended

Christchurch International Airport Limited
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SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref Version 2.0

6	Runway	Number	Total Duration	
			Hours	Minutes
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8	Airports	N/A	N/A	N/A
9	Airlines/Other	N/A	N/A	N/A
10	Undetermined reasons	5	40	29
11	Total	5	40	29
12	Taxiway			
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14	Airports	N/A	N/A	N/A
15	Airlines/Other	N/A	N/A	N/A
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	N/A	N/A	N/A
21	Airlines/Other	N/A	N/A	N/A
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	N/A	N/A	N/A
27	Airlines/Other	N/A	N/A	N/A
28	Undetermined reasons	7	13	15
29	Total	7	13	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	N/A	N/A	N/A
33	Airlines/Other	N/A	N/A	N/A
34	Undetermined reasons	18	38	12
35	Total	18	38	12
36	Baggage reclaim belts			
37	The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible			
38	Airports	N/A	N/A	N/A
39	Airlines/Other	N/A	N/A	N/A
40	Undetermined reasons	4	8	-
41	Total	4	8	-
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	-	-	-

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref Version 2.0

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

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

N/A

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

57

58 **Commentary concerning reliability measures**

59 **Transitional Provisions:**

60 Clause 2.10 of the Information Disclosure Determination allows the exclusion of some of the information in Schedule 11 for the 2011
61 disclosure year. These exemptions are detailed below:

- 62 • Interruptions must be publicly disclosed as occurring for undetermined reasons
- 63 • On-time departure delay indicators are not required to be disclosed
- 64 • Fixed electrical ground power availability is not required to be disclosed

66 **Earthquake Interruptions:**

67 The interruptions to the runway were all caused by earthquake events on the following dates:

- 68 • 4 September 2010
- 69 • 22 February 2011
- 70 • 13 June 2011
- 71 • 21 June 2011

73 In addition, the majority of the contact stand interruptions were also due to the impact of the earthquakes experienced on the above
74 dates.

75 CIAL requires the input from Airlines to report the on time departure delay information from 2012. To date not all of the information for
76 the requirement has been made available to CIAL.

77 Note: N/A = Not Available

78

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

Regulated Airport **Christchurch International Airport Limited**
 For Year Ended **30 June 2011**

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

Busy periods for runway movements		Date
Runway busy day		25 March 2011
Runway busy hour start time (day/month/year hour)		13 May 2011 8 a.m.

Aircraft movements		Contact stand-airbridge	Contact stand-walking	Remote stand-bus	Total
Air passenger services	International	28	-	-	28
	Domestic jet	77	-	-	77
	Domestic turboprop	-	113	-	113
	Total	105	113	-	218
Other (including General Aviation)					-
Total aircraft movements during the runway busy day					218
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 18 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
For Year Ended

Christchurch International Airport Limited
30 June 2011

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

ref Version 2.0

	International terminal	Domestic terminal	Common area †
6 Outbound (Departing) Passengers			
7 Landside circulation (outbound)			
8 Passenger busy hour for landside circulation (outbound)—start time (day/month/year hour)	21 Jan 2011 3 p.m.	29 Jul 2010 2 p.m.	
9 Floor space (m ²)	1,202	1,287	
11 Passenger throughput during the passenger busy hour (passengers/hour)	805	840	
12 Utilisation (busy hour passengers per 100m ²)	67	65	Not defined
13 Check-in			
14 Passenger busy hour for check-in—start time (day/month/year hour)	21 Jan 2011 3 p.m.	29 Jul 2010 2 p.m.	
15 Floor space (m ²)	1,227	786	
16 Passenger throughput during the passenger busy hour (passengers/hour)	805	840	
17 Utilisation (busy hour passengers per 100m ²)	66	107	Not defined
18 Baggage (outbound)			
19 Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	21 Jan 2011 3 p.m.	29 Jul 2010 2 p.m.	
20 Make-up area floor space (m ²)	3,264	993	
21 Notional capacity during the passenger busy hour (bags/hour)*	1,800	2,400	
22 Bags processed during the passenger busy hour (bags/hour)*	N/A	N/A	
23 Passenger throughput during the passenger busy hour (passengers/hour)	805	840	
24 Utilisation (% of processing capacity)	—	—	Not defined
25 <i>* Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.</i>			
26 Passport control (outbound)			
27 Passenger busy hour for passport control (outbound)—start time (day/month/year hour)	21 Jan 2011 3 p.m.		
28 Floor space (m ²)	775		
29 Number of emigration booths and kiosks	8		
31 Notional capacity during the passenger busy hour (passengers/hour) *	823		
32 Passenger throughput during the passenger busy hour (passengers/hour)	805		
33 Utilisation (busy hour passengers per 100m ²)	104		
34 Utilisation (% of processing capacity)	98%		
35 <i>* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.</i>			
36 Security screening			
37 Passenger busy hour for security screening—start time (day/month/year hour)	21 Jan 2011 3 p.m.	29 Jul 2010 2 p.m.	
38 Facilities for passengers excluding international transit & transfer			
39 Floor space (m ²)	217	179	
40 Number of screening points	3	3	
41 Notional capacity during the passenger busy hour (passengers/hour) *	810	810	
42 Passenger throughput during the passenger busy hour (passengers/hour)	805	840	
43 Utilisation (busy hour passengers per 100m ²)	371	469	
44 Utilisation (% of processing capacity)	99%	104%	
45 Facilities for international transit & transfer passengers			
46 Floor space (m ²)	47		
47 Number of screening points	1		
48 Notional capacity during the passenger busy hour (passengers/hour)*	270		
49			
50 Estimated passenger throughput during the passenger busy hour (passengers/hour)	—		
51 Utilisation (busy hour passengers per 100m ²)	—		
52 Utilisation (% of processing capacity)	—		
53 <i>* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.</i>			

Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

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

ref Version 2.0

	International terminal	Domestic terminal	Common area †
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Regulated Airport
For Year Ended

Christchurch International Airport Limited
30 June 2011

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)	17,635	8,321	
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

Air BIZ Report:

The airport joint working group (Auckland, Wellington, Christchurch, and BARNZ) commissioned a capacity and utilisation measures study from AIRBIZ specifically for the preparation of these disclosure reports. This report is dated 14 May 2010 and has been used in a number of the capacity calculations as detailed below.

Busy Hour/Busy Day Calculations:

CIAL notes, that as a consequence of the number of earthquakes experienced by CIAL during the disclosure year, the busy hour/busy day calculations will have been distorted. The sheer number of events was such that CIAL considered it was appropriate to include these days in the calculations.

In addition, CIAL considers that the results calculated for 2011 will not provide a good comparison base for busy day/busy hours for future disclosure years once earthquake events have reduced in number.

The major events that caused disruptions in the 2011 year were:

- Earthquake 4 September 2010
- Earthquake 26 December 2010
- Earthquake 22 February 2011
- Earthquake 13 June 2011

Capacity Utilisation

The effective capacity of the domestic terminal was diminished by the layout of the building which was not designed to handle the number of passengers using it in 2011. This was part of the reason for the need to develop the new integrated terminal facilities.

Source of Data for Capacity Calculations:

Baggage Handling

The following data is based on the equipment in use at the time of the busy hour use. The notional capacities will change post the completion of the ITP development.

Domestic Outbound - At the time of the passenger busy hours measure CIAL had 2 Domestic baggage make-up loops. These were located in 2 different areas of our Domestic Terminal.

- Belt 1 serviced all Air NZ Domestic flights and had a notional capacity of 1200 bags per hour
- Belt 2 serviced all Jetstar and Pacific Blue Domestic flights and had a notional capacity of 1200 bags per hour. However as this was a lateral type system with stacking ability of approximately only 10 bags. The actual throughput is limited by ground handlers' ability to clear the belt, which thereby reduces the overall actual ratio possible when compared to total notional capacity.

International Outbound- The International Baggage system had a theoretical maximum throughput of 2400 bags per hour, actual throughput however was limited by the two x-ray machines which due to a number of factors (including poor windowing at the check in collector belt, inconsistent belt speeds, steep inclines and the location of the tranship merge point), this maximum could never be achieved. Based on CIAL's observations it is estimated that a level of approximately 30 bags per minute would be closer to the actual maximum throughput achievable.

At the time of collation of data, CIAL was unable to provide accurate counts of outbound bags processed in either international or domestic terminals.

Baggage Reclaim

Baggage system notional capacity numbers have been calculated from figures supplied by the system supplier, Glidepath. However notional capacity is reduced by the recirculation rate (25% approx.) of bags and the relatively short length of reclaim belts. The domestic terminal reclaim serviced two terminals and this resulted in reducing the notional capacity further. At this time actual baggage reclaim figures are not recorded by CIAL.

Passport Control

International Departures - As at 30 June 2011 there were 4 double booths allowing for 8 officers to undertake processing. Notional capacity figures were obtained from the AIRBIZ report dated 14 May 2010.

International Arrivals

As at 30 June 2011 there were 7 double booths allowing for up to 14 officers to manually process passengers. There are a further 6 kiosks and 2 Smart Gate gates which will provide future efficiency opportunities to improve passenger facilitation. The maximum capacity numbers were obtained from the Customs Workforce Planner via a simulation model.

Security Screening

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

Seating

Numbers listed include General, Food Court and Tenancy seats.

Trolleys

Trolley allocation is based on Company figures and internal policy

Bio-Security

Notional capacity figures from the AIRBIZ report dated 14 May 2010.

Floor Space

The functional areas were obtained from the AIRBIZ report dated 14 May 2010.

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
For Year Ended

Christchurch International Airport Limited
30 June 2011

SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref Version 2.0

6 **Survey organisation**

7 Survey organisation used

ACI

8 If "Other", please specify

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

12 **Domestic terminal**

	Quarter for year ended	1 30 Sep 10	2 31 Dec 10	3 31 Mar 11	4 30 Jun 11	Annual average
14 Ease of finding your way through an airport		3.9	3.8	3.8	3.5	3.7
15 Ease of making connections with other flights		3.9	4.0	4.0	3.8	3.9
16 Flight information display screens		3.9	3.8	3.9	3.9	3.9
17 Walking distance within and/or between terminals		3.9	3.7	3.8	3.6	3.7
18 Availability of baggage carts/trolleys		4.1	3.9	4.0	4.1	4.0
19 Courtesy, helpfulness of airport staff (excluding check-in and security)		4.2	4.3	4.2	4.3	4.2
20 Availability of washrooms/toilets		3.8	3.8	3.8	3.9	3.8
21 Cleanliness of washrooms/toilets		3.7	3.7	3.6	3.9	3.7
22 Comfort of waiting/gate areas		3.5	3.5	3.4	3.6	3.5
23 Cleanliness of airport terminal		3.9	3.8	3.7	4.1	3.8
24 Ambience of the airport		3.5	3.4	3.3	3.6	3.5
25 Security inspection waiting time		4.3	4.3	4.3	4.3	4.3
26 Check-in waiting time		4.4	4.4	4.4	4.4	4.4
27 Feeling of being safe and secure		4.2	4.2	4.3	4.3	4.3
28 Average survey score		3.9	3.9	3.9	3.9	3.9

29 **International terminal**

	Quarter for year ended	1 30 Sep 10	2 31 Dec 10	3 31 Mar 11	4 30 Jun 11	Annual average
31 Ease of finding your way through an airport		4.1	4.0	4.2	4.0	4.1
32 Ease of making connections with other flights		4.1	3.8	3.8	4.3	4.0
33 Flight information display screens		3.8	4.0	4.0	4.0	3.9
34 Walking distance within and/or between terminals		4.0	4.1	4.1	4.1	4.1
35 Availability of baggage carts/trolleys		4.1	4.0	4.2	4.3	4.2
36 Courtesy, helpfulness of airport staff (excluding check-in and security)		4.2	4.3	4.3	4.3	4.2
37 Availability of washrooms/toilets		4.0	3.9	4.2	4.1	4.0
38 Cleanliness of washrooms/toilets		4.0	4.0	4.1	4.1	4.1
39 Comfort of waiting/gate areas		3.7	3.8	4.0	3.9	3.9
40 Cleanliness of airport terminal		4.2	4.3	4.2	4.3	4.3
41 Ambience of the airport		3.8	3.8	3.9	4.0	3.9
42 Passport and visa inspection waiting time		4.4	4.4	4.5	4.5	4.5
43 Security inspection waiting time		4.5	4.4	4.5	4.5	4.4
44 Check-in waiting time		4.1	4.2	4.1	4.2	4.2
45 Feeling of being safe and secure		4.4	4.4	4.4	4.4	4.4
46 Average survey score		4.1	4.1	4.1	4.2	4.1

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

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

49 The results of the passenger satisfaction survey, out of a score of 5, reflect the passenger perception of the condition and ambience of the
50 domestic terminal.
51 The lower results in the domestic terminal reflect the present availability and cleanliness of the washrooms/toilets, the comfort of waiting areas,
52 ambience of terminal and the cleanliness of the terminal reflects that the facility was close to its end of useful life and required replacement..
53
54 **Location of Survey Fieldwork Documentation**
55 The survey fieldwork documentation is available on CIAL's website (www.christchurchairport.co.nz)
56
57 **Accuracy of Passenger Data to prepare Utilisation Indicators**
58 CIAL received detailed passenger information for international passengers from customs. Domestic passenger data is received monthly from
59 the airlines. Both sources of data are considered materially accurate.
60
61
62
63

64 *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 .*

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref Version 2.0

Disclosure of the operational improvement process

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

9
10 These forums have resulted in a number of recommendations for improvement to the design of the facilities
11 and passenger flow in both the existing terminals and the new ITP project.

12 In addition, management has recognised as part of its objective to "be the best airport", that additional more
13 formal reviews around passenger satisfaction surveys and disruptions to on-time departures should be
14 added to existing forums to ensure better management of operational services.

Airline Working Group

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

Facilitation Group

18 This group is comprised of CIAL management and many terminal based tenants, Airline and Government
19 Agencies. This bi-monthly meeting is used as a forum for the discussion of current topics and potential
20 improvements.

Airline Operating Committee

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

26 The group provides a forum where:

- 27 • Operational, Safety and Security issues are able to be communicated, discussed, resolved and
28 implemented.
- 29 • CIAL can communicate directly with airlines and seek their input on operational, safety and security issues
30 which are common to most carriers.
- 31 • Recommendations and limitations of IATA and ICAO decisions can be considered in relation to CHC.

32 To make representations to CIAL, Government Agencies and other relevant parties with suggestions and
33 requirements to improve the physical infrastructure, administration, facilitation and efficiencies in securing
34 optimum operational and handling techniques.

35 Full membership of the AOC is available to Airlines and Ground Handlers who operate or handle scheduled
36 commercial services through Christchurch Airport.

Airside Safety Group

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

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59 *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
60 reflected in the indicators.*

Regulated Airport **Christchurch International Airport Limited**
 For Year Ended **30 June 2011**

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)
122			
123			
124	Air passenger service aircraft less than 3 tonnes MCTOW	–	–
125	Freight aircraft	2,632	111,400
126	Military and diplomatic aircraft	448	46,293
127	Other aircraft (including General Aviation)	10,366	31,718
(iv) The total number and MCTOW of landings during the disclosure year		Total number of landings	Total MCTOW (tonnes)
128			
129			
130	Total	48,144	1,909,595

16b: Terminal access

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

	Contact stand–airbridge	Contact stand–walking	Remote stand–bus	Total
133				
134	International air passenger service movements	10,074	–	10,074
135	Domestic jet air passenger service movements	23,351	484	23,835

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

16c: Passenger statistics

	Domestic	International	Total	
137				
138				
139	The total number of passengers during disclosure year			
140	Inbound passengers [†]	2,119,230	744,439	2,863,669
141	Outbound passengers [†]	2,168,108	743,923	2,912,031
142	Total (gross figure)	4,287,338	1,488,362	5,775,700
144	less estimated number of transfer and transit passengers	–	–	–
146	Total (net figure)			5,775,700

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

16d: Airline statistics

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

	Domestic	International
150		
151	Pacific Blue	Air Asia X
152	Jetstar	Pacific Blue
153	Air NZ	Emirates
154	Mt Cook Airlines	Air Pacific
155	Eagle Airways	Jetstar
156	Air Nelson	Air NZ
157	Air Chathams	Qantas
158		Singapore Airlines
159		
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Regulated Airport **Christchurch International Airport Limited**
 For Year Ended **30 June 2011**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref Version 2.0

178 **Airline statistics (cont)**

179	Domestic	International
180		
181		
182		
183		
184		
185		
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187		
188		
189		

190 **16e: Human Resource Statistics**

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
191				
192	53	64	5	122
193				8,912

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

195 **Source of Data:**

196 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.

197

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

199

200 The human resource statistics has been calculated from payroll figures disclosed in the 2011 disclosure accounts.

201

202 **Additional Notes:**

- 203 • International Transit/Transfer numbers are not collected by CIAL.
- 204 • 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.

205

206

207 The following table identifies a comparison between 2011 and 2010. The reduction in passenger volumes is primarily a consequence of the Canterbury earthquakes. This negative movement had a negative impact on aeronautical revenues and consequential return on investment.

208

209

210

211 **Passenger Movements:**

	2011	2010	% Change
212 International Arrivals	744,439	821,669	-9.4
213 International Departures	743,923	800,972	-7.1
Total International	1,488,362	1,622,641	-8.3%
214 Domestic Arrivals	2,119,230	2,160,510	-1.9
215 Domestic Departures	2,168,108	2,217,263	-2.2
Total Domestic	4,287,338	4,377,773	-2.1%
Total Passenger Movements	5,775,700	6,000,414	-3.7%

Regulated Airport
For Year Ended

Christchurch International Airport Limit
30 June 2011

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	2,654
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	9,291
Net operating charges from airfield activities relating to international flights	7,080
Net operating charges from specified passenger terminal activities relating to domestic passengers	4,096
Net operating charges from specified passenger terminal activities relating to international passengers	18,282
	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,494,396
Number of domestic passengers on flights of 30 tonnes MCTOW or more	2,792,973
Number of international passengers	1,488,362
	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	335,800
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	836,592
Total MCTOW of international flights	547,791

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	1.78	7.90
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	3.33	11.11
Average charge from airfield activities relating to international flights	4.76	12.93
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from specified passenger terminal activities	0.96	12.28
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	3.74	17.04

Commentary on Pricing Statistics

The pricing outcomes above reflect:

- The holding of terminal charges at levels set in 2001
- The delay in resetting 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 in 2011 were a consequence of the impacts of the Christchurch earthquakes and continuing after shocks

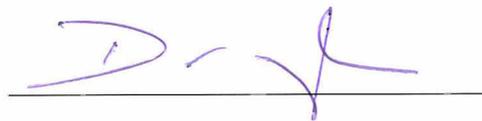
**Commerce Act (Specified Airport Services Information Disclosure) Determination 2010
dated 22 December 2010**

Schedule 20 – Certification for Disclosed Information

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

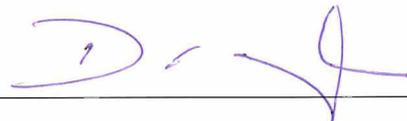
**Commerce Act (Specified Airport Services Information Disclosure) Determination 2010
dated 22 December 2010**

Schedule 22 – Certification for Initial Regulatory Asset Value Disclosure

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 attached Report on Initial Regulatory Asset Value and Reports on Asset Allocations of Christchurch International Airport Limited, prepared for the purpose of clauses 2.10(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

Regulated Airport
For Year Ended**Christchurch International Airport Limited**
30 June 2011**SCHEDULE 23: REPORT ON INITIAL REGULATORY ASSET BASE VALUE**

ref Version 2.0

23a: Regulatory Asset Base Value

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Allocated non-current assets—year ended 2009		349,903		
Adjustment to reinstate unallocated 2009 asset values		56,229		
Non-current assets—year ended 2009		406,132		
<i>less</i>				
Assets held for future use—year ended 2009	14,902			
Works under construction—year ended 2009	33,904			
Excluded intangible assets	—			
Other excluded assets	—			
		48,806		
<i>plus</i>				
MVAU valuation adjustment		(19,676)		
Initial RAB value		337,650		297,842
<i>less</i>				
Regulatory depreciation		16,687		13,463
<i>plus</i>				
Indexed revaluations	5,421		4,789	
Non-indexed revaluations	—		—	
Total revaluations		5,421		4,789
<i>plus</i>				
Assets commissioned (other than below)	8,107		7,360	
Assets acquired from a regulated supplier	—		—	
Assets acquired from a related party	23		16	
Assets commissioned		8,130		7,376
<i>less</i>				
Asset disposals (other)	68		50	
Assets disposed of to a regulated supplier	—		—	
Assets disposed of to a related party	2,762		2,732	
Asset disposals		2,830		2,782
<i>plus</i>				
Lost and found assets adjustment		—		—
Adjustment resulting from cost allocation				(1)
RAB Value—year ended 2010		331,684		293,761

Commentary

The initial RAB value was set in 2009 and is comprised of land and non-land assets less commercial assets at values disclosed in the 2009 financial statements. Infrastructure and building assets are based on current market values (ODRC basis) and original land values of \$111m as per the 2009 disclosure statements, have been revalued on the MVAU basis as determined by the Information Disclosure determination.

Seagar & Partners completed the valuation in accordance with the Input Methodology Determination at 30 June 2009 and this report is attached for information. The value per hectare as per this approach is \$208,150/ha. These property values are prepared on a different basis to the CIAL Financial Statement valuations prepared and used for the actual market rent calculations.

The 2009 values are predominantly made up of land, runways and the terminal, with these assets accounting for over 268 million. The remaining 30 million is comprised of various supporting infrastructure, plant, etc.

Assets held for future development are excluded from the RAB and are basically land assets held for the future protection and development of the airport business. The value of these land assets are carried forward in 23b(iii) at MVAU valuation.

Capex Expenditure:

The integrated terminal project was begun in 2009 and the capex expenditure in 2010 of \$83m is predominantly the result of this project. Stage 1 of this project was completed in May 2011.

Disposals to related party:

The disposal in 2010 was related to a building transferred to the commercial side of the business. Assets commissioned in 2010 predominantly relate to the re-seal of sections of the runways, aprons and taxiways.

* 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.

SCHEDULE 23: INITIAL REGULATORY ASSET BASE VALUE (cont)

ref Version 2.0

23b: Notes to the Report

(\$000 unless otherwise specified)

23b(i): Calculation of Revaluation Rate and Indexed Revaluation

73				
74	CPI at CPI reference date—2009			1,103
75	CPI at CPI reference date—2010			1,121
76	Revaluation rate (%)			1.63%
77				
78		Unallocated RAB		RAB
79	Initial RAB value		337,650	297,842
80	less Revalued land		—	—
81	less Assets with nil physical asset life	2,614		1,618
82	less Asset disposals	2,830		2,782
83	less Lost asset adjustment	—		—
84	Indexed revaluation		5,421	4,789

23b(ii): Works Under Construction

85		Unallocated works under construction		Allocated works under construction	
86		(\$000)		(\$000)	
87					
88	Works under construction—year ended 2009		33,904		
89	plus MVAU valuation adjustment		—		
90	Works under construction adjusted—year ended 2009		33,904		23,112
91	plus Capital expenditure	82,821		57,860	
92	less Assets commissioned	8,130		7,376	
93	less Offsetting revenue	—		—	
94	plus Adjustment resulting from cost allocation				—
95	Works under construction—year ended 2010		108,595		73,596

23b(iii): Assets Held for Future Use

96						
97		Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total
98		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
99	Assets held for future use—year ended 2009	42,707	—	—	—	42,707
100	plus Assets held for future use—additions ¹	—	3,891	—	697	4,588
101	less Transfer to works under construction	—	—	—	—	—
102	less Assets held for future use—disposals	—	—	—	—	—
103	Assets held for future use—year ended 2010 ²	42,707	3,891	—	697	47,295

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

² Each category value shown in the 'Assets held for future use—year ended 2010' 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'.

23b(iv): Asset Lives & Asset Uses

Land

Description of Land	RAB value year end	Description of use (land)
93644 - Airfield sites	74,132	Airfield sites
93646 - Hangar 1 (Air N. Z. Orchard Rd.)	1,851	Aircraft maintenance
93647/54 - Jet Engine Maintenance Facilities	350	Aircraft maintenance
93648 - Utilities	1,395	Roads, Sewer Lines, Water and Electricity Reticulation etc
93649 - Fuel depots	404	Fuel storage
93653 - Hangar No. 2 (Heavy Maint.)	143	Aircraft maintenance
93655 - Hangar No. 3	335	Aircraft maintenance
93656/57 - Courier Bases	305	Courier bases
93658 - Air Cargo Building East	118	Courier bases
93659 + 31B/116 - Western airfield	339	Western Airfield
93660 - Operations Antarctic apron	705	Freight Antarctic operation
93662 - C.I.A.L. Maintenance Workshop / Yard	198	Maintenance workshop for Airport
93678 - NZ Customs container examination	71	NZ Customs container examination
93682 - Air N.Z. Maintenance Base (Incl. Test Cell)	1,363	AIR NZ Maintenance
93685 - Private Hangars - PH 4 & 5	61	Private Hangars
93687 - Terminal Complex Land	292	Land beneath the terminal
93690 - Fire Service - Training Area	1,587	Fire service training
Total value land	83,650	

SCHEDULE 23: INITIAL REGULATORY ASSET BASE VALUE (cont 2)

ref Version 2.0

134 **Sealed Surfaces:**

135	Significant asset	RAB value year end	Description of use (significant assets)	Asset life (years)
136	Main and Subsidiary Runways	20,731	Area for the landing and takeoff of aircraft	19
137	Main and Subsidiary Taxiways	29,329	Aircraft pathway that connects the runway with aprons, etc.	26
138	Aprons	14,973	Area to manoeuvre aircraft	23
139	Utilities - sewer, stormwater, fences	7,159	Infrastructure supporting the runways/taxiways	21
140	Grass runway and grassed areas around sealed runway	11,139	Grass Runway	N/A
141	[Asset 6]			
142	[Asset 7]			
143				
144	Other assets sealed surfaces	1,987		
145				
146	Total value sealed surfaces	85,318		

147 **23b(iv): Asset Lives & Asset Uses (cont)**

148 **Infrastructure and Buildings**

149	Significant asset	RAB value year end	Description of use (significant assets)	Asset life (years)
150	International Terminal	80,450	Provision of facilities for passengers & visitors	22
151	International Term - Airbridges	17,521	Aircraft parking	16
152	Domestic terminal	1,934	Provision of facilities for passengers & visitors	1
153	Water, sewer and stormwater infrastructure	3,681	Provision of water/sewerage utilities	38
154	Cargo Buildings	6,486	Provision of cargo facilities	26
155	Aircraft Maintenance	5,241	Maintenance facilities for aircraft	31
156	Customs Facility	1,611	Facilities for Customs screening of freight	29
157				
158	Other assets infrastructure and buildings	4,997		
159				
160	Total value infrastructure and buildings	121,922		

161 **Vehicles, Plant and Equipment**

162	Significant asset	RAB value year end	Description of use (significant assets)	Asset life (years)
163	Airport fire service trucks	2,333	Airport rescue and fire response services	11
164	[Asset 2]			
165	[Asset 3]			
166	[Asset 4]			
167	[Asset 5]			
168	[Asset 6]			
169	[Asset 7]			
170				
171	Other assets vehicles, plant and equipment	4,620		
172				
173	Total value vehicles, plant and equipment	6,953		

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 whether, for the year ended 30 June 2011:

- the information disclosed in Schedules 1 to 17 and 23 (the 'Disclosure Information'), prepared by the company, complies with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 (the 'Determination'); and
- the company has kept proper records to enable it to compile the Disclosure Information.

Directors' responsibility for the Disclosure Information

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

Auditor's responsibility

Our responsibility is to express an opinion on whether the Disclosure Information complies with the Determination in all material respects, and whether, as far as appears from an examination of them, proper records to enable the complete and accurate compilation of required information have been kept by the company.

We conducted our engagement in accordance with the Standard on Assurance Engagements 3100: *Compliance Engagements* issued by the New Zealand Institute of Chartered Accountants.

This standard requires that we comply with ethical requirements and plan and perform our engagement to provide reasonable assurance about the matters we are required by clause 2.6(1)(a) of the Determination to express an opinion on.

An engagement to provide reasonable assurance involves performing procedures to obtain evidence about the amounts and disclosures in the Disclosure Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Disclosure Information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the Disclosure Information 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 complying with clause 2.6(1) of 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.

Replacement Disclosure Information and auditor's report

The Disclosure Information dated 3 December 2012 replaces previously issued Disclosure Information dated 31 May 2012. The Disclosure Information has been restated to account for items of revenue which were included in error. Attention is drawn to the explanation on schedule 1, which outlines the circumstances in more detail.

This audit report replaces the audit report issued on 28 May 2012 that was withdrawn on 3 December 2012.

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 with the Determination may occur and not be detected. The opinion expressed in this report has been formed on the above basis.

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

Our audit engagement provides assurance that the forecast information required to be included in the Disclosure Information by the Determination, was forecast information prepared by the company and required to be included in the Disclosure Information. However, to avoid doubt, it does not provide assurance that the forecast information was accurate or reasonable at the time it was prepared, or that it subsequently proved to be accurate.

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.

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, as far as appears from an examination of them, proper records to enable the complete and accurate compilation of required information have been kept by the company; and
- subject to clause 2.6(2) of the Determination, the Disclosure Information complies with the Determination in all material respects.

The use of our report, which refers to the replacement of previously issued Disclosure Information dated 31 May 2012 and audit report issued on 28 May 2012, is explained above.

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

A handwritten signature in black ink, appearing to read 'S Tobin', with a long horizontal line extending from the top of the 'S'.

Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
3 December 2012