WELLINGTON INTERNATIONAL AIRPORT LIMITED

SPECIFIED AIRPORT SERVICES - ANNUAL INFORMATION DISCLOSURE

FOR THE YEAR ENDED 31 MARCH 2019

1. Introduction

Wellington International Airport Limited (WIAL) recognises that the purpose of information disclosure, as provided in the Commerce Act 1986 Part 4 (the Act), is to provide sufficient information to enable interested persons to assess WIAL's performance over time and in comparison to the other main New Zealand Airports, in particular Auckland International Airport Limited and Christchurch International Airport Limited.

WIAL provides its annual information disclosure and reporting of financial and service quality outcomes (Annual Disclosure) for the year ended 31 March 2019. This is WIAL's ninth Annual Disclosure under the information disclosure regime (ID regime).

WIAL has again taken an additional step to prepare a separate regulatory performance summary, which accompanies, but does not form part of, the Annual Disclosure. This summary assesses WIAL's regulatory performance since the start of the ID Regime and addresses all four limbs set out under the Act. WIAL considers that any assessment of airport performance, in particular promoting the long-term benefit of consumers, is best achieved by a contextual review which considers service quality, efficiency, pricing, innovation and investment.

This Executive Summary includes comment on WIAL's performance in relation to:

- Significant investment in infrastructure, innovation, and improving efficiency
- Consistent high quality customer service responding to customer demand
- Sharing the benefits of efficiency gains and growth with customers
- Delivering value to our customers and earning a fair and reasonable return over time

The Annual Disclosure reports the historic or past results for WIAL. This disclosure should be read in conjunction with the accompanying commentary and WIAL's Price Setting Event Disclosures for the pricing period 1 June 2014 to 31 March 2019 (PSE3). These disclosures set out the forecasts and assumptions applied to determine pricing for PSE3. WIAL considers that any assessment of airport performance should consider both past and forecast returns. Furthermore, WIAL's view is that airports are long-term cyclical assets and as a result analysis should be based on a time series of data rather than any one period in isolation.

2. Significant Investment in Infrastructure, Innovation and Improving Efficiency

Investment in Infrastructure

Over the five year PSE3 price period ended 31 March 2019, WIAL invested $140 million in aeronautical infrastructure and assets ($15 million or 12% higher than forecast). The investment programme was developed through consultation and collaboration with airline partners and other stakeholders and reflects WIAL's commitment to providing high quality aeronautical facilities, improving customer experiences, building efficiency and managing costs. The live operational environment of an airport requires careful design and management of 'brownfields' construction projects to minimise any interruptions to day-to-day operations, reduce the impact on passenger amenities and prioritise passenger and staff safety at all times. WIAL is no exception and in addition its constrained footprint requires innovative approaches to design and construction.

The following key infrastructure projects were delivered during PSE3:

- *Terminal South Extension* – Opened in November 2016 to cater for the current and forecast growth in domestic passenger numbers over the pricing period. The project widened both southern piers, provided centralised security screening, extra gate lounge space, a new regional Air New Zealand Lounge, double the number of bathrooms, and more passenger drop-off/pick-up zones. Apron development was also undertaken to facilitate the shift towards more domestic turbo-prop aircraft and less push-back operations. This extension has been well received by passengers and stakeholders, contributing to WIAL achieving its highest ever ASQ score of 4.3.

- *International Arrivals Enhancements* – Enhancements to the international arrivals area were completed in September 2016 to address congestion and improve service levels in response to higher than forecast international passenger growth. The primary processing zone was extended and five Customs one stop SmartGates added. The secondary processing area was also doubled in size and reconfigured to improve queue management and passenger throughput. Strong international passenger growth has continued in years following this project and WIAL is aware that passenger congestion and waiting times are increasing in the international terminal during peak busy hours.

- *Taxiway* – WIAL has completed a multi-year improvement project on the main taxiway, which had reached the end of its useful life and required resurfacing. The project included a full resurface and also provided operational enhancements through widening of the taxiway, realignment of taxiway centrelines, and installation of resilient in-ground lighting systems.

- *Airfield compliance* – Restrictions surrounding the simultaneous operation of Code D and Code E aircraft have been removed through investment in aircraft movement areas described above and collaboration with the Civil Aviation Authority. This improves the efficiency of the runway and parallel taxiway and provides greater scheduling flexibility.

- *Transport Hub* – The Multi Level Transport Hub project commenced in February 2016 and was completed in October 2018. The Hub provides improved facilities for passenger drop-off/pick-up and ground transport operations including taxis, buses and bicycles. It also created an extra 1,000 covered car parks with electric vehicle charging and way-finding technology. The structure has been designed to have a low visual impact for the benefit of the surrounding suburbs.

- *Hotel* – A new four-star hotel was opened in February 2018. The Hotel offers 134 rooms, targeted at improving the experience of transit passengers and those travelling on early departures or late arriving flights. The Hotel is New Zealand's first to be fully integrated with an airport terminal, allowing for convenient access through a redeveloped passenger lounge.

- *Terminal Upgrades* – Work has now finished to relocate Air Handling Units from the main terminal concourse to create more space for passenger seating and circulation. The additional space has improved the ambience of the terminal and provides better lines of sight to assist with wayfinding. WIAL is also upgrading the international departures area with more charging points, additional seating and a children's area.

Innovation and Investment in Technology

New technologies and innovations continue to enhance airport operations and the passenger experience. Wellington Airport is investing in technology in a number of areas to improve operational performance, customer experience, efficiency of expenditure, efficiency of investment and to support route development initiatives:

- *Runway reporting* – WIAL's real-time runway reporting system is the first of its kind and provides live data on the condition and performance of the runway, including the amount of surface moisture that may impact aircraft. Airport stakeholders can make informed decisions to improve safety, efficiency and availability of services.

- *Automated aerobridge* – The world's first fully automated self-docking aerobridge system has been installed, removing the risk of operator error which provides safety, on-time performance and efficiency benefits. Average docking times are almost halved when compared with manually deployed aerobridges. Due to the success of this system it is now being installed on other gates.

- *Common Use Terminal Equipment* – WIAL now provides shared self-service check-in counters and baggage drops that are owned and managed by the airport and used by multiple airlines. This approach, in addition to providing improved customer service and cost efficiencies, enables the growth of new airlines and services within the same terminal footprint.

- *Swing facilities* – Certain terminal areas can transition between international and domestic services, maximizing the utilisation of existing gates, floor space, lounges, reclaim baggage belts, and facilities.

- *Airport Fire Service capability* – WIAL has purchased a new firetruck and is now able to provide Aircraft Rescue and Firefighting Category 9 to airline customers on demand. This means that the airport can accommodate code E aircraft operations and act as an alternative when code E aircraft are unable to land at Auckland and/or Christchurch.

- *Smartgates* – Eight new Smartgates have doubled Customs' processing capacity to manage growing passenger numbers. The estimated time taken for an inbound passenger to be processed is halved when using a Smartgate.

- *Supervisory Control and Data Acquisition (SCADA)* – SCADA has been installed on all 12 aerobridges at WIAL. The system allows technicians to undertake real-time monitoring and control of air bridges to ensure any issues are addressed more effectively.

- *Bathroom monitoring* – Bathrooms are monitored using technology that sends an electronic alert when toilet paper/soap dispensers need filling, rubbish tins need emptying or when large passenger numbers are utilising the toilets. Passenger surveys show that these facilities are maintained to a very high standard, with an average score of 4.3 out of 5.0 for availability and 4.2 out of 5.0 for cleanliness.

- *CCTV* – Upgraded CCTV capability supports the safety and security of all airport stakeholders. A state of the art Runway Surveillance System can now monitor the full length of the runway and parallel taxiway.

- *Nose in Guidance Systems* – The system is progressively being installed to automatically assist aircraft arriving at jet stands. All stands will have this technology by December 2019.

- *Access control* – To ensure better security management, monitoring and reporting, a new security system has been implemented throughout the airport, including an electronic key system to replace the use of manual keys.

- *License plate recognition* – Vehicle license plate recognition technology has enhanced the level of security provided in the airport precinct in addition to making the passenger pick up and drop off experience more seamless.

- *Airport Collaborative Decision Making (ACDM) online portal* – Provides real time information to all airport stakeholders to enhance the coordination of operations and on-time performance.

- *Financial systems* – A new cloud-based automated procurement system and cloud-based payroll system were installed during the period, which provides increased operational efficiencies.

3. Consistent High Quality Customer Service Responding to Customer Demand

We understand our responsibility to manage an efficient operation that delivers excellent connectivity and customer experience while doing everything we can to care for our people, our community and the environment. We are committed to providing a high level of quality to all users of our airport services, undertaking planned investment and initiatives to facilitate and promote passenger growth in future years and improve any areas of service quality as required.

In Schedule 15, WIAL explains its systems and processes to monitor performance and ensure opportunities for improvement are identified and addressed. This includes the commissioning of passenger surveys and use of a collaborative decision making approach with stakeholders including airlines and government agencies.

WIAL is aware that international passenger congestion and waiting times are increasing during peak busy hours, and is treating this as an area of focus in planning for future investment.

Key customer service initiatives implemented during the pricing period include:

- Implementation of a dedicated bag hall team to improve baggage handling service and decrease outages as the system is reaching the end of its useful life.
- Addition of five Customer Experience Agents for passenger queue management and improving customer service
- Upgrades and expansions to the main terminal space to improve passenger circulation, provide more seating and clearer sightlines/wayfinding. WIAL is also bringing the best retail, food and beverage options that Wellington has to offer.
- WIAL's Ambassador Programme which now involves over 50 volunteers and two kiosks, assisting our passengers in the terminal seven days a week.
- Reconfiguration of the international arrivals area provided timely capacity enhancements to manage passenger throughput.
- A rental car hub established next to the baggage hall gives passengers convenient access to a greater range of rental options without leaving the terminal.
- Free WiFi is available across the entire terminal.
- The parents' room was refurbished and the amenities improved.
- Additional Flight Information Display Screens (FIDS) have been installed in regional boarding areas to assist the 'Wait in Lounge' concept. Passengers can therefore wait in the main terminal hall, where they have access to all facilities, until the time their flight is ready for boarding.

- ✈ WIAL provides free entertainment in the terminal including live musical performances, art installations, live art performances, and virtual reality experiences.

- ✈ WIAL and airport stakeholders aim to provide a 'silent airport' by minimizing announcements and calls over the PA system in the main terminal building and F&B areas.

- ✈ The TAKEOFF customer service-training programme was rolled out during PSE3, encouraging all members of the airport community to take a proactive role in assisting passengers.

Airport Service Quality

WIAL consistently achieves strong Airport Service Quality (ASQ) ratings across all key service indicators. In 2019, WIAL maintained the average score of 4.3 out of 5.0 from both domestic and international passengers (equals 2018, being the highest WIAL has ever achieved). These scores compare well against other airports around the world – WIAL is ranked 2nd in Australasia* and sits mid-range in its worldwide peer group of airports with 5 to 15 million passengers per annum.

WIAL is pleased to report particularly strong scores in the following ASQ categories:

- ✈ *Courtesy, helpfulness of staff (4.4 / 5.0)* – Wellington Airport always scores highly in this category, with 4.4 being achieved for the past two years. Staff are very proud of this fact and are committed to maintaining the high standards in this area.

- ✈ *Waiting times (4.4 / 5.0)* – WIAL averaged 4.4 across questions covering waiting times (check-in, security screening and passport/visa inspection). This indicates that the timing and scale of WIAL's investments in processing efficiency/capacity is appropriately matched to growth in passenger numbers. It also reflects the impact of the automated technology installed (SmartGates and self-service check-in counters and baggage drops).

- ✈ *Cleanliness of airport terminal (4.4 / 5.0)* – The score of 4.4 reflects the focus that WIAL has placed on cleanliness, with additional resources being employed to cover new spaces and facilities in the extended terminal area.

- ✈ *Ease of finding your way through the airport and flight information display screens (4.4 / 5.0)* – Fresh, clear new signage and in the extended part of the terminal in conjunction with an ongoing focus on improving wayfinding signage at the airport has made it easier for passengers to find what they are looking for. New FIDS screens have also recently been installed, including the biggest FIDS screen in the Southern Hemisphere.

- ✈ *Feeling of being safe and secure (4.5 / 5.0)* – WIAL is further promoting the safety and security of all airport stakeholders by investing in CCTV infrastructure, upgrading the access control system, and redeveloping the main terminal hall to make it more open and ambient.

* Source: ACI ASQ survey results from Q2 2018 – Q1 2019

Operational Resilience

The airport is recognised as essential infrastructure for the Wellington region and the airport terminal buildings are some of the most resilient in Wellington, mostly built to Importance Level Three. The airport is required under the Civil Defence Emergency Management Act to return to a safe level of operations as soon as possible, even if only to assist with a regional recovery effort.

WIAL is a member of the Wellington Lifelines Council which builds resilience through:

- Learning from each other and coordinating activities;
- Facilitating discussion, particularly on hazard understanding and risk reduction measures on the Wellington Region's infrastructure;
- Identifying and mitigating the effects of hazards on infrastructure;
- Facilitating an increased understanding of the interdependencies between infrastructure organisations;
- Developing best practice approaches to risk reduction, readiness, response and recovery for lifelines; and
- Maintaining awareness of the importance of lifelines, and of reducing their vulnerabilities.

Other recent steps taken by WIAL to build resilience include:

- Installation of new resilient in-ground lighting;
- Measurement of ground-shaking on two accelerometers to enable accurate and efficient risk assessment and decision making;
- Three fully diverse internet links to safeguard connectivity;
- Implementation of a new fire safety system across the airport;
- Monthly emergency response desk top exercises with airport stakeholders;
- Aerodrome Emergency and Business Continuity Plans are now available on a dedicated App, including a status update tool; and
- Ongoing assessment of future work required on seawall and breakwater assets.

Environment & Sustainability

WIAL is committed to embedding sustainability across everything we do and starting from 31 March 2019 we are producing an annual Kaitiakitanga report (available on www.wellingtonairport.co.nz).

Some exciting and challenging initiatives are already underway as we work towards our goal of a 30% reduction in carbon emissions, electricity use and waste by 2030.

- WIAL, Airways New Zealand, New Southern Sky and the Board of Airline Representatives New Zealand commenced a Performance Based Navigation (PBN) flight path trial in September 2019. On-aircraft navigation technology is used to follow optimised flight paths that can reduce aircraft

noise and carbon emissions through fuel savings. Over the first six months of the trial, 1400 aircraft flew the new routes and saved 107 tonnes of carbon and 14 hours flying time.

- Gas and electricity energy savings are being achieved through more efficient lighting and the optimisation of heating and cooling systems in the main terminal.

- Waste collection and sorting capacity has improved through construction of the new refuse centre and more of the airport's waste is being diverted from landfills (33% compared with ~20% in 2018).

- In partnership with Zoo Doo more than 30,000 kilograms of coffee grounds was composted.

- 2,000 trees have been planted and another 3,000 have been purchased for planting on the Miramar Peninsula in partnership with Weta Digital, Trees That Count and Te Motu Kairangi.

- Wellington Airport replaced the firefighting foam in all fire appliances to a fluorine free foam and no foam spray testing is done on site.

Safety

WIAL is dedicated to the safety of our customers, employees, community, and country. The airport has a comprehensive safety management system which is audited annually by the Civil Aviation Authority. Teams follow strict safety procedures for all activities and employees are required to complete an Airport Safety Induction course before starting work.

The Airport Fire Service (AFS) is owned and operated by WIAL. It provides 24-hour on-airport emergency response and conducts regular emergency exercises with the New Zealand Fire Service to test the readiness of our emergency response plans.

Key safety initiatives include:

- *Internal monitoring* – WIAL has a dedicated internal auditor to execute the internal safety audits and surveys

- *Bird Strike* – WIAL has a comprehensive Wildlife Hazard Management Plan in place to mitigate the risk of bird strike. WIAL is also working with land owners, region's councils, Victoria University and the Department of Conservation to track the movement and migration patterns of the black backed gull, a high priority species for bird strike. The first of its kind study involved the GPS monitoring of five black-backed gulls over a 12-month period. WIAL also initiated a four week study involving the colour marking of around 500 gulls with a non-toxic temporary dye at the region's landfills.

- *Aerobridge Safety* – The self-docking aero bridge system removes the safety risk from operator error. Scada systems have also been installed on other manual airbridges to more accurately identify the

root cause of failures. All users have also been retrained during PSE3 with only accredited operators able to access the controls.

- *Safety Management System* – In 2017/18, CAA conducted a 3-day certification audit of Wellington Airport in this reporting period. The audit was against the new CAA Part 100 rule on Safety Management Systems. As a result our Safety Management System has now formally been accepted by the CAA.

- *Airside driving enhancements* – The airside driver-training package for WIAL staff and stakeholders has been enhanced. It sees the driving exam shifting onto an online platform (MZEE) and the introduction of a practical driving element.

- *Duress alarms at check-in* – Duress alarms have been installed at the check in desks as well as other key locations that have been requested by our airline stakeholders. The purpose of these alarms is to discretely alert WIAL staff of situations that require the assistance of police.

- *Hazard ID program* – A new hazard identification program has been launched to further improve reporting and mitigation of potential safety concerns.

- *Safety Wingman 3* – WIAL's Safety Wingman health and safety programme was a finalist at the 2018 Wellington Gold awards and a winner at the NZIOB awards in late 2018. The programme was successfully used for a number of large capital projects during PSE3 including the Hotel. Wingman is designed to drive improvements in behaviours and encourage workers to not only look out for themselves, but to look out for each other and get home safely.

- *Traffic signage* – Three electronic traffic signs have been installed in and around the airfield apron areas. For Airside Safety purposes the signs serve a dual purpose of providing real time visual indications of their driving speed and capturing important data regarding vehicle movement numbers and the speeds they are travelling.

- *Fatigue Management* – With over 50 staff working on shifts, fatigue is one of our critical risks. For that reason a comprehensive training package has been released to staff and management.

4. Sharing the Benefits of Efficiency Gains and Growth

WIAL is seeking to deliver a high standard of service and quality to its airline partners, customers, and the many businesses and agencies that work at the airport. WIAL's success is inextricably linked with the economic growth of the Wellington region.

To further this growth WIAL is investing in promoting and incentivising a sustainable growth in airline services and in the appropriate infrastructure that provides quality facilities at prices that represent value for money.

Over the five years of PSE3, domestic traffic grew at an average of 3.2% or 160,800 passengers per year. The most significant increases were on the Queenstown, Dunedin and Auckland routes supported by airline competition, introduction of larger aircraft and new service capacity.

International passenger numbers have on average risen by 4.4% or 35,100 passengers per year, with more carriers now flying in and out of Wellington. The airport's international carriers now comprise Air New Zealand, Qantas, Jetstar, Virgin Australia, Fiji Airways, and Singapore Airlines.

WIAL considers that airports have a significant role in developing a region's connectivity and growth, and in fostering airline competition, and is continuing to invest in infrastructure and airline growth with this in mind. A published Incentive scheme for domestic and international growth is available to airlines, which is intended to encourage and support sustainable new routes and increases in capacity. Airline growth incentives have contributed towards new services and capacity growth providing consumers with more options, increasing competition and contributing to lower airfares.

WIAL has invested significantly in route development over PSE3, contributing to the introduction of new international services from Air New Zealand, Jetstar, Fiji Airways, Qantas, Virgin and Singapore Airlines.

In addition WIAL has supported our airline partners by providing marketing support to increase the awareness of routes to and from the Wellington region, and also supports New Zealand's Tourism 2025 strategy to sustainably grow air connectivity and improve the regional dispersal of tourists throughout the Country. WIAL also works closely with Wellington NZ to support their efforts to grow business, trade and tourism for the lower North Island and advance the prosperity, vibrancy and livability of the Wellington region.

WIAL continues to support the Destination Marketing Fund alongside Wellington's key tourism organisations, Wellington NZ and Tourism NZ. This will directly contribute towards New Zealand's Tourism 2025 strategy to sustainably grow air connectivity and improve the regional dispersal of tourists throughout the country.

In addition, WIAL is the most cost efficient major airport in Australasia with the lowest operating costs per passenger, notwithstanding recent pressure from insurance, rates, and increased costs associated with facilitating passenger growth.

5. Delivering Value to Our Customers and Earning a Fair and Reasonable Return Over Time

WIAL's actual return on investment is reported in Schedule 1 of the Annual Disclosure. The regulatory profit for the year was $37.0m or $30.4m excluding revaluations (2018: $33.5m or $28.5m excluding revaluations). This provides a Return on Investment (ROI) of 7.58% or 6.28% excluding revaluations [(1)] (2018: 7.11% or 6.09% excluding revaluations).

The ROI is calculated in accordance with the Determination by dividing the regulatory return, including CPI indexed asset revaluations and revaluations from land revaluations, by the regulatory investment value (comprising the commencing asset base plus an allowance for additions and disposals during the year).

The table below shows actual ROI for the last nine years compared with key benchmarks:

Year	WIAL's Post Tax Return on Investment	WIAL's Return on Investment Excluding Revaluations [(1)]	WIAL's Target Cost of Capital from Pricing Forecasts	Commission's Published Midpoint Cost of Capital	Cumulative Revenue Impact of Surplus/Deficit vs Pricing Forecast Cost of Capital [(2)]	Cumulative Revenue Impact of Surplus/Deficit vs Midpoint [(2)]
2011	6.16%	5.10%	9.50%	8.19%	$21.4m shortfall	$13.0m shortfall
2012	6.91%	5.46%	9.50%	7.75%	$37.6m shortfall	$18.3m shortfall
2013	6.23%	5.43%	9.51%	7.06%	$57.1m shortfall	$23.2m shortfall
2014	4.18%	6.63%	9.51%	6.69%	$86.4m shortfall	$37.0m shortfall
2015	6.13%	6.05%	8.36%	7.42%	$97.5m shortfall	$43.4m shortfall
2016	9.67%	6.86%	8.36%	6.71%	$91.5m shortfall	$29.7m shortfall
2017	8.58%	6.70%	8.36%	6.14%	$90.4m shortfall	$18.2m shortfall
2018	7.11%	6.09%	8.36%	6.41%	$96.5m shortfall	$14.8m shortfall
2019	7.58%	6.28%	8.36%	6.13%	$100.2m shortfall	$7.9m shortfall

(1) Under the Airport Services Information Disclosure Determination 2010 (the Determination), current year asset revaluations are included in regulatory profit but are only reflected in RIV in the following reporting period. For the purposes of the above analysis only, revaluation uplifts are subtracted from both regulatory profit and RIV in the same year as WIAL considers this to provide a more meaningful comparison.

(2) Revenue impacts are presented in 31 March 2019 terms. The discount rate used to adjust for the time value of money is 6.13% being the Commission's published cost of capital for 2019.

Following the 2016 input methodologies review, the Commission determined that from the 2018 disclosure year it will only publish a midpoint cost of capital for airports. However, WIAL's prices were set prior to this decision and are based on the airport's 75th percentile cost of capital at the time (PSE1: 9.50%, PSE2: 9.51%, and PSE3: 8.36%).

As shown in the table above, WIAL's actual returns for all years prior to 2016 are below the Commission's cost of capital. The actual returns from 2016 onwards are above the Commission's benchmark, largely due to the periodic revaluation of assets, timing of capital expenditure compared to forecast and a decrease in the risk free rate since prices were set.

The cumulative return position in the table demonstrates that WIAL is not earning excessive profits and has, overall, been earning revenues below both pricing targets and what would be derived from applying the Commission's midpoint cost of capital since the start of the ID regime.

The variability in annual returns over the nine year period reflects the wide range of risks inherent in an airport business. Also, the variance between actual and forecast returns demonstrates the need to be cautious in drawing conclusions from targeted returns and the need to consider actual returns over a longer period of time.

In addition to the above, WIAL's charges per passenger remain amongst the lowest of major airports in Australasia and in the lower range worldwide.

6. Contact Person

In the case of any queries, the contact person for this disclosure is:

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COMMERCE COMMISSION NEW ZEALAND

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

Company Name	Wellington International Airport Ltd
Disclosure Date	30 August 2019
Disclosure Year (year ended)	31 March 2019
Pricing period starting year (year ended) [1]	31 March 2015

[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, 25 (Annual Disclosure)
Version 4.0. Prepared 21 December 2017

Airport Services Input Methodologies Determination 2010, as amended

Schedule 21 – Certification for Disclosed Information

We, Tim Brown and Alison Gerry, being directors of Wellington International Airport Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Wellington International Airport Limited prepared for the purpose of clauses 2.3(1) and 2.4(1) of the Airport Services Input Methodologies Determination 2010, as amended, in all material respects complies with that determination.

Tim Brown

Director
30 August 2019

Alison Gerry

Director
30 August 2019

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SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

ref *Version 4.0*

1a: Return on Investment

($000 unless otherwise specified)

			CY-2 *	CY-1 *	Current Year CY
	Return on Investment (ROI)	*for year ended*	**31 Mar 17**	**31 Mar 18**	**31 Mar 19**
	Regulatory profit / (loss)		36,777	33,487	37,021
less	Notional interest tax shield		766	1,062	928
	Adjusted regulatory profit		36,011	32,425	36,093
	Regulatory investment value		419,676	455,923	476,365
	ROI—comparable to a post tax WACC (%)		8.58%	7.11%	7.58%
	Post tax WACC (%)		6.14%	6.41%	6.13%
	ROI—comparable to a vanilla WACC (%)		8.76%	7.34%	7.77%
	Vanilla WACC (%)		6.33%	6.64%	6.34%

Commentary on Return on Investment

The accompanying commentary is appended to the end of these schedules.

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

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	Regulated Airport	**Wellington International Airport Ltd**
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SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)

ref *Version 4.0*

($000 unless otherwise specified)

1b: Notes to the Report

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

RAB value - previous year	446,158
Debt leverage assumption (%)	19%
Cost of debt assumption (%)	3.91%
Notional deductible interest	3,315
Tax rate (%)	28%
Notional interest tax shield	928

1b(ii): Regulatory Investment Value

Regulatory asset base value - previous year: 446,158

	Commissioned Projects	Assets Commissioned —RAB Value ($000)	Proportion of Year Available (%)	Proportionate Regulatory Value
	Aircraft Movement Areas	24,050	83%	20,042
	Transport and Airport Access	7,068	50%	3,534
	Leased Assets	3,789	50%	1,895
	Main Terminal Building	1,861	92%	1,706
	Facilities Management	1,815	17%	303
	Marine Protection	1,545	100%	1,545
	Information Technology	1,247	92%	1,143
	Aprons	350	58%	204
plus	Other assets commissioned	1,456	50%	728
plus	Adjustment for merger, acquisition or sale activity	–	0%	–
less	Asset disposals	1,784	50%	892
	RAB investment	41,397		
	RAB proportionate investment			30,207

Regulatory investment value: 476,365

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Regulated Airport	Wellington International Airport Ltd
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SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref *Version 4.0*

2a: Regulatory Profit

		($000)
Income		
Landing and terminal charges	45,875	
Terminal charges	32,757	
Counter charges	748	
Noise mitigation charges	2,110	
Lease, rental and concession income	4,390	
Other operating revenue	–	
Net operating revenue		85,880
Gains / (losses) on sale of assets	–	
Other income	–	
Total regulatory income		85,880
Expenses		
Operational expenditure:		
Corporate overheads	5,107	
Asset management and airport operations	17,106	
Asset maintenance	1,906	
Total operational expenditure		24,118
Operating surplus / (deficit)		61,762
Regulatory depreciation		17,199
plus Indexed revaluation	6,592	
plus Periodic land revaluations	–	
Total revaluations		6,592
Regulatory Profit / (Loss) before tax		51,155
less Regulatory tax allowance		14,133
Regulatory Profit / (Loss)		37,021

Commentary on Regulatory Profit

The accompanying commentary is appended to the end of these schedules.

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	Regulated Airport	Wellington International Airport Ltd
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SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref *Version 4.0*

($000 unless otherwise specified)

2b: Notes to the Report

2b(i): Financial Incentives

			($000)
71	Pricing incentives	4,830	
72	Other incentives	304	
73	Total financial incentives		5,134

2b(ii): Rates and Levy Costs

		($000)
76	Rates and levy costs	2,196

2b(iii): Merger and Acquisition Expenses

		($000)
79	Merger and acquisition expenses	–

Justification for Merger and Acquisition Expenses

N/A

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Regulated Airport	**Wellington International Airport Ltd**	
For Year Ended	**31 March 2019**	

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref *Version 4.0*

3a: Regulatory Tax Allowance

ref					($000)
7		Regulatory profit / (loss) before tax			51,155
8					
9	*plus*	Regulatory depreciation	17,199		
10		Other permanent differences—not deductible	31	*	
11		Other temporary adjustments—current period	2,027	*	
12					19,257
13					
14	*less*	Total revaluations	6,592		
15		Tax depreciation	11,459		
16		Notional deductible interest	3,315		
17		Other permanent differences—non taxable	–	*	
18		Other temporary adjustments—prior period	(1,429)	*	
19					19,936
20					
21		Regulatory taxable income (loss)			50,475
22					
23	*less*	Tax losses used	–		
24		Net taxable income			50,475
25					
26		Statutory tax rate (%)	28.0%		
27		Regulatory tax allowance			14,133

** Workings to be provided*

28

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).

The accompanying commentary is appended to the end of these schedules.

3b(ii): Tax Depreciation Roll-Forward

ref			($000)
45		Opening RAB (Tax Value)	228,606
46	*plus*	Regulatory tax asset value of additions	36,777
47	*less*	Regulatory tax asset value of disposals	2
48	*plus*	Regulatory tax asset value of assets transferred from/(to) unregulated asset base	825
49	*less*	Tax depreciation	11,459
50	*plus*	Other adjustments to the RAB tax value	(107)
51		Closing RAB (tax value)	254,639

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

ref			($000)
54		Tax losses (regulated business)—prior period	–
55	*plus*	Current year tax losses	–
56	*less*	Tax losses used	–
58		Tax losses (regulated business)	–

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref			Unallocated RAB * ($000)	Unallocated RAB * ($000)	RAB ($000)	RAB ($000)
	Version 4.0					
8		**RAB value—previous disclosure year**		457,951		446,158
9	*less*					
10		**Regulatory depreciation**		(18,049)		(17,199)
11	*plus*					
12		Indexed revaluations	6,765		6,592	
13		Periodic land revaluations	–		–	
14		**Total revaluations**		6,765		6,592
15	*plus*					
16		Assets commissioned (other than below)	43,691		37,908	
17		Assets acquired from a regulated supplier	–		–	
18		Assets acquired from a related party	5,811		5,273	
19		**Assets commissioned**		49,502		43,182
20	*less*					
21		Asset disposals (other)	(1)		(1)	
22		Asset disposals to a regulated supplier	–		–	
23		Asset disposals to a related party	(1,856)		(1,783)	
24		**Asset disposals**		(1,858)		(1,784)
25						
26	*plus*	**Lost and found assets adjustment**		–		–
27						
28		**Adjustment resulting from cost allocation**				- 509
29						
30		**RAB value †**		494,312		476,440

31 **Commentary**

32 The accompanying commentary is appended to the end of these schedules.

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

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

4b: Notes to the Report

4b(i): Regulatory Depreciation

		Unallocated RAB ($000)	RAB ($000)
	Standard depreciation	18,049	17,199
	Non-standard depreciation	–	–
	Regulatory depreciation	18,049	17,199

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

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

ref | Version 4.0

($000 unless otherwise specified)

4b(ii): Non-Standard Depreciation Disclosure

Non-standard Depreciation Methodology	Depreciation charge for the period (RAB)	Year change made (year ended)	RAB value under 'non-standard' depreciation	RAB value under 'standard' depreciation
	–	–	–	–
	–	–	–	–
	–	–	–	–
	–	–	–	–
	–	–	–	–

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

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

			Unallocated RAB		RAB
	CPI at CPI reference date—previous year (index value)				1,011
	CPI at CPI reference date—current year (index value)				1,026
	Revaluation rate (%)				1.48%
	RAB value—previous disclosure year		457,951		446,158
less	Revalued land	–		–	
less	Assets with nil physical asset life	104		102	
less	Asset disposals	1,858		1,784	
less	Lost asset adjustment	–		–	
	Indexed revaluation		6,765		6,592

4b(v): Works Under Construction

			Unallocated works under construction		Allocated works under construction
	Works under construction—previous disclosure year		62,198		35,727
plus	Capital expenditure	34,688		24,124	
less	Asset commissioned	43,691		37,908	
less	Offsetting revenue	–		–	
plus	Adjustment resulting from cost allocation				4,249
	Works under construction		53,194		26,192

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

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

ref | Version 4.0

4b(vi): Capital Expenditure by Primary Purpose

ref				
105		Capacity growth	5,809	
106	*plus*	Asset replacement and renewal	18,315	
107		Total capital expenditure		24,124

4b(vii): Asset Classes

ref			Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
110		RAB value—previous disclosure year	122,895	142,154	167,039	14,071	446,158
111	*less*	Regulatory depreciation	–	6,068	7,721	3,410	17,199
112	*plus*	Indexed revaluations	1,794	2,114	2,476	207	6,592
113	*plus*	Periodic land revaluations	–				–
114	*plus*	Assets commissioned	2,381	27,508	9,177	4,116	43,182
115	*less*	Asset disposals	1,122	506	155	1	1,784
116	*plus*	Lost and found assets adjustment	–	–	–	–	–
117	*plus*	Adjustment resulting from cost allocation	(877)	689	(146)	(175)	(509)
118		RAB value	125,072	165,891	170,670	14,807	476,440

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

4b(viii): Assets Held for Future Use

ref			Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total
121		Assets held for future use—previous disclosure year	7,683	5,926	526	548	12,535
122	*plus*	Assets held for future use—additions[1]	2,821	980	139	73	3,589
123	*less*	Transfer to works under construction	–	–	–	–	–
124	*less*	Assets held for future use—disposals	446	333	(168)	129	818
125		Assets held for future use[2]	10,058	6,573	833	491	15,306

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

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

127	Highest rate of finance applied (%)	5.07%

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Regulated Airport	Wellington International Airport Ltd
For Year Ended	31 March 2019

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref *Version 4.0*

5(i): Related Party Transactions

	($000)
Net operating revenue	–
Operational expenditure	5,838
Related party capital expenditure	5,273
Market value of asset disposals	1,783
Other related party transactions	–

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
NZ Airports Limited	Shareholder (66%)
Wellington City Council	Shareholder (34%)
Infratil Limited	Owner of NZ Airports Limited
HRL Morrison & Co	Management company of Infratil that employs certain WIAL directors
Wellington International Airport Limited	Unregulated activities of the airport
Other	Key Management Personnel

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price ($)	Value ($000)
Wellington City Council	Gross value of property rates, grants, consents and compliance costs	–	3,065
Infratil Limited	Insurance and other costs	–	64
HRL Morrison & Co	Consultancy fees	–	9
Wellington International Airport Limited	Asset transfers from unregulated activities to regulated activities	–	5,273
Wellington International Airport Limited	Asset transfers from regulated activities to unregulated activities	–	1,783
Other (Wellington International Airport Limited - Key Management Personnel)	Short term employee benefits for the allocation of Key Management Personnel - includes Directors and Executive Management	–	2,700

Commentary on Related Party Transactions

The accompanying commentary is appended to the end of these schedules.

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE

ref | *Version 4.0*

6a: Actual to Forecast Expenditure

($000)

Expenditure by Category	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1
Capacity growth	5,809	8,943	(35.0%)	71,630	56,506	26.8%
Asset replacement and renewal	18,315	4,221	333.9%	68,157	68,358	(0.3%)
Total capital expenditure	24,124	13,164	83.3%	139,787	124,864	12.0%
Corporate overheads	5,107	3,895	31.1%	20,949	19,350	8.3%
Asset management and airport operations	17,106	13,044	31.1%	68,649	66,097	3.9%
Asset maintenance	1,906	2,549	(25.2%)	10,992	13,187	(16.6%)
Total operational expenditure	24,118	19,488	23.8%	100,589	98,634	2.0%
Key Capital Expenditure Projects						
Marine Protection	613	550	11.5%	2,872	3,863	(25.6%)
Gates	184	61	203.9%	632	1,526	(58.6%)
Aprons	–	37	(100.0%)	6,275	3,482	80.2%
Movement Areas	12,264	183	6,601.4%	31,110	17,226	80.6%
Operational Compliance Works	33	367	(91.0%)	1,241	4,699	(73.6%)
Other Airside Works	–	61	(100.0%)	–	449	(100.0%)
Other Airfield (including Clearway)	–	–	Not defined	37	1,751	(97.9%)
Relocation AFS/ Airside Operations	–	–	Not defined	–	4,769	(100.0%)
MAGS / Guard Lights	493	–	Not defined	493	2,081	(76.3%)
Runway Capacity Utilisation Enhancements	607	–	Not defined	607	2,198	(72.4%)
Southern Apron Development (Stage 2)	–	6,944	(100.0%)	–	8,308	(100.0%)
Terminal South Extension - Terminal	–	–	Not defined	50,351	31,924	57.7%
Terminal South Extension - Southern Apron	–	–	Not defined	–	11,702	(100.0%)
Main Terminal Building - Central hall & Building Flow	4,825	3,333	44.8%	6,239	4,727	32.0%
Multi Level Transport Hub - Roading and Infrastructure	491	–	Not defined	5,584	–	Not defined
North Terminal Development - Domestic Passenger Facilitation	–	–	Not defined	1,635	2,040	(19.9%)
International Arrival Enhancements	–	–	Not defined	7,821	–	Not defined
Noise Mitigation Works	–	–	Not defined	625	8,076	(92.3%)
Other capital expenditure	4,614	1,629	183.2%	24,265	16,044	51.2%
Total capital expenditure	24,124	13,164	83.3%	139,787	124,864	12.0%

Explanation of Variances

The accompanying commentary is appended to the end of these schedules.

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

** Disclosure year coincides with Pricing Period Starting Year + 4.*

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

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

Version 4.0

6b: Forecast Expenditure

From most recent disclosure following a price setting event

Starting year of current pricing period (year ended): 31 March 2015

Expenditure by Category	for year ended	Pricing Period Starting Year 31 Mar 15	Pricing Period Starting Year + 1 31 Mar 16	Pricing Period Starting Year + 2 31 Mar 17	Pricing Period Starting Year + 3 31 Mar 18	Pricing Period Starting Year + 4 31 Mar 19
Capacity growth		15,337	28,664	–	3,562	8,943
Asset replacement and renewal		23,079	11,321	14,273	15,464	4,221
Total forecast capital expenditure		38,416	39,985	14,273	19,026	13,164
Corporate overheads		3,606	3,770	3,998	4,081	3,895
Asset management and airport operations		12,818	13,532	13,147	13,556	13,044
Asset maintenance		2,392	2,842	2,917	2,487	2,549
Total forecast operational expenditure		18,816	20,144	20,062	20,124	19,488

Key Capital Expenditure Projects	for year ended	Pricing Period Starting Year 31 Mar 15	Pricing Period Starting Year + 1 31 Mar 16	Pricing Period Starting Year + 2 31 Mar 17	Pricing Period Starting Year + 3 31 Mar 18	Pricing Period Starting Year + 4 31 Mar 19
Marine Protection		842	518	1,053	900	550
Gates		797	201	412	55	61
Aprons		926	949	1,234	336	37
Movement Areas		4,619	1,041	824	10,559	183
Operational Compliance Works		2,909	-	1,423	-	367
Other Airside Works		109	99	101	79	61
Other Airfield (including Clearway)		1,751	-	-	-	-
Relocation AFS/ Airside Operations		-	-	4,769	-	-
MAGS / Guard Lights		-	2,081	-	-	-
Runway Capacity Utilisation Improvements		-	-	-	2,198	-
Southern Apron Development (Stage 2)		-	-	-	1,364	6,944
Terminal South Extension - Terminal		11,787	20,138	-	-	-
Terminal South Extension - Southern Apron		4,570	7,132	-	-	-
Main Terminal Building - Central Hall		-	1,394	-	-	-
Main Terminal Building - Building Flow		-	-	-	-	3,333
North Terminal Development - Domestic Passenger Facilitation		2,040	-	-	-	-
North Terminal Development - International Expansion		-	-	-	-	-
Noise Mitigation Works		2,383	2,491	1,569	1,633	-
Other capital expenditure		5,683	3,942	2,888	1,902	1,629
Total forecast capital expenditure		38,415	39,985	14,273	19,026	13,164

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

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

Version 4.0

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

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

*include additional rows if needed

Total proposed risk allocation adjustments: –

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

N/A - no risk allocation adjustments in 2019

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

* Disclosure year Pricing Period Starting Year .

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref | *Version 4.0*

($000)

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*
Landing and terminal charges	–	45,875	–	45,875
Terminal charges	32,757	–	–	32,757
Counter charges	748	–	–	748
Noise mitigation charges	–	2,110	–	2,110
Lease, rental and concession income	2,646	8	1,736	4,390
Other operating revenue	–	–	–	–
Net operating revenue	36,151	47,993	1,736	85,880
Gains / (losses) on asset sales	–	–	–	–
Other income	–	–	–	–
Total regulatory income	36,151	47,993	1,736	85,880
Total operational expenditure	9,861	14,050	208	24,118
Regulatory depreciation	9,333	7,491	375	17,199
Total revaluations	2,466	3,899	227	6,592
Regulatory tax allowance	6,161	7,623	349	14,133
Regulatory profit/ loss	13,263	22,729	1,030	37,021
Regulatory investment value	171,380	285,227	19,759	476,365

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

Commentary on Segmented Information

The accompanying commentary is appended to the end of these schedules.

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 8: CONSOLIDATION STATEMENT

ref *Version 4.0*

8a: CONSOLIDATION STATEMENT

($000)

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business–GAAP	Unregulated Activities–GAAP	Airport Company–GAAP
Net income	85,880	–	85,880	52,009	137,889
Total operational expenditure	24,118	–	24,118	12,386	36,504
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	61,762	–	61,762	39,623	101,385
Depreciation	17,199	1,164	18,363	5,379	23,742
Revaluations	6,592	3,400	9,992	8,762	18,754
Tax expense	14,133	(16,588)	(2,454)	98	(2,356)
Net operating surplus / (deficit) before interest	37,021	18,823	55,845	42,908	98,753
Property plant and equipment	476,440	176,602	653,042	473,987	1,127,029

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

($000)

Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
Adjustment of regulatory depreciation to align with GAAP	Depreciation	1,164
Recognition of the difference between the change in the valuation of land and buildings adopted in WIAL's statutory financial statements and the indexed revaluations of regulated assets applied in accordance with the Input Methodology	Revaluations	3,400
The regulatory tax calculation excludes consideration of deferred tax. In addition, the regulatory tax calculation excludes the reversal of the prior year tax payable resulting from the subvention payment. Both these items are included in the GAAP financial statements	Tax expense	(16,588)
Differences arising from valuation approaches required by Input Methodology	Property plant & equipment	176,602
		–
		–
		–

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

Commentary on the Consolidation Statement

The accompanying commentary is appended to the end of these schedules.

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

ref *Version 4.0*

9a: Asset Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	–	110,852	5,224	116,076		116,076
Assets not directly attributable	1,903	6,780	314	8,996	2,066	11,061
Total value land				125,072		
Sealed Surfaces						
Directly attributable assets	220	159,788	4,095	164,103		164,103
Assets not directly attributable	727	1,000	61	1,788	1,158	2,946
Total value sealed surfaces				165,891		
Infrastructure and Buildings						
Directly attributable assets	93,791	4,626	7,508	105,924		105,924
Assets not directly attributable	57,673	6,659	414	64,746	13,535	78,281
Total value infrastructure and buildings				170,670		
Vehicles, Plant and Equipment						
Directly attributable assets	7,023	5,828	22	12,873		12,873
Assets not directly attributable	951	925	58	1,934	1,114	3,048
Total value vehicles, plant and equipment				14,807		
Total directly attributable assets	101,034	281,094	16,849	398,977		398,977
Total assets not directly attributable	61,254	15,364	846	77,464	17,872	95,336
Total assets	162,288	296,457	17,695	476,440	17,872	494,312

Asset Allocators

Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
Shared land	Value of directly allocated land	Proxy Cost Allocator	Direct usage of land considered reasonable indicator of use of shared land.	Land classified with X business line code
Non land shared assets	Value of directly allocated assets	Proxy Cost Allocator	Direct usage of other assets considered reasonable indicator of use of shared assets	Non land assets classified with X business line code
Shared terminal land	Floor area for terminal activities	Causal Relationship	Floor areas consumred by regulated and unregulated activities clear indicator of land use	Land classified with TCOM business line code
Shared terminal non land assets	Value of directly allocated terminal assets	Causal Relationship	Value of investment in regulated and unregulated terminal facilities consider suitable driver for allocation of shared terminal facilities	Non land assets classified with TCOM business line code

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref | Version 4.0

Asset Allocators (cont)

Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items

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

Regulated Airport	**Wellington International Airport Ltd**
For Year Ended	**31 March 2019**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 4.0*

9b: Notes to the Report

9b(i): Changes in Asset Allocators

			Effect of Change		**($000)**
			CY-1 **31 Mar 18**	**Current Year (CY)** **31 Mar 19**	**CY+1** **31 Mar 20**
Asset category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–

Commentary on Asset Allocations

The accompanying commentary is appended to the end of these schedules.

Regulated Airport For Year Ended: **Wellington International Airport Ltd** — **31 March 2019**

SCHEDULE 10: REPORT ON COST ALLOCATIONS

Version 4.0

10a: Cost Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Corporate Overheads						
Directly attributable operating costs	–	–	–	–		–
Costs not directly attributable	2,212	2,758	136	5,107	4,103	9,210
Asset Management and Airport Operations						
Directly attributable operating costs	624	6,827	45	7,496		7,496
Costs not directly attributable	6,384	3,226	–	9,610	1,110	10,720
Asset Maintenance						
Directly attributable operating costs	–	970	1	971		971
Costs not directly attributable	640	268	27	935	263	1,198
Total directly attributable costs	624	7,797	46	8,466		8,466
Total costs not directly attributable	9,236	6,253	163	15,652	5,476	21,128
Total operating costs	9,860	14,049	209	24,118	5,476	29,595

Cost Allocators

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Terminal building	Building value	Causal Relationship	Building value considered to be an appropriate indicator of the share of use of the terminal building by regulated and unregulated activities.	All utility and maintenance associated costs for the terminal building.
Operations	Staff time	Causal Relationship	Operations staff operate 24 hour facility overseeing the entire airport and undertake daily facilitation of activities for passengers and other visitors to the airport.	Employee remuneration and ancillary costs for airport operations staff.
Airport planning	Staff time	Causal Relationship	Airport planning costs are dependent on staff hours therefore this is seen as the most appropriate allocator.	Employee remuneration and ancillary costs for airport planning staff and external consulting costs required for planning activity.
Service Quality Assurance (SQA)	Staff time	Causal Relationship	Service quality assurance costs are dependent on staff hours therefore this is seen as the most appropriate allocator.	Employee remuneration and ancillary costs for airport service quality assurance staff.
"Westside 1" property	Rental revenue	Causal Relationship	Property is occupied by a mix of tenants for regulated and unregulated activities. Rental revenue is considered an appropriate indicator of the use of the building.	All utility and maintenance associated costs for the Westside 1 building.
Other Western properties	Rental revenue	Causal Relationship	Properties are occupied by a mix of tenants for regulated and unregulated activities. Rental revenue is considered an appropriate indicator of the use of the buildings.	All utility and maintenance associated costs for the other Western properties.
Residential houses	Rental revenue	Causal Relationship	Houses comprise those compulsorily acquired due to aeronautical activity and other properties purchased for commercial purposes. Rental revenue is considered an appropriate indicator of the use of houses.	All repairs and maintenance, rates and property administration costs for the houses.
Other Eastern properties	Rental revenue	Causal Relationship	Properties are occupied by a mix of tenants for regulated and unregulated activities. Rental revenue is considered an appropriate indicator of the use of the buildings.	All utility and maintenance associated costs for the other Eastern properties.
Property administration	Staff time	Causal Relationship	WIAL property staff undertake property administration functions including communication with tenants, lease negotiations and renewals, and oversight of properties.	Employee remuneration and ancillary costs for airport property staff.
Maintenance	Repairs and maintenance expenditure	Causal Relationship	WIAL maintenance team overseeing maintenance of all WIAL facilities. External maintenance costs allocated to facilities throughout the year is considered an appropriate basis for the allocation of WIAL maintenance staff and associated costs.	Employee remuneration and ancillary costs for airport maintenance staff.
Pricing consultation and regulation	Aeronautical revenue	Causal Relationship	Share of revenue for each regulated activity is considered appropriate to allocate these costs.	External professional advice and support services required to meet consultation and Airport Authorities/Commerce Act requirements.

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

Version 4.0

Cost Allocators (cont)

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Corporate marketing	Directly allocated marketing costs	Causal Relationship	Marketing costs directly allocated to business activities is considered an appropriate indicator of concentration of marketing activity in the reporting year.	Employee remuneration and ancillary costs for corporate marketing staff and general corporate advertising not attributable to a specific activity.
Corporate salaries	Staff time	Proxy Cost Allocator	WIAL's corporate staff provide support across all airport activities. There is no practical causal driver for determining the amount of these costs that are attributable to each activity. The allocation is based on an estimate of how staff time is weighted across each activity.	Employee remuneration and ancillary costs for corporate management, finance, human resources and information technology staff.
Other corporate administration costs	Costs previously allocated to activities	Proxy Cost Allocator	Corporate administration costs contribute to all airport activities. There is no practical causal driver for determining the amount of these costs that are attributable to each activity. WIAL considers the proportion of direct and causal costs allocated to each activity to be a reasonable proxy for allocating corporate administration costs.	Non employee costs incurred for operation of the corporate function.

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

Regulated Airport	**Wellington International Airport Ltd**
For Year Ended	**31 March 2019**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref *Version 4.0*

10b: Notes to the Report

10b(i): Changes in Cost Allocators

($000)

Effect of Change

			CY-1 31 Mar 18	**Current Year (CY) 31 Mar 19**	**CY+1 31 Mar 20**
Operating cost category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original	–	–	–
New allocator or components		New	–	–	–
Rationale		Difference	–	–	–

Commentary on Cost Allocations

The accompanying commentary is appended to the end of these schedules.

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

Version 4.0

ref		Number	Total Duration Hours	Minutes
6	**Runway**			
	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
7				
8	Airports	–	–	–
9	Airlines/Other	–	–	–
10	Undetermined reasons	–	–	–
11	Total	–	–	–
12	**Taxiway**			
	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
13				
14	Airports	–	–	–
15	Airlines/Other	–	–	–
16	Undetermined reasons	–	–	–
17	Total	–	–	–
18	**Remote stands and means of embarkation/disembarkation**			
	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
19				
20	Airports	–	–	–
21	Airlines/Other	–	–	–
22	Undetermined reasons	–	–	–
23	Total	–	–	–
24	**Contact stands and airbridges**			
	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
25				
26	Airports	10	25	07
27	Airlines/Other	3	6	33
28	Undetermined reasons	2	1	38
29	Total	15	33	18
30	**Baggage sortation system on departures**			
	The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
31				
32	Airports	13	21	26
33	Airlines/Other	13	86	28
34	Undetermined reasons	3	3	50
35	Total	29	111	44
36	**Baggage reclaim belts**			
	The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible			
37				
38	Airports	–	–	–
39	Airlines/Other	–	–	–
40	Undetermined reasons	–	–	–
41	Total	–	–	–
42	**On-time departure delay**			
	The total number of flights affected by on time departure delay and the total duration of the delay during disclosure year by party primarily responsible			
43				
44	Airports	3	1	23
45	Airlines/Other	1	–	37
46	Undetermined reasons	–	–	–
47	Total	4	2	–
48				

Regulated Airport	Wellington International Airport Ltd
For Year Ended	31 March 2019

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref | *Version 4.0*

Fixed electrical ground power availability (if applicable)

The percentage of time that FEGP is unavailable due to interruptions* 0.00%

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

Commentary concerning reliability measures

The accompanying commentary is appended to the end of these schedules.

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

Regulated Airport	**Wellington International Airport Ltd**
For Year Ended	**31 March 2019**

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

ref *Version 4.0*

Runway

		Runway #1	Runway #2	Runway #3
Description of runway(s)	Designations	16-34		
	Length of pavement (m)	2051	–	–
	Width (m)	45	–	–
	Shoulder width (m)	7.5	–	–
	Runway code	4E		
	ILS category	Category I	N/A	N/A
Declared runway capacity for specified meteorological condition	VMC (movements per hour)	38-29	–	–
	IMC (movements per hour)	36-26	–	–

Taxiway

		Taxiway #1	Taxiway #2	Taxiway #3
Description of main taxiway(s)	Name	Alfa	Bravo	
	Length (m)	2,051	570	–
	Width (m)	23	18	–
	Status	Full length	Part length	N/A
	Number of links	11	6	–

Aircraft parking stands

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

		Contact stand–airbridge	Contact stand–walking	Remote stand–bus
Air passenger services	International	8	–	–
	Domestic jet	11	–	–
	Domestic turboprop	–	18	2
Total parking stands		19	18	2

Busy periods for runway movements

	Date
Runway busy day	2 November 2018
Runway busy hour start time (day/month/year hour)	26 Oct 2018 5 PM

Aircraft movements

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

		Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
Air passenger services	International	18	–	–	18
	Domestic jet	77	–	–	77
	Domestic turboprop	–	190	–	190
	Total	95	190	–	285
Other (including General Aviation)					33
Total aircraft movements during the runway busy day					318

Number of aircraft runway movements during the runway busy hour: 32

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

The accompanying commentary is appended to the end of these schedules.

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

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

Version 4.0

ref	Outbound (Departing) Passengers	International terminal	Domestic terminal	Common area †
7	**Landside circulation (outbound)**			
8	Passenger busy hour for landside circulation (outbound)—start time			
9	(day/month/year hour)	N/A	N/A	24 Apr 2018 9 AM
10	Floor space (m^2)	N/A	N/A	1,866
11	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,328
12	Utilisation (busy hour passengers per $100m^2$)	N/A	N/A	71
13	**Check-in**			
14	Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	24 Apr 2018 9 AM
15	Floor space (m^2)	N/A	N/A	1,197
16	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,062
17	Utilisation (busy hour passengers per $100m^2$)	N/A	N/A	89
18	**Baggage (outbound)**			
19	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	24 Apr 2018 9 AM
20	Make-up area floor space (m^2)	N/A	N/A	2,892
21	Notional capacity during the passenger busy hour (bags/hour)*	N/A	N/A	2,430
22	Bags processed during the passenger busy hour (bags/hour)*	N/A	N/A	598
23	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,328
24	Utilisation (% of processing capacity)	N/A	N/A	25%
25	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
26	**Passport control (outbound)**			
27	Passenger busy hour for passport control (outbound)—start time			
28	(day/month/year hour)	13 Feb 2019 6 AM		
29	Floor space (m^2)	210		
30	Number of emigration booths and kiosks	6		
31	Notional capacity during the passenger busy hour (passengers/hour) *	709		
32	Passenger throughput during the passenger busy hour (passengers/hour)	581		
33	Utilisation (busy hour passengers per $100m^2$)	277		
34	Utilisation (% of processing capacity)	82%		
35	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
36	**Security screening**			
37	Passenger busy hour for security screening—start time (day/month/year hour)	13 Feb 2019 6 AM	3 Mar 2019 9 AM	
38	Facilities for passengers excluding international transit & transfer			
39	Floor space (m^2)	263	584	
40	Number of screening points	2	5	
41	Notional capacity during the passenger busy hour (passengers/hour) *	540	1,350	
42	Passenger throughput during the passenger busy hour (passengers/hour)	581	941	
43	Utilisation (busy hour passengers per $100m^2$)	221	161	
44	Utilisation (% of processing capacity)	108%	70%	
45	Facilities for international transit & transfer passengers			
46	Floor space (m^2)	N/A		
47	Number of screening points	N/A		
48	Notional capacity during the passenger busy hour (passengers/hour)*	N/A		
49	Estimated passenger throughput during the passenger busy hour			
50	(passengers/hour)	N/A		
51	Utilisation (busy hour passengers per $100m^2$)	N/A		
52	Utilisation (% of processing capacity)	N/A		
53	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
54				

Regulated Airport	**Wellington International Airport Ltd**	
For Year Ended	**31 March 2019**	

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

ref *Version 4.0*

ref		International terminal	Domestic terminal	Common area †
61				
62	**Airside circulation (outbound)**			
63	Passenger busy hour for airside circulation (outbound)—start time			
64	(day/month/year hour)	13 Feb 2019 6 AM	1 Sep 2019 8 AM	
65	Floor space (m^2)	762	1,844	
66	Passenger throughput during the passenger busy hour (passengers/hour)	581	1,256	
67	Utilisation (busy hour passengers per $100m^2$)	76	68	
68	**Departure lounges**			
69	Passenger busy hour for departure lounges—start time (day/month/year hour)	13 Feb 2019 6 AM	1 Sep 2019 8 AM	
70	Floor space (m^2)	1,221	2,551	
71	Number of seats	553	962	
72	Passenger throughput during the passenger busy hour (passengers/hour)	581	1,256	
73	Utilisation (busy hour passengers per $100m^2$)	48	49	
74	Utilisation (passengers per seat)	1.1	1.3	
75	**Inbound (Arriving) Passengers**			
76	**Airside circulation (inbound)**			
77	Passenger busy hour for airside circulation (inbound)—start time			
78	(day/month/year hour)	22 Nov 2018 2 PM	12 Apr 2018 8 AM	N/A
79	Floor space (m^2)	1,669	1,787	N/A
80	Passenger throughput during the passenger busy hour (passengers/hour)	552	1,255	N/A
81	Utilisation (busy hour passengers per $100m^2$)	33	70	Not defined
82	**Passport control (inbound)**			
83	Passenger busy hour for passport control (inbound)—start time			
84	(day/month/year hour)	22 Nov 2018 2 PM		
85	Floor space (m^2)	329		
86	Number of immigration booths and kiosks	8		
87	Notional capacity during the passenger busy hour (passengers/hour) *	864		
88	Passenger throughput during the passenger busy hour (passengers/hour)	552		
89	Utilisation (busy hour passengers per $100m^2$)	168		
90	Utilisation (% of processing capacity)	64%		
91	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
92	**Landside circulation (inbound)**			
93	Passenger busy hour for landside circulation (inbound)—start time			
94	(day/month/year hour)	N/A	N/A	25 Feb 2019 8 AM
95	Floor space (m^2)	N/A	N/A	1,866
96	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,255
97	Utilisation (busy hour passengers per $100m^2$)	N/A	N/A	67
98	**Baggage reclaim**			
99	Passenger busy hour for baggage reclaim—start time (day/month/year hour)	22 Nov 2018 2 PM	12 Apr 2018 8 AM	
100	Floor space (m^2)	1,003	1,617	
101	Number of reclaim units	2	3	
102	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	–	–	
103	Bags processed during the passenger busy hour (bags/hour)*	–	–	
104	Passenger throughput during the passenger busy hour (passengers/hour)	552	1,004	
105	Utilisation (% of processing capacity)	Not defined	Not defined	
106	Utilisation (busy hour passengers per $100m^2$)	55	62	
107	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
108	**Bio-security screening and inspection and customs secondary inspection**			
109	Passenger busy hour for bio-security screening and inspection and			
110	customs secondary inspection—start time (day/month/year hour)	22 Nov 2018 2 PM		
111	Floor space (m^2)	734		
112	Notional MAF secondary screening capacity during the passenger busy hour	760		
113	(passengers/hour)*			
114	Passenger throughput during the passenger busy hour (passengers/hour)	552		
115	Utilisation (% of processing capacity)	73%		
116	Utilisation (busy hour passengers per $100m^2$)	75		
117	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
118	**Arrivals concourse**			
119	Passenger busy hour for arrivals concourse—start time (day/month/year hour)	N/A	N/A	25 Feb 2019 8 AM
120	Floor space (m^2)	N/A	N/A	975
121	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,262
122	Utilisation (busy hour passengers per $100m^2$)	N/A	N/A	129
123				

Regulated Airport	Wellington International Airport Ltd
For Year Ended	31 March 2019

SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont 2)

ref *Version 4.0*

	International terminal	Domestic terminal	Common area †
Total terminal functional areas providing facilities and service directly for passengers			
Floor space (m^2)	N/A	N/A	23,458
Number of working baggage trolleys available for passenger use at end of disclosure year	N/A	N/A	868

Commentary concerning capacity utilisation indicators for Passenger Terminal Activities

The accompanying commentary is appended to the end of these schedules.

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

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

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref | *Version 4.0*

Survey organisation

Survey organisation used	ACI
If "Other", please specify	

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

Domestic terminal	*Quarter for year ended*	**1 30 Jun 18**	**2 30 Sep 18**	**3 31 Dec 18**	**4 31 Mar 19**	**Annual average**
Ease of finding your way through an airport		4.4	4.4	4.5	4.4	4.4
Ease of making connections with other flights		4.2	4.3	4.3	4.4	4.3
Flight information display screens		4.3	4.4	4.5	4.4	4.4
Walking distance within and/or between terminals		4.3	4.4	4.4	4.4	4.4
Availability of baggage carts/trolleys		4.0	4.1	4.2	4.1	4.1
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.4	4.5	4.5	4.4	4.4
Availability of washrooms/toilets		4.3	4.4	4.3	4.2	4.3
Cleanliness of washrooms/toilets		4.2	4.3	4.3	4.2	4.2
Comfort of waiting/gate areas		3.9	4.1	4.0	3.9	4.0
Cleanliness of airport terminal		4.4	4.5	4.4	4.4	4.4
Ambience of the airport		4.2	4.2	4.3	4.2	4.2
Security inspection waiting time		4.4	4.4	4.4	4.4	4.4
Check-in waiting time		4.5	4.4	4.5	4.5	4.5
Feeling of being safe and secure		4.5	4.5	4.6	4.6	4.5
Average survey score		4.3	4.3	4.4	4.3	4.3

International terminal	*Quarter for year ended*	**1 30 Jun 18**	**2 30 Sep 18**	**3 31 Dec 18**	**4 31 Mar 19**	**Annual average**
Ease of finding your way through an airport		4.3	4.4	4.4	4.4	4.4
Ease of making connections with other flights		N/A	N/A	N/A	N/A	–
Flight information display screens		4.3	4.3	4.4	4.3	4.4
Walking distance within and/or between terminals		4.3	4.4	4.4	4.4	4.4
Availability of baggage carts/trolleys		4.0	4.1	4.2	4.1	4.1
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.4	4.4	4.5	4.4	4.4
Availability of washrooms/toilets		4.3	4.3	4.3	4.3	4.3
Cleanliness of washrooms/toilets		4.2	4.2	4.3	4.2	4.2
Comfort of waiting/gate areas		3.9	4.0	4.0	3.9	4.0
Cleanliness of airport terminal		4.4	4.4	4.4	4.4	4.4
Ambience of the airport		4.2	4.2	4.3	4.2	4.2
Passport and visa inspection waiting time		4.4	4.3	4.4	4.1	4.3
Security inspection waiting time		4.4	4.3	4.3	4.3	4.3
Check-in waiting time		4.4	4.4	4.4	4.5	4.4
Feeling of being safe and secure		4.5	4.5	4.6	4.5	4.5
Average survey score		4.3	4.3	4.3	4.3	4.3

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

Commentary concerning report on passenger satisfaction indicators

The accompanying commentary is appended to the end of these schedules.

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

Regulated Airport	Wellington International Airport Ltd
For Year Ended	31 March 2019

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref *Version 4.0*

Disclosure of the operational improvement process

The accompanying commentary is appended to the end of these schedules.

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

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Regulated Airport **Wellington International Airport Ltd**
For Year Ended **31 March 2019**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref *Version 4.0*

16a: Aircraft statistics

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	1,150	88,297
Boeing 737-800	1,811	142,892
Boeing 737-700	36	2,520
Boeing 737-Max 8	1	82
Boeing 777-200	207	52,110
Total	3,205	285,901

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont)

ref | Version 4.0

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A321	25	2,338
Airbus A320	12,503	896,583
Boeing 737-800	16	1,264
Boeing 737-200	1	298
Total	12,545	900,482

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Aerospatiale ATR-72	6,732	154,440
Cessna 208	4,328	17,113
Convair CV-580	157	3,788
Bombardier Q300	12,850	250,644
Pilatus PC-12	1,689	7,601
Fairchild Metroliner	25	187
Cessna 525 CitationJet	13	52
Total	25,794	433,825

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref *Version 4.0*

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

	Total number of landings	Total MCTOW (tonnes)
Air passenger service aircraft less than 3 tonnes MCTOW	344	588
Freight aircraft	849	6,462
Military and diplomatic aircraft	314	18,222
Other aircraft (including General Aviation)	4,332	14,289

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

	Total number of landings	Total MCTOW (tonnes)
Total	47,383	1,659,769

16b: Terminal access

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

	Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
International air passenger service movements	6,475	–	–	6,475
Domestic jet air passenger service movements	25,146	–	–	25,146

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

16c: Passenger statistics

	Domestic	International	Total
The total number of passengers during disclosure year			
Inbound passengers†	2,741,755	461,839	3,203,594
Outbound passengers†	2,746,258	467,618	3,213,876
Total (gross figure)	5,488,013	929,457	6,417,470
less estimated number of transfer and transit passengers		–	–
Total (net figure)			6,417,470

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

16d: Airline statistics

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

Domestic	International
Air New Zealand Limited	Air New Zealand Limited
Air Chathams Limited	Fiji Airways Limited
Air Nelson Limited	Jetconnect Limited
Golden Bay Air Limited	Jetstar Airways Limited
Jetstar Airways Limited	Virgin Australia Airlines (NZ) Limited
Mount Cook Airline Limited	Singapore Airlines Limited
Sounds Air Travel & Tourism Limited	

Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref *Version 4.0*

178 **Airline statistics (cont)**

179	Domestic	International
180		
181		
182		
183		
184		
185		
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190 16e: Human Resource Statistics

191		Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
192	Number of full-time equivalent employees	35.6	53.1	2.5	91.2
193	Human resource costs ($000)				9,126

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

195 The accompanying commentary is appended to the end of these schedules.

196–218

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Regulated Airport: **Wellington International Airport Ltd**
For Year Ended: **31 March 2019**

SCHEDULE 17: REPORT ON PRICING STATISTICS

ref *Version 4.0*

17a: Components of Pricing Statistics

		($000)
7-8	Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	8,879
9	Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	27,646
10	Net operating charges from airfield activities relating to international flights	11,438
11	Net operating charges from specified passenger terminal activities relating to domestic passengers	29,163
12	Net operating charges from specified passenger terminal activities relating to international passengers	4,343

		Number of passengers
15	Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,874,646
16	Number of domestic passengers on flights of 30 tonnes MCTOW or more	3,606,577
17	Number of international passengers	**929,457**

		Total MCTOW (tonnes)
20	Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	872,801
21	Total MCTOW of domestic flights of 30 tonnes MCTOW or more	1,804,986
22	Total MCTOW of international flights	577,191

17b: Pricing Statistics

		Average charge ($ per passenger)	Average charge ($ per tonne MCTOW)
24-25	Average charge from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	4.74	10.17
26	Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	7.67	15.32
27	Average charge from airfield activities relating to international flights	12.31	19.82

		Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
29	Average charge from specified passenger terminal activities	5.32	4.67

		Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
31	Average charge from airfield activities and specified passenger terminal activities	11.98	16.98

Commentary on Pricing Statistics

The accompanying commentary is appended to the end of these schedules.

	Regulated Airport	Wellington International Airport Ltd
	For Year Ended	31 March 2019

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

ref *Version 4.0*

25: Regulatory Asset Base Value for Land

	Unallocated RAB ($000)	RAB ($000)
Estimated value of land assets for the 2009 year	115,601	
Capital expenditure on land for disclosure year 2010	3,005	
Value of disposed assets on land for disclosure year 2010 (negative amount)	(345)	
Estimated value of land assets for the 2011 year	121,227	
Capital expenditure on land for disclosure year 2011	340	
Value of disposed assets on land for disclosure year 2011 (negative amount)	–	
Initial RAB value	119,574	118,798

Commentary

The accompanying commentary is appended to the end of these schedules.

ACCOMPANYING COMMENTARY - 31 MARCH 2019 INFORMATION DISCLOSURE SCHEDULES

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

The executive summary accompanying these annual disclosures provides further analysis and commentary on WIAL's returns over the 2015-2019 pricing period and since the beginning of the disclosure regime.

The 2019 post-tax ROI was 7.58% or 6.28%[1] excluding the $6.6m indexed asset revaluation (refer to table below).

	Incl. Revaluation ($000)	Excl. Revaluation[1] ($000)
Adjusted Regulatory Profit	36,093	29,502
Regulatory Investment Value (RIV)	476,365	469,774
Post-Tax ROI	7.58%	6.28%

[1] Under the Airport Services Information Disclosure Determination 2010 (the Determination), current year asset revaluations are included in regulatory profit but are only reflected in RIV in the following reporting period. For the purposes of the above analysis only, the current year $6.6m revaluation uplift is subtracted from both regulatory profit and RIV as WIAL considers this to provide a more meaningful comparison.

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

WIAL's adjusted regulatory profit for 2019 is $3.7m higher than the previous year (2019: $36.1m, 2018: $32.4m). Revenue increased $5.8m largely due to a 4.4% growth in passenger numbers and a CPI revaluation index of 1.48% being applied to regulatory assets, compared with 1.10% in 2018.

The higher revenue has partially been offset by a $1.6m increase in operating expenditure largely due to:

- Property rates (+$0.7m) – Reflects a growing asset base and combined with higher rates being charged by Wellington City and Greater Wellington Regional Councils.
- Insurance costs (+$0.3m) – Driven by growing asset values and rising premiums following recent global natural disasters e.g. hurricanes in the United States.
- Noise insulation (+$0.5m) – Continuing the phased roll out of the noise treatment programme for residential properties surrounding the airport. These costs fluctuate year-on-year based on levels of owner uptake and the extent of work required for each property.

Revenue growth was also offset by a $1.6m increase in the regulatory tax allowance. The detailed calculation of which is shown in schedule 3a.

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

The permanent differences and temporary adjustments included in the regulatory tax allowance were determined as follows:

- Other permanent differences - not deductible – 50% of entertainment expenditure is non-deductible for tax purposes. The adjustment for entertainment expenditure was allocated to the regulated cost base through the cost allocation methodology detailed in Schedule 10.
- Other temporary adjustments current period – These comprise of year end accruals for human resource costs (annual leave, bonus provision and ACC levies) plus audit fees that are not deductible in the year they are accrued. These adjustments were allocated to the regulated cost base through the cost allocation methodology detailed in Schedule 10.
- Other temporary adjustments prior period[2] – These comprise the human resource and audit fee year end accruals from the previous year's regulatory tax allowance calculation.

Adjustment/Difference	2019 tax return ($000)	Regulatory allocation	Regulatory tax allowance ($000)
Entertainment expenditure	41	75.8%	31
Accruals (current year)	2,554	79.4%	2,027
Accruals (prior year)	(1,855)	77.1%	(1,429)

[2] Note that the Determination currently defines "other temporary adjustments – prior period" as including depreciation. The Commission has separately confirmed that depreciation should be excluded from this adjustment and on 22 March 2012 provided WIAL with an exemption from the requirement in the Determination.

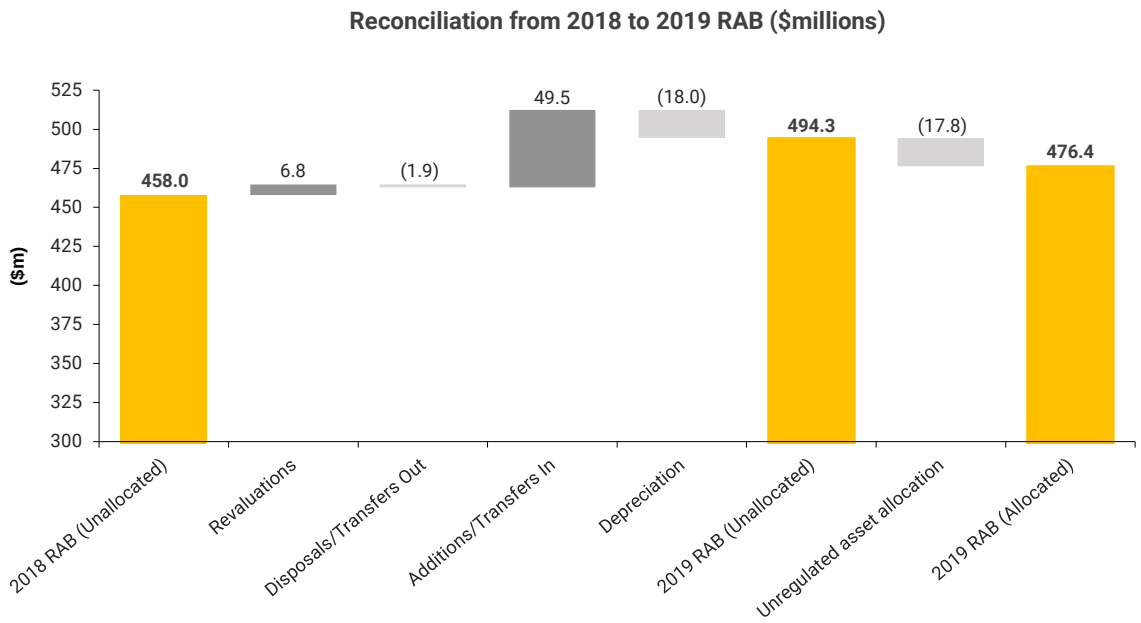
SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

The opening balance of the 2019 regulatory asset base (RAB) was rolled forward from the prior-year closing RAB without any adjustment.

Movements recognised in the 2019 RAB are as follows:

- Land revaluations – No periodic land revaluation has been applied
- Indexed revaluations – The RAB was revalued using the CPI revaluation index of 1.48%, based on inflation data published by Statistics New Zealand for the quarter ending March 2019 vs March 2018
- Assets commissioned – $43.7m of unallocated assets ($37.9m allocated) were commissioned during the period and are recognised in the RAB at cost. A summary of commissioned projects is shown in schedule 1b (ii).
- Related party transactions – When the use of an asset changes between regulated and unregulated activities, the value of that asset is transferred in or out of the RAB. In 2019 WIAL transferred out 7,844 sqm of land and the associated assets due to the establishment of new commercial carparking. 14,539 sqm of land was also transferred into the RAB reflecting new aeronautical leases and construction of shared roading access. Land transferred into the RAB is recognised using the most recent MVAU rate.
- Asset disposals – End of life computer equipment and motor vehicles have been removed from the RAB.
- Depreciation – Standard straight-line depreciation methods have been applied to the opening RAB based on WIAL's assessment of useful lives. No depreciation is recognised for the following assets:
    - land;
    - assets commissioned in the current period;
    - assets transferred in or out of the RAB in the current period; and
    - assets with an opening net book value of zero.
- Cost allocation adjustment – WIAL's methodology for allocating common/shared assets to regulated and unregulated activities has not changed from the previous year. Allocation factors, such as land areas, are updated each year to reflect changes in underlying drivers during the period.

The movement in the RAB for the year is summarized below:



Works under construction

Opening balance of unallocated works under construction

In the prior year disclosures, capital expenditure for the transport and roading project was included in the closing balance of unallocated works under construction. This treatment reflected WIAL's expectation that the works would subsequently be commissioned as a shared asset in the RAB to then be allocated between regulated airport activities and unregulated activities.

However, WIAL has now been able to identify a number of discrete assets that have been created, some being used solely for unregulated activities and others being shared with the regulated airport business. Only the components with a shared use are included in the unallocated RAB.

WIAL has adjusted the opening balance of unallocated works under construction to align with the actual value of transport and roading assets commissioned in 2019.

Adjustment resulting from cost allocation

This number represents the difference between:

- the proportion of assets commissioned in the disclosure period that are allocated to the airport business in the RAB; and
- the proportionate allocation that WIAL previously estimated when calculating "allocated works under construction"

Assets Held for Future Use

Tracking revaluations in prior disclosures have been presented as a negative number in schedule 4b (viii). From the 2019 disclosures onwards these are being presented as a positive number. This is a presentation change only and does not impact the value of assets held for future use.

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

The nature of transactions and related parties involved is consistent with the prior year (descriptions are included within schedule 5).

- Only the aeronautical portion of related party transactions is disclosed. Averages have not been reported for each category because there is no base for calculating an average unit price for these items.
- WIAL's directors are listed in the 31 March 2019 Annual Report which is available on www.wellingtonairport.co.nz
- Transactions with Infratil relate to group insurance policies and other costs that are paid by Infratil and on charged to WIAL.

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE

Capital expenditure

In the year ended 31 March 2019, actual capital expenditure was $11.0m higher than the pricing forecast, while the total PSE3 period spend was $139.8m, being $14.9m above the five year forecast. Explanations for material variances between actual and forecast spend is provided below.

Project/Programme	Explanation of variance
Marine protection	The forecast for marine protection provided for reactive maintenance and the manufacture/installation of Akmons blocks on the Southern and Western Seawalls. Actual spend is driven by the timing and extent of degradation of existing structures which are reaching the end of their useful life. Work is ongoing to assess future work required on seawall and breakwater assets.
Gates, aprons and movement areas	Capital expenditure for gates, aprons and movement areas is managed as a total airfield programme. The 2019 forecast only allowed for standard annual maintenance but WIAL also completed resurfacing of the taxiway during the

	period. The total PSE3 variance also relates to this project, the cost of which was higher than anticipated due to: • Growth in construction costs over the five years since the pricing forecast was developed. • Extensive work also being undertaken to progressively enhance this asset and address regulatory requirements by widening the taxiway, realigning centrelines, and installing resilient in-ground lighting systems
Operational compliance works	The total PSE3 and 2019 forecast included provision for jet blast deflectors, Nose-In-Guidance units (NIGs) and an upgrade of the pedestrian subway which runs beneath the airfield: • The pedestrian subway upgrade was completed in 2015 at a lower than budgeted cost. • The installation of NIGs has been completed on eight gates so far, with the remainder due for completion November 2019. • WIAL commissioned Opus to carry out a detailed Jet Blast Study on the ends of the runway. The results showed that based on the current aircraft fleet mix and schedules, the existing jet blast deflectors offer sufficient public protection at this point in time.
Other airfield (including clearway)	The Clearway project was included in the PSE3 forecast but was actually completed earlier than expected in 2014 (i.e. during PSE2).
Relocation AFS/Airside operations	Capital expenditure on the relocation of AFS/Airside Operations was envisaged as being required during the PSE3 pricing period but is now expected to be progressed in the PSE4 pricing period, subject to consultation with airlines.
Movement area guidance signage (MAGs)/guard lights	Installation has now been completed, but this occurred later than forecasted as WIAL deferred the project to align with Airways New Zealand's airport works programme. The cost of this work was lower than expected.
Runway capacity utilisation enhancements	The 2019 spend relates to the implementation of the real-time runway reporting system. This provides live data on the condition and performance of the runway, including the amount of surface moisture that may impact aircraft. Airport stakeholders can make informed decisions to improve safety, efficiency and availability of services. The PSE3 forecast included provision for two rapid exit taxiways from the runway. After further investigation WIAL concluded that this would not deliver the required benefits.
Southern apron development (stage 2)	Additional southern apron works were undertaken as part of the Terminal South Extension (described below).
Terminal South Extension	The PSE3 forecast for the Terminal South Extension project ("TSE") was broken down into separate terminal and apron elements but the actual expenditure was subsequently combined due to the interdependencies between the two elements of the project. The TSE project was opened in November 2016, and was delivered within the Board approved budget. Actual capital expenditure for TSE was $50.4m compared to PSE3 forecast of $43.6m across the two TSE key capital expenditure projects. The project had been expected to enter the construction phase in August 2014 but construction did not ultimately commence until December 2014 due to an extended period of consultation with substantial airline customers. The scope of the project also increased compared to the pricing forecast, primarily due to increased demand on turbo prop aircraft parking driving changes to project sequencing and the addition of additional airfield in-ground lighting works not originally in scope.
Main terminal building - central hall and building flow	These works were nearing completion as at 31 March 2019, with two air handling units being removed from the main terminal hall to reduce congestions by creating more space for passenger services and opening up circulation areas. The project commenced later than expected due to the delays with the southern terminal extension.
Multi-level transport hub – roading and infrastructure	The Transport Hub was not included in the PSE3 forecast. The new structure includes certain shared roading elements which provide access for pick-up and drop-off as well as facilitating other ground transport movements. The $5.6m

	spend represents the aeronautical component of expenditure on shared elements of the project.
North terminal development – domestic passenger facilitation	The North Pier reconfiguration work was completed in January 2015 for $1.6m, below budget of $2.0m.
International arrival enhancements	This project was not included in the PSE3 forecast, but was required to facilitate the large unforeseen growth in passenger numbers (+3.0% compared with forecast).
Noise mitigation works (WANT)	This category relates primarily to the acquisition of noise affected houses surrounding the airport. However, the timing and value of acquisitions is dependent on home owners deciding to sell. WIAL made six house purchases during PSE3, compared with the forecast of 18 for the period. The disclosed spend on the six houses purchased is low because the buildings have been removed and written-off after purchase (treated as operating rather than capital expenditure).
Other (including other airside works)	Other capital expenditure (including other airside works) was $4.6m in 2019 compared to a forecast of $1.6m and totalled $24.3m across PSE3 compared with a forecast of $16.0m. This category covers a number of individual projects costing less than $5.0m: • $6.5m – Information technology investments including self-service common-use terminal equipment, upgrades to the core network, installing resilient internet infrastructure and free wifi, and transitioning to cloud-based software • $3.1m – Construction of a new truck dock way and rubbish/recycling facility • $1.6m – Equipment and on-site facilities for airport operations and maintenance teams • $1.5m – Upgrading the Airport Fire Service vehicles • $1.5m –Extending the life of the baggage handling system and implementing domestic baggage hold changes required by regulation • $0.5m – Enhancing Regional Departure Processing systems to provide greater reliability and efficiency • $9.6m – Average $1.9m annual spend on other minor capital items. The 2019 spend included health and safety initiatives, flights information display screens (FIDS), UHF radio and communications upgrades and fire safety improvements for the terminal.

Operating expenditure

Total operating expenditure over PSE3 was $100.6m, being $2.0m or 2.0% higher than forecast. Operating expenditure for 2019 was $24.1m compared with a forecast of $19.5m.

Passenger numbers are a core operating expenditure assumption and calculation driver for cost forecasts. WIAL's actual total passenger numbers over the 5 year pricing period were 861,000 or 3.0% higher than anticipated. Towards the end of PSE3 this has driven increases in costs such as operational staffing, consumables, and cleaning. It also has a flow on effect on airport overheads for corporate support and maintenance.

Other drivers of the variance between actual and forecast operating expenditure for 2019 were:

- Rates and insurance (+$1.1m) – Asset valuations have resulted in significant uplifts in rateable and insurance values, councils have increased rates more than expected, and recent worldwide natural disasters have driven up insurance premiums.

- Wellington Airport Noise Treatment Ltd (+$1.1m) – Buildings acquired as part of the noise treatment programme have been removed and written-off after purchase. This is treated as an operating expense while the PSE3 forecast assumption was that all acquisition-related costs would be capital expenditure.

- Software and computer maintenance (+$0.4m) – License fees for cloud systems are an operating rather than capital expense. An increasing number of WIAL's systems are moving to cloud solutions which are more secure, effective and reliable. This trend is forecast to continue over PSE4.

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

The segmented outcomes in schedule 7 produce the following returns on investment for each regulated activity, compared with 2018:

	2019 ROI Incl. Revaluations	2019 ROI Excl. Revaluations[1]	2018 ROI Incl. Revaluations	2018 ROI Excl. Revaluations[1]
Specified passenger terminal	7.7%	6.4%	6.7%	5.7%
Airfield	8.0%	6.7%	7.9%	6.9%
Aircraft and freight	5.2%	4.1%	4.9%	3.8%

[1] Refer to footnote 1 under commentary for schedule 1.

WIAL confirms that rental levels for individual tenants are established via commercially negotiated agreements, following receipt of advice from valuers and negotiations with tenants or prospective tenants. Valuers, in forming their advice, establish commercial valuations of the properties which reflect their expectation of market rental levels.

SCHEDULE 8: CONSOLIDATION STATEMENT

Operational expenditure

WIAL's airport business expenditure is determined using the cost allocation methodology detailed in schedule 10.

Depreciation, Revaluations and Property, Plant & Equipment

WIAL's airport business property, plant and equipment is allocated using the methodology detailed in schedule 9. The regulatory value of assets in the RAB differs from the value under GAAP financial reporting due to:

- Depreciation – The Input Methodologies (IMs) prescribe calculation rules for regulatory depreciation which differ from financial reporting requirements. For example, depreciation on newly commissioned assets is not recognised in the year of acquisition for regulatory purposes but under GAAP depreciation commences from the month of acquisition. Similarly, in respect of transfers to/from the regulated asset base the IMs preclude recognition of regulatory depreciation in that year while these assets are depreciated for financial reporting purposes.

  Under GAAP, WIAL also recognises salvage values for a number of assets in its depreciation calculations meaning these assets will not be depreciated to nil. The IMs depreciation formula does not recognise salvage values.

- Land – Land in the RAB is periodically revalued using a Market Value Alternative Use (MVAU) method, while for financial reporting a fair value approach is applied - Market Value Existing Use (MVEU).

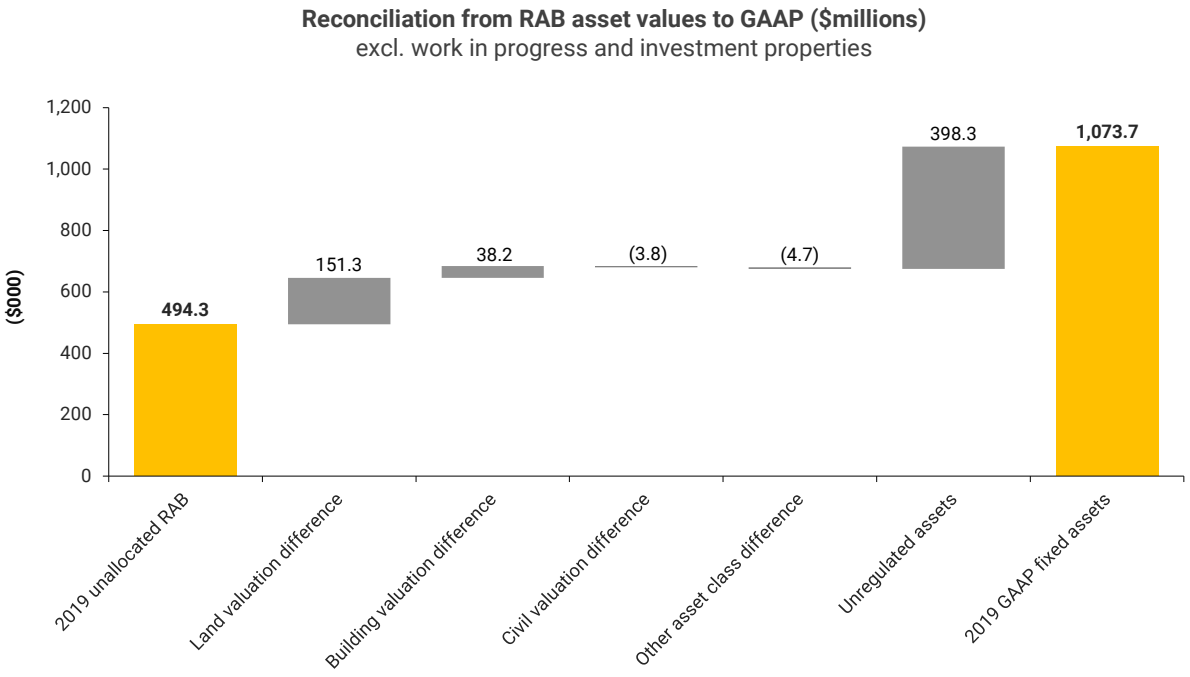
- Civil assets – In the RAB, civil assets are initially recognised at cost and are subsequently revalued each year based on a CPI index. However, valuations for financial reporting civil assets are carried at fair value through periodic revaluations at optimised depreciated replacement cost.

- Other asset classes – All other asset classes in the RAB are also initially recognised at cost and subsequently revalued each year based on a CPI index. For financial reporting, other asset classes are not revalued.

- Tax Expense – The annual tax expense calculated for financial reporting purposes includes recognition of deferred tax adjustments in respect of non-land and building structure assets and the actual financing arrangements undertaken by WIAL. The calculation of the tax expense per the IMs does not recognise deferred tax adjustments and includes a notional tax deduction for financing costs calculated in the manner prescribed by the IMs.

- Future use assets – These assets are excluded from the RAB, but are included in the airport company GAAP assets for financial reporting purposes.

A summary of the differences between the regulatory RAB and financial reporting asset values is shown below.



SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

The asset allocation methodology is unchanged from the prior year, but allocation rates have been updates to reflect changes in the underlying driver (such as land areas). All commentary is provided within schedule 9.

SCHEDULE 10: REPORT ON COST ALLOCATIONS

The cost allocation methodology is unchanged from the prior year, but allocation rates have been updates to reflect changes in the underlying driver (such as land areas). For 2019, allocated airport business expenditure is equivalent to 67.7% of total operating expenditure (2018: 67.8%). All commentary is provided within schedule 10.

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

During this reporting period, there were no reported occurrences involving pavement assets, or FEGP.

The overall number of occurrences is similar to last year across the individual reporting elements.

There were 29 occurrences involving the baggage handling sortation system. 12 of these were attributable to the New Zealand Aviation Security Service Explosive Detection X ray machines which are an integral part of the departure baggage flow system but remain out of the realm of control of WIAL. Technical service personnel for these specialist AVSEC machines are based in Christchurch, which led to extended recovery times, 4 of which were in excess of 10 hours duration.

There were 15 contact stand/aerobridge faults, similar in number from last year but resulting in a lesser period of down time than from last year. 4 separate occurrences involving aerobridges, resulted in a delay of 4 flights during the year as a result of not being able to retract the aerobridge safely from the aircraft upon departure. The cumulative OTP delay for these 4 flights was 2 hours. In 2019 WIAL installed the world's first fully automated aerobridge docking system on one domestic gate and one international gate. On request of the airlines all remaining apron drive aerobridges will be fitted out with the same system in 2019. This automated system remove the risk of operator error and is expected to reduce the number of faults in the future.

SCHEDULE 12: REPORT ON CAPACITY UTILISATION INDICATORS (AIRCRAFT & FREIGHT AND AIRFIELD)

Busy Day and Busy Hour Information

WIAL commissions Airbiz Aviation Strategies Limited (Airbiz) to provide advice on the information disclosed in this schedule. The methodology applied in determining the busy day and busy hour for the runway complies with the definitions contained in the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010.

Runway

WIAL's runway capacity varies depending on the direction of use (runway 16 or 34) and weather conditions. During the FY19 busy hour, there were 32 movements which is below available capacity in clear weather conditions (VMC conditions) but exceeds available capacity for poor weather conditions (IMC conditions).

WIAL expects that the demand on runway availability will increase in the future as aircraft movements grow to accommodate the forecast increase in passengers. WIAL anticipates that aircraft movements will not increase at the same growth rate as passengers because of an increase in the average size of aircraft utilised.

WIAL continues to work with the airlines, Airways New Zealand and other stakeholders to:

- implement measures to manage the prospective congestion;
- plan and deliver capital works that increase capacity; and
- identify other initiatives that improve runway movement capacity and/or efficiency

Aircraft Parking Stands

WIAL has 12 aircraft stands available with aerobridge services. The 8 WIAL parking stands adjacent to the North Pier are swing gates and therefore available for international as well as domestic use. As the parking stand capacity data reported is for a busy day period we have included the North Pier aircraft gates as being available for both international and domestic aircraft. On the runway busy day there were no aerobridges out of service.

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

WIAL operates a common use terminal facility with a number of areas and systems serving both domestic and international passengers. However, to meet requirements for passport control WIAL has some separate facilities for international departures. The utilisation data in schedule 13 reflects the use of the terminal for international, domestic or common passengers as appropriate.

Passenger Data

WIAL commissioned Airbiz to provide the passenger busy hour and busy day information required to be reported in this Schedule. Airbiz were provided with the aircraft movement and passenger data that WIAL received from Airways and airlines for the year. Major airlines provided detailed information to WIAL on passenger numbers carried for each flight allowing an assessment of arriving and departing passengers on an hourly basis. Airbiz applied the adjustments per the Determination as required (i.e. the allowance for domestic transfer and transit passengers in the check-in passenger throughput).

Baggage Reclaim

WIAL does not have the technical capacity at present to count bags processed by the baggage reclaim units. WIAL has used benchmarked information to calculate the assumptions for the number of bags carried per passenger:

- For international passengers - an average of 0.5 bags for each international passenger; and
- For domestic passengers - an average of 0.5 bags.

These figures cover all passengers, including those who only travel with carry-on baggage. WIAL has applied these assumptions in estimating the bags processed during the passenger busy hour.

Two baggage reclaim carrousels continue to be used as standard for international arrivals with carrousels being allocated to alternate flights to improve passenger distribution within the arrivals hall. This is facilitated by the use of moveable walls that temporarily extend the international arrivals hall.

Determination of Capacities

Notional capacities were determined as follows:

- Airbiz were engaged to provide advice on all floor areas reported in this schedule, which relies on building plans and updates provided by WIAL.

- Baggage (outbound) – Capacities were advised by the system manufacturer, Glidepath, for the two outbound baggage units operated by WIAL and the X-ray machine process operated by Avsec.

- Baggage reclaim – The baggage system manufacturers, Glidepath, advised that the technical capacity of each baggage reclaim belt is 1,800 bags per hour derived from one bag per metre loaded onto the belt and a belt speed of 0.5m/s. The practical capacity is considered to be lower as baggage handlers are unlikely to be able to load bags to this capacity and recirculating bags reduce the ability for new bags to be loaded.

- Passport control – Advised by Airbiz based on methodology previously confirmed with New Zealand Customs:
    - **Conventional outbound counter –** 30 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to counter
    - **Outbound SmartGate –** 22 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to gate
    - **Conventional inbound counter –** 50 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to counter
    - **Inbound SmartGate –** 22 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to gate

- Security screening – Advised by Airbiz based on methodology previously confirmed with Avsec, reflecting the number of screening stations multiplied by the quantity of passengers that can be processed per hour. International - 2 stations at 270 passengers/hour and domestic - 5 stations at 270 passengers/hour.

- Biosecurity screening and inspection and customs secondary inspection – Advised by Airbiz based on methodology previously confirmed with the Ministry of Primary Industries. Capacity being 190 passengers per hour per screening station (currently four available), and assuming that 50% of passengers will be assessed and released without further inspection.

Terminal Floor Areas

Changes to floor spaces from the previous disclosure year are explained in the tables below.

Outbound

Zone	Change in floor space ($m^{2)}$	Comments
Landside circulation (common)	-182	*Common area serving outbound and inbound passengers:* 131m^2 of landside circulation area was converted into passenger waiting areas in the main terminal hall as part of the ongoing terminal optimisation project – see corresponding increase in area below. The remaining area is being utilised to provide additional food and beverage options while works continue to refurbish the terminal building.
Departure lounges (domestic)	131	See notes above for corresponding decrease in floor space in landside circulation (common).

Inbound

Zone	Change in floor space	Comments
Landside circulation (common)	-182	*Common area serving outbound and inbound passengers: See notes in outbound table above.*

SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS[3]

WIAL operates a common use terminal with most facilities used by both domestic and international passengers. The survey outcomes for WIAL's facilities therefore reflect the views of each category of passengers rather than service levels for separate terminals. The survey measures are reported on a scale of 5, with higher score being positive.

WIAL continues to rate highly in its ASQ scores and for the second year in a row the average for both domestic and international passenger surveys was 4.3 (based on those survey categories included in Schedule 14). The average annual score for all survey categories was above 4.0 for 2019, indicating a high quality of service across all aspects covered.

The survey fieldwork documentation is available on WIAL's website www.wellingtonairport.co.nz

[3] International passengers are asked to provide a score for "ease of making connections with other flights". WIAL notes that there is generally insufficient passengers that connect from other flights to enable a statistically representative average score to be calculated by the ASQ programme managers. This occurrence is because passengers largely travel direct to/from Wellington airport. In 2013, WIAL received an on-going exemption from the Commission to not publish this score where it is not able to be provided by the ASQ programme managers.

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

Reporting

The reporting cycle below is designed to identify and act on opportunities for continuous improvement in airport efficiency and customer service, and in a timely manner.

WIAL internal reporting:

- Daily operations briefings are held between duty managers and senior management, with any issues or lessons learned from the day being discussed and documented
- Weekly Executive Team meetings
- Bi-monthly Board meetings
- Quarterly Audit & Risk committee meetings

WIAL stakeholder reporting:

- Fortnightly meetings with airline management on service delivery and performance
- 3 meetings a year with all airport stakeholders focused on service disrupts and what have we learned/what can we do better
- Integrated Operations Center with 24/7 monitoring of airport operations (in collaboration with Air New Zealand and Avsec)

In addition, WIAL actively monitors and manages performance with the help of the following tools:

- Baggage Input Consoles – First bag/last bag on belt reporting
- Airport Service Quality and Net Promotor Score surveys – Quarterly passenger feedback
- Q-Pulse – Occurrence and interruption reporting
- BEIMS – Facilities management including tracking of faults and repairs
- SCADA – Baggage handling and aerobridge performance and fault monitoring
- SBO – Safe behaviour observation reporting
- Hazard ID – Health and safety hazard reporting
- Building Management System – Energy and climate
- ACDM – Aircraft congestion and delays reduction and monitoring tool
- Metconnect – Weather information to assist operational decision making for ground handlers and airlines

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

Aircraft, airline, passenger and terminal access statistics

The aircraft and passenger statistics disclosed are based on monthly data provided to WIAL:

- Aircraft movement data from Airways;
- Passenger and flight details from major airlines operating scheduled services; and
- Passenger numbers on a monthly basis from the small regional commuter airlines.

In 2019, all international air passenger services were jet aircraft. WIAL currently has sufficient capacity for all jet services (both domestic and international) to be boarded/unboarded via airbridge.

Human resource statistics

The split of WIAL's full time equivalent (FTE) employees across the three categories of specified airport services is calculated using management's assessment of the time spent by each employee on the various areas of the business. To the extent an employee is deemed to be working on unregulated activities, they are excluded from this disclosure.

31 March 2019 FTE allocated to specified airport activities is 91.2 (31 March 2018: 84.8). The increase is largely due to additional resource required for the following:

- Operational staff to provide queue management and improved focus on customer service for increasing passenger numbers
- Manager for the Airport Fire Service to lead emergency responses, legislative compliance, training and development and day-to-day operations
- Facilities management, including maintenance of the end of life baggage handling system and bringing more repairs and maintenance costs in-house

The allocation of human resource costs to the regulated business is undertaken using the methodology detailed in schedule 10.

SCHEDULE 17: REPORT ON PRICING STATISTICS

Changes to statistics

In 2019, MCTOW tonnage in schedule 17 is inclusive of both aircraft landings and departures. In WIAL's disclosures for prior periods, this schedule only reflected aircraft landings. The updated approach results in higher disclosed MCTOW tonnage and lower disclosed average charges.

The below table lists the statistics impacted by this change and provides comparable figures for 2018:

	2018 **landings only**	**2018** **landings & departures**	**2019** **landings & departures**
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	459,779	919,558	872,801
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	845,341	1,690,683	1,804,986
Total MCTOW of international flights	280,621	561,243	577,191
Average charge ($ per tonne) from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes	$18.89	$9.44	$10.17
Average charge ($ per tonne) from airfield activities relating to domestic flights of 30 tonnes or more	$28.81	$14.41	$15.32
Average charge ($ per tonne) from airfield activities relating to international flights	$39.43	$19.72	$19.82

Commentary

WIAL's charges for the year ended 31 March 2019 were set through the PSE3 consultation which was completed in June 2014 for prices effective 1 June 2014 to 31 March 2019. The Schedule of Charges for the PSE3 pricing period are available on WIAL's website (www.wellingtonairport.co.nz).

For the 2019 disclosures the aircraft weight and passenger statistics were derived from the Airways and airline data provided to WIAL as described in Schedule 16.

WIAL's charges are set for each service to incentivise the efficient use of the services. These include:

- Airfield services – a mix of aircraft weight and per passenger charges
- Specified terminal services – per passenger charges
- Aircraft parking – time based charges.
- Check in facilities – time and occupied area based charges.
- Noise mitigation and insulation – per passenger and charges.

Revenue from each of these charges has been grouped into each of the categories required in this Schedule. The average charges per tonne and passenger shown in the Schedule will therefore not correspond directly with WIAL's Schedule of Charges.

WIAL's average charge per passenger and per tonne of aircraft weight demonstrate that the circumstances of each individual airport influence any direct comparison between airports. In particular:

- WIAL's average charge per tonne is considerably higher than those disclosed by both Auckland and Christchurch airports. This is inconsistent with the average passenger charge and reflects the difference in the aircraft types using the three airports. In particular, both Auckland and Christchurch airports are serviced by a higher number of wide body long haul aircraft compared to WIAL. These aircraft have a significantly higher weight per passenger seat compared to the smaller aircraft operating at WIAL. This increases the relative volume of chargeable MCTOW and results in an average charge per tonne at Auckland and Christchurch airports that is below that at WIAL.
- The Schedule of Charges implemented by WIAL from 1 June 2014 were structured so that over the five year pricing period average revenue for each category of passenger moved closer to each other to reflect common use of the facilities. The change in charging transitioned progressively over the five year period and resulted in average charges per international passenger decreasing and average charges per domestic passenger increasing.
- WIAL has adopted a pricing methodology designed to recover the cost of providing specified aeronautical services through charges which incentivise the efficient use of, and investment in, WIAL's assets in accordance with expert advice. This was consistent with the methodology adopted in PSE2 but with some enhancements to the methodology made to incorporate airline feedback. Feedback was particularly relevant regarding the new charges implemented in PSE2 such as peak/shoulder charges and aircraft parking charges. Examples of price structure changes adopted for PSE3 were:
    - A more gradual approach to the introduction of peak/shoulder charges;
    - A reduction in the charges for check-in counter usage;
    - A more gradual movement toward comparable charges per passenger across different aircraft types; and
    - A relaxation of the times during which aircraft parking is payable.

These changes preserve WIAL's objective to encourage efficient use of WIAL's facilities but also reflect the experience and learnings of PSE2 by incorporating modifications put forward by airlines to simplify the application of the price structure. Further comprehensive comment on WIAL's process, and methodology for PSE3 is provided in the Price Setting Event Disclosure which is available on WIAL's website.

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

Schedule 25 is a one-off requirement for the 2019 year, required by the Commission's December 2017 amendments to the Information Disclosure Determinations.

The information provided is an estimate of the unallocated and allocated initial RAB value for land, as at calendar year 2010.

The calculation is based on the following formula provided in the Input Methodologies:

$$= a + \frac{\big(d - (b + e) - (c + f)\big)}{2} + b + c$$

Where

a is the estimated value of land assets for the 2009 year
b is capital expenditure on land for the 2010 year
c is the value of disposed land assets for the 2010 disclosure year
d is the estimated value of land assets for the 2010 year
e is capital expenditure on land for the 2011 year
f is the value of disposed land assets for the 2011 disclosure year

Independent Reasonable Assurance Report to the directors of Wellington International Airport Limited

Opinion

Our reasonable assurance opinion has been formed on the basis of the matters outlined in this report and is for the year ended 31 March 2019.

- We have concluded that, subject to clause 2.6(3) and as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Airport Disclosure Schedules have been kept by the Company and the Airport Disclosure Schedules are based on these records;
- The disclosure information in Schedules 1 to 17 and Schedule 25, complies in all material respects, with the Determination;
- The historical financial information in Schedules 1 to 10 and Schedule 25 pursuant to clause 2.3(1) of the Determination have been prepared, in all material respects, in accordance with the Determination; and
- Subject to clause 2.6(3), the non-financial information in Schedules 11 to 17 pursuant to clause 2.4(1) of the Determination complies, in all material respects, with the Determination.

Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to Schedules 1 to 17 and Schedule 25 for the regulatory year ended 31 March 2019 ('the Airport Disclosure Schedules'), prepared by Wellington International Airport Limited ('the Company') in accordance with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010, as amended in 2017 (the 'Determination') .

Criteria

The Determination is the criteria which the Airport Disclosure Schedules were evaluated against. The Airport Disclosure Schedules may not be suitable for other purposes.

Standards we followed

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* (ISAE (NZ) 3000) and Standard on Assurance Engagements SAE 3100 *Compliance Engagements*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In accordance with those standards we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable assurance that the Airport Disclosure Schedules are free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

How to interpret reasonable assurance and material misstatement

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

Misstatements, including omissions, within the Airport Disclosure Schedules are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the Airport Disclosure Schedules.

Use of this Assurance Report

Our report should not be regarded as suitable to be used or relied on by any party's other than Wellington International Airport Limited for any purpose or in any context. Any party other than Wellington International Airport Limited who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Wellington International Airport Limited for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to Wellington International Airport Limited on the basis that it will be published along with the Airport Disclosure Schedule on the Company's website and distributed to the Commerce Commission.

Our report provides assurance that the forecast information included in the disclosures required by Schedule 6 of the Determination has been extracted from the forecast information prepared by the Company and used in the Price Setting Event Disclosure for the period 2014 - 2019. However, to avoid doubt, it does not provide any assurance that forecast information was accurate or reasonable or achievable, or that it subsequently proved to be accurate. We have no obligation to update our report for any subsequent changes that affect forecast information.

Directors' responsibility for Airport Disclosure Schedules

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

Our responsibility

Our responsibility is to express a conclusion to the directors on the preparation and presentation of the Airport Disclosure Schedules in accordance with the Determination. In accordance with the Determination we owe a duty of care to the Commerce Commission and our engagement has been planned and performed in recognition of this duty of care.

Our independence and quality control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided audit, assurance and taxation compliance services to the company. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as assurance providers of the company for this engagement. The firm has no other relationship with, or interest in, the company.

KPMG

KPMG
Wellington

30 August 2019