



WELLINGTON INTERNATIONAL AIRPORT LIMITED

SPECIFIED AIRPORT SERVICES - ANNUAL INFORMATION DISCLOSURE

FOR THE YEAR ENDED 31 MARCH 2022

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 2022, which represents the twelfth year of disclosure reporting and the third year of Price Setting Event 4 (PSE4).

WIAL's passenger numbers and aircraft movements are still recovering from the impacts of Covid-19, with 3.5 million passengers in 2022 compared to 6.2 million in 2020. Certain measures in these disclosures should therefore be considered in the context of the reduced volumes.

We consider 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. Any assessment of airport performance should also consider both past and forecast returns. 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.

This Executive Summary includes comment on WIAL's performance in relation to the four limbs set out under the Act:

- ➔ 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

We have again taken an additional step to prepare a separate regulatory performance summary, which accompanies, but does not form part of, the Annual Disclosure. This document is available at www.wellingtonairport.co.nz/business/investor-services/regulatory-disclosures

2. Investment in Infrastructure, Innovation and Improving Efficiency

Context

WIAL aims to deliver new infrastructure at the time and scale required to support growth, ensuring that the airport continues to provide quality, safe and efficient facilities but also aeronautical charges that represent value for money.

Prior to the emergence of Covid-19, WIAL was serving 6.2 million passengers a year and was preparing for this to double to 12 million passengers by 2040. To meet the demands of this growth, we consulted

with airline customers and other key stakeholders to develop our 2040 Masterplan. This provided the framework for the future investment required to meet changing regulatory requirements and to enable WIAL to maintain service levels as the airport grows.

The emergence of Covid-19 had a significant impact on travel-demand and WIAL responded by pausing investment in growth-driven projects, reconsulting with stakeholders, and resetting the Masterplan timing accordingly. Through this process, forecast capital expenditure for PSE4 was reduced from \$540m to \$299m.

2022 Update

The arrival of the Omicron variant in New Zealand and continuation of travel restrictions meant WIAL's passenger numbers were significantly below PSE4 forecasts for 2022:

	2022 Actual (000s)	2022 Forecast (000s)	Variance (000s)	Variance (%)
Domestic Passengers	3,481	4,442	(961)	(22%)
International Passengers	48	290	(242)	(83%)
Total Passengers	3,529	4,732	(1,203)	(25%)

Our focus has therefore remained on managing cashflows, including prioritising capital investment and retaining the cost savings achieved over 2020/2021 wherever possible. However, we continued to progress those essential works needed for regulatory, resilience and safety reasons as set out in schedule 6 of the Disclosures. This included beginning reconstruction of our apron taxiway for the first time since the Airport opened in 1959.

Delivering a small cashflow surplus for the year and avoiding any increase in debt levels was an exceptional outcome in the circumstances, but ultimately required WIAL to defer forecasted spend on many growth-driven projects. We remain committed to delivery of the Masterplan as cashflows recover and the trajectory of the passenger recovery becomes clearer.

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.

Reliability and Capacity

The reliability measures reported in schedule 11 of the Disclosures show that notwithstanding suppressed aircraft movements for the year, WIAL is providing quality infrastructure and facilities, with just 3.5 hours of delays to on-time flight departures during 2022 (and only 25 minutes of delays being

attributed to the airport).

However, WIAL recognises that the baggage system is reaching the end of its useful life and considers that a number of outages in recent years to be contributable to ageing equipment. WIAL is working through the design process for a replacement system with customers and stakeholders, incorporating the changes to Aviation Security screening standards soon to be adopted. The investment in a new system is currently expected in PSE5 and in the interim, minor works and system optimisation are being undertaken to manage performance of the equipment.

Reduced passenger numbers in 2022 mean the busy hour capacity metrics in schedule 12 and 13 show a lower level of utilisation compared with pre-Covid. WIAL continues to monitor trends in these metrics to inform investment requirements and expects utilisation levels to increase as passenger numbers recover.

Customer Surveys

Airport Service Quality (ASQ) results are not available for the 2022 as the surveys were suspended in response to Covid-19 for safety and financial reasons, but historic results show WIAL achieves consistently strong results across all key service indicators. From 2018–2020 WIAL maintained an average score of 4.3 out of 5.0 from both domestic and international passengers and for the 2020 period WIAL was ranked 3rd in Australasia*.

In the interim, WIAL has continued to monitor passenger satisfaction through an alternative survey and 2022 results are provided in the commentary for schedule 14.

Overall, survey results showed passengers were highly satisfied with their experience at Wellington Airport and 97% of respondents said they felt safe travelling despite the Covid-19 situation. However, feedback also indicated that passengers wanted to see a return of express airport bus services (which was relaunched in July 2022) and an ongoing focus on the comfort of waiting areas.

WIAL has recommenced the ASQ survey programme for the quarter ended 30 June 2022.

*Source: ACI ASQ survey results from Q2 2019 – Q1 2020

Noise Mitigation

Wellington Airport is mindful of the effects of airport noise on the local community, and we're dedicated to careful monitoring and management.

Wellington Airport noise management is guided by its Noise Management Plan (NMP). The NMP includes methods and processes for remedying and mitigating adverse effects of airport noise, and to help aircraft operators to comply with noise rules contained in the Airport's Designation. It includes:

- ➔ Strictly governing the total noise for aircraft movements at Wellington Airport.
- ➔ Controlling hours of flight with a curfew in place (from midnight to 6am for domestic flights and international departures, and from 1am to 6am for international arrivals, with allowances for delayed flights, public holidays and exemptions for emergencies).

- ➔ Implementing the Quieter Homes noise mitigation package, offering homeowners within the airport's Air Noise Boundary a subsidised package of acoustic mitigation treatment designed to reduce aircraft noise.
- ➔ Controlling engine testing and improving the airport's layout and equipment to reduce ground noise.
- ➔ An airport wide construction noise management plan.

Compliance with the NMP is monitored by the Wellington Air Noise Management Committee, which was formed in 1997. This committee is a partnership between the airport, the community and other stakeholders for issues related to noise at Wellington Airport.

Kaitiakitanga – Our People, Community, & Environment

We aim to manage our operations efficiently, to care for our environment, our people, support the local economy and to give back to the community.

The airport is proud of our team spirit and passion for promoting New Zealand's capital city and the region. Equally important is our contribution to the Wellington community and New Zealand economy, the people we employ and environmental sustainability.

By 2030 we aim to reduce our operational carbon emissions, waste to landfill and terminal potable water use by 30% (against a 2017 baseline). To achieve these targets, the airport is adopting energy efficient and sustainable construction into our projects. We are also making end-to-end changes in our waste management processes.

Our carbon emissions target is absolute, which means we are committed to reducing our operational emissions irrespective of airport growth.

We are committed to supporting the decarbonisation of the aviation industry and are engaging with our airline customers to understand their future infrastructure needs, including electric charging facilities for aircraft and ground service equipment. The industry achieved an exciting milestone during the period with the first electric aircraft to cross the Cook Strait touching down at Wellington Airport. Sounds Air also announced their plans to have electric aircraft services operating from Wellington by 2026.

Our annual Kaitiakitanga report for the 2022 financial year is available at www.wellingtonairport.co.nz

4. Sharing the Benefits of Efficiency Gains and Growth

WIAL is doing its part to support the recovery of the travel industry and the economies of Wellington and New Zealand. We consulted with airlines to achieve a PSE4 outcome that will drive a return to passenger growth, deliver cost efficiency and reduce the impact of pricing on customers at this challenging time:

- ➔ Prices were held at FY19 rates throughout FY20 and FY21 to enable extended consultation on capital expenditure and to avoid a potential price increase while the industry grappled with the impacts of the pandemic.

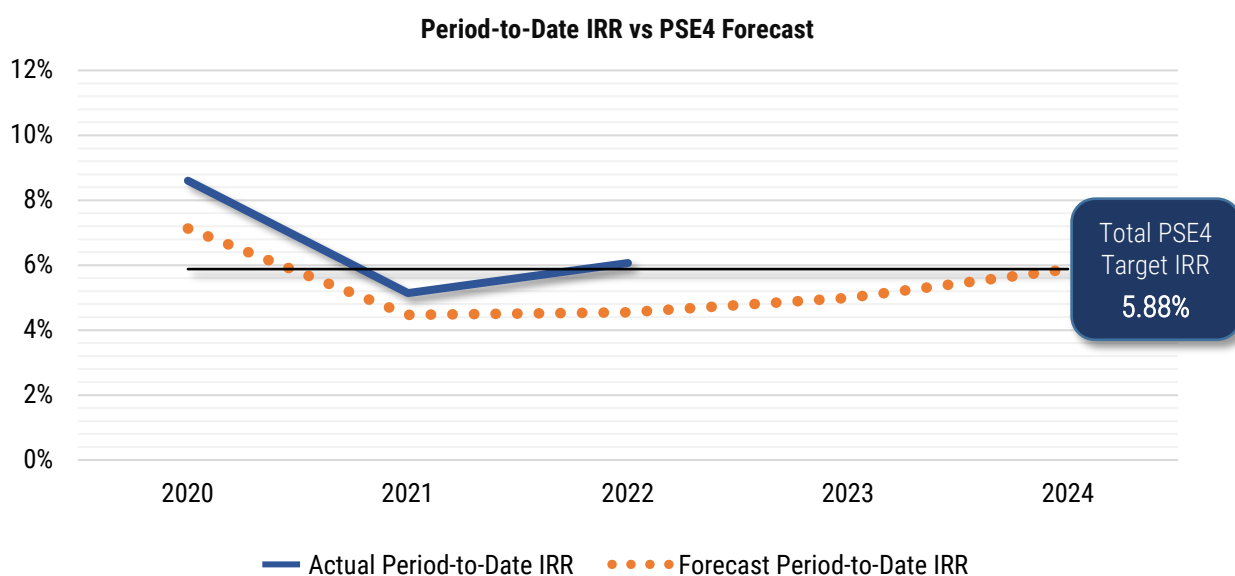
- We resized the business to achieve significant cost reductions, resulting in an \$18.6m (13%) reduction in forecast operating expenditure for the price period.
- Capital expenditure was rephased to align with demand and the PSE4 forecast spend was subsequently reduced by \$243m.
- We set a concessionary price path targeting an average \$15 per passenger charge at the end of PSE4 and deferring \$20m revenue to PSE5 (\$15.1m post tax).
- A passenger wash up will be calculated at the end of PSE4. This effectively provides a passenger volume risk share arrangement with airlines and was a sensible approach to addressing ongoing uncertainty in the Covid-19 environment.

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

2022 and PSE4 Period-to-Date Returns

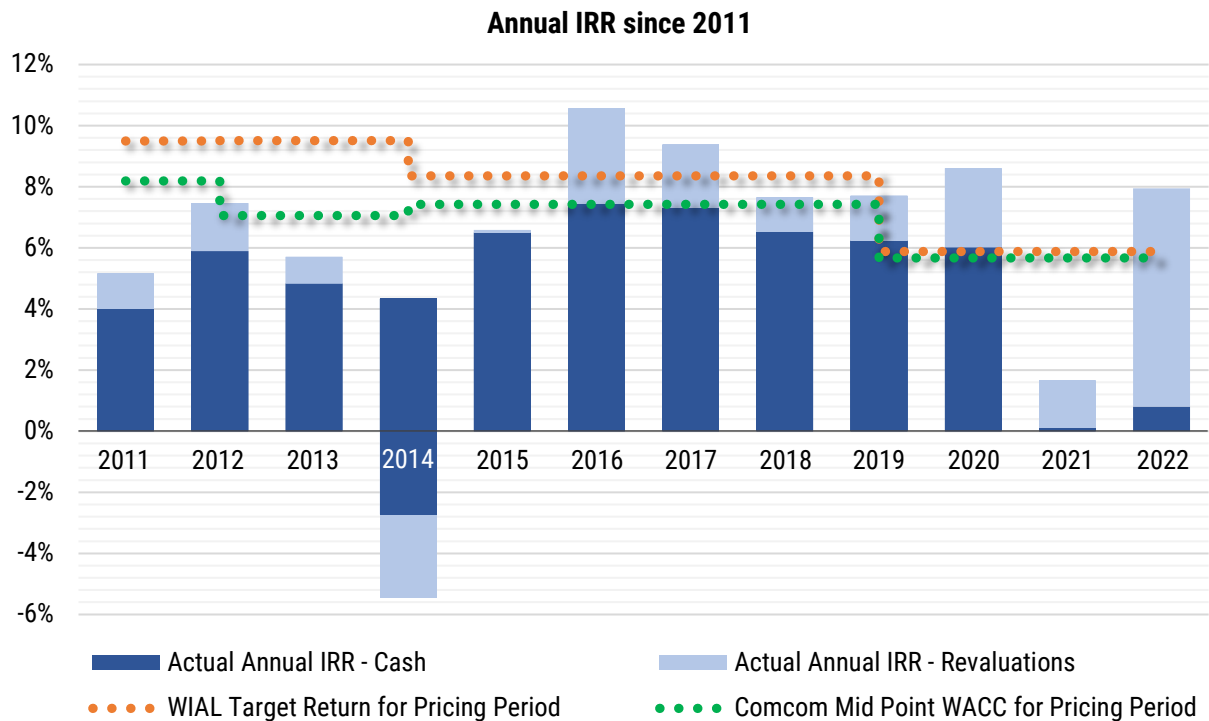
WIAL is targeting a total IRR of 5.88% over the five-year PSE4 period. Actual IRR outcomes for PSE4 are summarised below (variances from forecast are explained in detail under schedule 1 of the Disclosures):

- The IRR for 2022 was 7.95%, above forecast of 4.73%. This primarily reflects the impact of high inflation (6.93%) on WIAL's indexed asset revaluations for the year.
- Excluding asset revaluation uplifts, the IRR for the year was 0.81% against an adjusted forecast of 4.05%. This reflects the large reduction in passengers and revenue due to Covid-19.
- The period-to-date IRR after three years is 6.06% compared with forecast of 4.55%, or 2.33% versus forecast of 3.07% excluding asset revaluations.



Long-Term Returns

An important consideration for any party evaluating WIAL's performance are the outcomes achieved by WIAL since commencement of the Information Disclosure regime. The chart below shows WIAL's actual IRRs compared with key benchmarks since 2011:



**WIAL notes that following the 2016 IMs review, the Commission concluded that from 2018 onwards it would only publish a midpoint WACC for airports. WIAL's prices for PSE1–PSE3 were set prior to this decision and are based on the airport's 75th percentile WACC at the time (target for PSE1 was 9.50%, PSE2 9.51%, PSE3 8.36% and PSE4 5.88%).*

WIAL's actual IRR for 2011-2019 (i.e. prior to PSE4) was 6.99%, equating to a \$12.8m NPV cumulative deficit compared with the Commission's midpoint WACC. Furthermore, WIAL's PSE4 forecast outcomes result in an IRR of 6.62% over the period 2011-2024, equating to a \$18.0m NPV cumulative deficit compared with the Commission's midpoint WACC.

This clearly shows that WIAL has not earned, and is not expecting to earn, excessive returns on its regulated activities and WIAL's long term returns are in fact in line with the level considered reasonable by the Commission. The historic variation in annual returns also reflects the wide range of risks and complexity inherent in an airport business and demonstrates the need to consider cumulative returns over a longer period of time.

6. Forecast Comparatives

PSE4 covers the five-year period from 1 April 2019 – 31 March 2024.

The Annual Disclosures compare actual performance for both the year and pricing period-to-date with the forecasts set out in WIAL's Price Setting Event Disclosures (available from www.wellingtonairport.co.nz/business/investor-services/regulatory-disclosures).

WIAL's final pricing decision for PSE4 was issued in March 2021, after an extended consultation timeframe was agreed with airlines to allow for further engagement on the 2040 Masterplan and to address the challenges of Covid-19.

PSE4 forecasts were therefore completed part way during PSE4, incorporating actual results for 2020 and most of 2021, while also factoring in the expected impacts of Covid-19 on 2022–2024 at the time of finalising consultation.

7. Contact Person

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

Martin Harrington
Chief Financial Officer
P O Box 14175
Wellington 6241
DDI: 04 385 5105
Mobile: 021 625 284
Email: martin@wlg.aero



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

Company Name	Wellington International Airport Ltd
Disclosure Date	31 August 2022
Disclosure Year (year ended)	31 March 2022
Pricing period starting year (year ended)	31 March 2020

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

Schedule 21 – Certification for Disclosed Information

Clause 2.7(1)

We, Peter Coman and Phillippa Harford, 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 purposes of clauses 2.3(1) and 2.4(1) of the Airport Services Input Methodologies Determination 2010 in all material respects complies with that determination, with the following exceptions:

1. Schedule 14 does not include information for the quarter ended 30 June, contrary to the requirements of clause 2.4(1)(a)(iv) of the determination; and
2. WIAL did not complete passenger satisfaction surveys for the quarter ended 30 June, contrary to the requirements of clause 2.4(2) of the determination.*

* Passenger surveys were also not undertaken for the quarters ended 30 September 2021, 31 December 2021, or 31 March 2022, but pursuant to the exemption granted by the Commerce Commission on 12 October 2021.



Director
31 August 2022



Director
31 August 2022

Table of Contents

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

Disclosure Template Guidelines for Information Entry

Internal consistency check

OK

Templates

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

Data entry cells and calculated cells

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

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

Validation settings on data entry cells

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

Data entry cells for text entries

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

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

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

Data entry cells that contain conditional formatting

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

a) Internal consistency checks

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

Schedule 4, cells N110:N118, J30;

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

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

b) Conditionally disclosed information

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

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

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

Schedule 6 comparison of actual and forecast expenditures

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

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

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

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

		Regulated Airport For Year Ended		Wellington International Airport Ltd	
		Pricing period starting year (year ended)		31 March 2022	
				31 March 2020	
SCHEDULE 1: REPORT ON PROFITABILITY					
ref	Version 5.0				
7	1a: Internal Rates of Return				
8		Actual for	Forecast for	Variance	
9		Current	Current		
10		Disclosure Year	Disclosure Year		
11	Post-tax IRR - pricing period to date (%)	6.06%	4.55%	1.50%	
12	Post-tax IRR - current year (%)	7.95%	4.73%	3.22%	
13					
14	1a(i): Pricing Period to Date IRR				
15		(\$000 unless otherwise specified)			
16		Actual for Period	Forecast for	Variance	
17		to Date	Period to Date		
18	Opening RAB	522,514	521,871	643	
19	Opening carry forward adjustment	9,224	9,224	-	
20	Opening investment value	513,290	512,647	643	
21	plus Total regulatory income	178,457	200,999	(22,543)	
22	less Assets commissioned	81,532	92,206	(10,673)	
23	plus Asset disposals	-	-	-	
24	less Operational expenditure	67,916	67,978	(61)	
25	less Unlevered tax	16,503	27,999	(11,496)	
26	RAB value	604,242	578,392	25,850	
27	Closing carry forward adjustment	6,457	6,457	-	
28	Closing investment value	597,784	571,935	25,850	
29					
30	Post-tax IRR for pricing period to date (%)	6.06%	4.55%	1.50%	
31	1a(ii): Current Year Annual IRR				
32		(\$000 unless otherwise specified)			
33		Actual for	Forecast for	Variance	
34		Current	Current		
35		Disclosure Year	Disclosure Year		
36	Opening RAB	561,308	550,168	11,140	
37	Opening carry forward adjustment	7,380	7,380	-	
38	Opening investment value	553,928	542,788	11,140	
39	plus Total regulatory income	51,495	70,776	(19,281)	
40	less Assets commissioned	25,666	40,630	(14,963)	
41	plus Asset disposals	-	-	-	
42	less Operational expenditure	22,609	23,415	(806)	
43	less Unlevered tax	3,126	9,907	(6,781)	
44	RAB value	604,242	578,392	25,850	
45	Closing carry forward adjustment	6,457	6,457	-	
46	Closing investment value	597,784	571,935	25,850	
47					
48	Post-tax IRR for current year (%)	7.95%	4.73%	3.22%	
49	Explanation of variances				
50	Consistent with clause 2.3(8), this explains the variance in the Post-tax IRR for pricing period to date and includes explanations for variances disclosed in				
51	Schedule 1, 2, 4 and 6 that have a material impact on the variance in the Post-tax IRR for pricing period to date.				
52	Accompanying commentary is appended to the end of these schedules.				
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					

Page 1

Regulated Airport
For Year Ended

Pricing period starting year (year ended)

Wellington International Airport Ltd

31 March 2022

31 March 2020

SCHEDULE 1: REPORT ON PROFITABILITY (cont)

ref Version 5.0

		Pricing Period Starting Year 31 March 2020	Pricing Period Starting Year + 1 31 March 2021	Pricing Period Starting Year + 2 31 March 2022	Pricing Period Starting Year + 3 31 March 2023	Pricing Period Starting Year + 4 31 March 2024
70	1b: Actual IRR Inputs					
71						
72						
73	Opening RAB	522,514	538,035	561,308	604,242	–
74	Opening carry forward adjustment	9,224	8,302	7,380	6,457	–
75	Opening investment value	513,290	529,733	553,928	597,784	–
76						
77	Total regulatory income	85,391	41,570	51,495		
78	Assets commissioned - 1st month	11,828	10,078	4,281		
79	Assets commissioned - 2nd month	193	164	796		
80	Assets commissioned - 3rd month	2,842	85	60		
81	Assets commissioned - 4th month	968	806	182		
82	Assets commissioned - 5th month	115	–	114		
83	Assets commissioned - 6th month	215	1,211	289		
84	Assets commissioned - 7th month	12	79	7		
85	Assets commissioned - 8th month	6	48	70		
86	Assets commissioned - 9th month	640	4	10,342		
87	Assets commissioned - 10th month	382	–	–		
88	Assets commissioned - 11th month	665	17,435	–		
89	Assets commissioned - 12th month	2,302	5,790	9,526		
90	Asset disposals	–	–	–		
91	Operational expenditure	25,064	20,243	22,609		
92	Unlevered tax	12,473	904	3,126		
93						
94	RAB value	538,035	561,308	604,242		
95	Closing carry forward adjustment	8,302	7,380	6,457		
96	Closing investment value	529,733	553,928	597,784	–	–
97						
98	Post-tax IRR - pricing period to date (%)	8.60%	5.14%	6.06%		
99						

1c: Carry Forward Balance

		Actual	Forecast	Variance
101				
102	Opening carry forward adjustment	7,380	7,380	–
103				
104	Default revaluation gain/loss adjustment	(922)	(922)	–
105	Risk allocation adjustment	–	–	–
106	Other carry forward adjustment – forecast	–	–	–
107	Other carry forward adjustment – not forecast	–		–
108				
109	Closing carry forward adjustment	6,457	6,457	–

Commentary on Carry forward balance

Accompanying commentary is appended to the end of these schedules.

1d: Cash flow timing assumptions

121		flow timing
122	Cash flow timing - revenues - days from year end	148
123	Cash flow timing - expenditure - days from year end	182

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref Version 5.0

2a: Regulatory Profit

(\$000 unless otherwise specified)

Income

Actual

Forecast

Variance

Airport activity charges

45,486

64,591

(19,104)

Noise mitigation charges

1,195

1,278

(84)

Lease, rental and concession income

4,814

4,907

(93)

Other operating revenue

—

—

—

Net operating revenue

51,495

70,776

(19,281)

Gains / (losses) on sale of assets

—

—

—

Other income

—

—

—

Total regulatory income

51,495

70,776

(19,281)

Expenses

Operational expenditure:

Corporate overheads

4,665

5,777

(1,112)

Asset management and airport operations

16,434

15,877

557

Asset maintenance

1,510

1,761

(250)

Total operational expenditure

22,609

23,415

(806)

Operating surplus / (deficit)

28,886

47,361

(18,475)

Regulatory depreciation

22,978

20,658

2,320

plus Indexed revaluation

39,496

8,253

31,243

plus Periodic land revaluations

—

—

—

Total revaluations

39,496

8,253

31,243

Regulatory Profit / (Loss) before tax

45,404

34,956

10,448

less Regulatory tax allowance

3,798

9,907

(6,109)

Regulatory Profit / (Loss)

41,606

25,048

16,557

Page 3

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref Version 5.0

2b: Notes to the Report

(\$000 unless otherwise specified)

2b(i): Financial Incentives

(\$000)

Pricing incentives

296

Other incentives

—

Total financial incentives

296

2b(ii): Rates and Levy Costs

(\$000)

Rates and levy costs

2,134

2b(iii): Merger and Acquisition Expenses

(\$000)

Merger and acquisition expenses

—

Justification for Merger and Acquisition Expenses

N/A

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022**SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE**

ref Version 5.0

3a: Regulatory Tax Allowance			(\$000)
	Regulatory profit / (loss) before tax		45,404
<i>plus</i>	Regulatory depreciation	22,978	
	Other permanent differences—not deductible	16	*
	Other temporary adjustments—current period	(427)	*
			22,567
<i>less</i>	Total revaluations	39,496	
	Tax depreciation	12,496	
	Notional deductible interest	2,400	
	Other permanent differences—non taxable	—	*
	Other temporary adjustments—prior period	14	*
			54,405
	Regulatory taxable income (loss)		13,566
<i>less</i>	Tax losses used	—	
	Net taxable income		13,566
	Statutory tax rate (%)	28.0%	
	Regulatory tax allowance		3,798
	Notional interest tax shield	672	
	Unlevered tax		3,126

* Workings to be provided

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

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

Accompanying commentary is appended to the end of these schedules.

3b(ii): Tax Depreciation Roll-Forward

		(\$000)
	Opening RAB (Tax Value)	286,298
<i>plus</i>	Regulatory tax asset value of additions	25,666
<i>less</i>	Regulatory tax asset value of disposals	—
<i>plus</i>	Regulatory tax asset value of assets transferred from/(to) unregulated asset base	—
<i>less</i>	Tax depreciation	12,496
<i>plus</i>	Other adjustments to the RAB tax value	466
	Closing RAB (tax value)	299,934

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

		(\$000)
	Tax losses (regulated business)—prior period	—
<i>plus</i>	Current year tax losses	—
<i>less</i>	Tax losses used	—
	Tax losses (regulated business)	—

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

	RAB value - previous year	561,308
	Debt leverage assumption (%)	19%
	Cost of debt assumption (%)	2.25%
	Notional deductible interest	2,400
	Tax rate (%)	28.0%
	Notional interest tax shield	672

Page 5

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref Version 5.0

		Actual (\$000)	Forecast (\$000)	Variance (\$000)
	RAB value—previous disclosure year	561,308	550,168	11,140
less	Regulatory depreciation	22,978	20,658	2,320
plus	Total revaluations	39,496	8,253	31,243
plus	Assets Commissioned	25,666	40,630	(14,963)
less	Asset disposals	—	—	—
plus	Lost and found assets adjustment	—	—	—
	Adjustment resulting from cost allocation	750	—	750
	RAB value ^T	604,242	578,392	25,850
		Unallocated RAB *	RAB	
		(\$000)	(\$000)	(\$000)
	RAB value—previous disclosure year	585,053		561,308
less	Regulatory depreciation	24,156		22,978
plus	Indexed revaluations	41,132	39,496	
	Periodic land revaluations	—	—	
	Total revaluations	41,132		39,496
plus	Assets commissioned (other than below)	28,709	25,666	
	Assets acquired from a regulated supplier	—	—	
	Assets acquired from a related party	—	—	
	Assets commissioned	28,709		25,666
less	Asset disposals (other)	—	—	
	Asset disposals to a regulated supplier	—	—	
	Asset disposals to a related party	—	—	
	Asset disposals	—		—
plus	Lost and found assets adjustment	—		—
	Adjustment resulting from cost allocation			750
	RAB value ^T	630,739		604,242

* 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.

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

Page 6

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

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

ref Version 5.0

(\$000 unless otherwise specified)

4b: Notes to the Report

4b(i): Regulatory Depreciation

	Unallocated RAB (\$000)	RAB (\$000)
Standard depreciation	18,907	18,058
Non-standard depreciation	5,249	4,920
Regulatory depreciation	24,156	22,978

4b(ii): Non-Standard Depreciation Disclosure

(\$000 unless otherwise specified)

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
Revised useful lives - Building assets marked for demolition	4,983	2021	114,459	116,044
Revised useful lives - Baggage Handling System assets to be replaced	266	2021	303	412

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

(\$000 unless otherwise specified)

CPI at CPI reference date—previous year (index value)	1,068
CPI at CPI reference date—current year (index value)	1,142
Revaluation rate (%)	6.93%

Asset category revaluation rates

Land	6.93%
Sealed Surfaces	6.93%
Infrastructure and buildings	6.93%
Vehicles, plant and equipment	6.93%

Revaluations

	Unallocated RAB	RAB
Land	12,571	12,380
Sealed Surfaces	13,604	13,512
Infrastructure and buildings	13,542	12,292
Vehicles, plant and equipment	1,414	1,312

Indexed revaluation

41,132	39,496
--------	--------

4b(iv): Works Under Construction

	Unallocated works under construction	Allocated works under construction
Works under construction—previous disclosure year	52,342	36,825
plus Capital expenditure	14,492	12,449
less Asset commissioned	28,709	25,666
plus Adjustment resulting from cost allocation		6,251
Works under construction	38,125	29,859

Page 7

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

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

ref Version 5.0

4b(v): Capital Expenditure by Primary Purpose

Capacity growth	3,950	
plus Asset replacement and renewal	8,500	
Total capital expenditure		12,449

4b(vi): Asset Classes

	Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
RAB value—previous disclosure year	178,675	186,421	177,310	18,902	561,308
less Regulatory depreciation	—	8,332	10,441	4,206	22,978
plus Indexed revaluations	12,380	13,512	12,292	1,312	39,496
plus Periodic land revaluations	—	—	—	—	—
plus Assets commissioned	—	7,055	15,506	3,106	25,666
less Asset disposals	—	—	—	—	—
plus Lost and found assets adjustment	—	—	—	—	—
plus Adjustment resulting from cost allocation	2	10	684	53	750
RAB value	191,058	198,666	195,351	19,166	604,242

* Corresponds to values in RAB roll forward calculation.

4b(vii): Assets Held for Future Use

	(\$000)	(\$000)
Assets held for future use opening cost—previous year		42,687
plus Holding costs	2,420	
less Assets held for future use net revenue	(181)	
plus Assets held for future use additions	—	
less Assets held for future use disposals	—	
less Transfers to works under construction	—	
Assets held for future use closing cost		45,289
Opening base value		35,379
plus Assets held for future use revaluations	2,532	
plus Assets held for future use additions	—	
less Assets held for future use disposals	—	
less Transfers to works under construction	—	
Closing base value		37,911
plus Opening tracking revaluations	1,161	
Tracking revaluations	3,692	
Highest rate of finance applied (%)		3.94%

Page 8

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref Version 5.0

5(i): Related Party Transactions

(\$000)

Net operating revenue	—
Operational expenditure	2,403
Related party capital expenditure	—
Market value of asset disposals	—
Other related party transactions	2,640

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
NZ Airports Ltd	Shareholder (66%)
Wellington City Council	Shareholder (34%)
Infratil Ltd	Owner of NZ Airports Ltd
Wellington International Airport Ltd	Unregulated activities of the airport
Other related party transactions	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	—	2,175
Infratil Ltd	Oncharges of insurance and other group costs	—	228
Wellington International Airport Ltd	Asset transfers from unregulated activities to regulated activities	—	—
Wellington International Airport Ltd	Asset transfers from regulated activities to unregulated activities	—	—
Other (Key Management Personnel)	Short-term employee benefits to Executive Management and Directors fees	—	2,640

Commentary on Related Party Transactions

Accompanying commentary is appended to the end of these schedules.

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE

ref Version 5.0

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	3,950	27,668	(85.7%)	30,984	80,815	(61.7%)
Asset replacement and renewal	8,500	24,103	(64.7%)	46,171	29,068	58.8%
Total capital expenditure	12,449	51,770	(76.0%)	77,155	109,883	(29.8%)
Corporate overheads	4,665	5,777	(19.2%)	14,606	17,064	(14.4%)
Asset management and airport operations	16,434	15,877	3.5%	48,748	45,625	6.8%
Asset maintenance	1,510	1,761	(14.2%)	4,562	5,289	(13.7%)
Total operational expenditure	22,609	23,415	(3.4%)	67,916	67,978	(0.1%)
Key Capital Expenditure Projects						
AFS Relocation	163	—	—	2,036	1,421	43.3%
Apron Development Package 1	—	5,035	(100.0%)	98	5,436	(98.2%)
Apron Development Package 2	—	—	—	—	—	—
Apron Development Package 3	—	—	—	—	—	—
Stage 3 - New EDS ECAC Std3 (capitalisation 1)	—	2,357	(100.0%)	—	2,357	(100.0%)
Stage 3 - New EDS ECAC Std3 (capitalisation 2)	—	—	—	—	—	—
Cargo Hub Stage 1	204	5,570	(96.3%)	280	6,668	(95.8%)
New 8MPPA Terminal Build - Stage 1	157	—	—	3,097	1,890	63.9%
JUHI Relocation	—	—	—	—	—	—
Trunk Utilities Relocation	—	3,715	(100.0%)	—	4,114	(100.0%)
Miramar South School	27	—	—	11,582	—	—
Runway Overlay	820	—	—	12,306	14,290	(13.9%)
TWY Bravo Reconstruction	2,810	8,570	(67.2%)	3,237	9,971	(67.5%)
Marine Protection - Southern Seawall replacement	1,066	2,142	(50.2%)	2,748	4,270	(35.7%)
Marine Protection - Western Seawall replacement	—	—	—	—	—	—
Marine Protection - Breakwater replacement	—	—	—	—	—	—
Regional and Goods Screening	—	—	—	—	—	—
AFS Land Purchase	—	—	—	—	—	—
Flight Catering Relocation	—	1,071	(100.0%)	—	1,071	(100.0%)
Sprinkler Valve house relocation	—	—	—	—	—	—
Energy Centre	—	—	—	—	—	—
Apron under AFS	—	—	—	—	—	—
Earthquake Strengthening	2,703	6,599	(59.0%)	3,427	7,240	(52.7%)
Complete MGC purchase	—	—	—	—	—	—
Other capital expenditure	4,498	16,711	(73.1%)	38,343	51,155	(25.0%)
Total capital expenditure	12,449	51,770	(76.0%)	77,155	109,883	(29.8%)

Explanation of Variances

Accompanying commentary is appended to the end of these schedules.

Airport businesses are to provide explanations of material variances between actual and forecast expenditure.

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

Page 10

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

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

ref Version 5.0

6b: Forecast Expenditure

From most recent disclosure following a price setting event

Starting year of current pricing period (year ended) 31 March 2020

		Pricing Period Starting Year	Pricing Period Starting Year + 1	Pricing Period Starting Year + 2	Pricing Period Starting Year + 3	Pricing Period Starting Year + 4
	for year ended	31 Mar 20	31 Mar 21	31 Mar 22	31 Mar 23	31 Mar 24
Expenditure by Category						
Capacity growth		26,925	26,222	27,668	62,406	45,770
Asset replacement and renewal		2,409	2,556	24,103	56,939	55,594
Total forecast capital expenditure		29,334	28,779	51,770	119,345	101,364
Corporate overheads		6,378	4,909	5,777	6,497	7,250
Asset management and airport operations		16,734	13,014	15,877	20,731	23,618
Asset maintenance		1,949	1,579	1,761	1,978	2,110
Total forecast operational expenditure		25,061	19,502	23,415	29,206	32,978
		Pricing Period Starting Year	Pricing Period Starting Year + 1	Pricing Period Starting Year + 2	Pricing Period Starting Year + 3	Pricing Period Starting Year + 4
	for year ended	31 Mar 20	31 Mar 21	31 Mar 22	31 Mar 23	31 Mar 24
Key Capital Expenditure Projects						
AFS Relocation		1,421	—	—	8,648	20,655
Apron Development Package 1		90	311	5,035	13,305	4,590
Apron Development Package 2		—	—	—	—	—
Apron Development Package 3		—	—	—	—	—
Stage 3 - New EDS ECAC Std3 (capitalisation 1)		—	—	2,357	5,765	13,770
Stage 3 - New EDS ECAC Std3 (capitalisation 2)		—	—	—	—	—
Cargo Hub Stage 1		63	1,035	5,570	26,609	8,951
New BMPPA Terminal Build - Stage 1		1,890	—	—	—	—
JUHI Relocation		—	—	—	—	—
Trunk Utilities Relocation		—	399	3,715	13,672	3,538
Miramar South School		—	—	—	—	16,296
Runway Overlay		7	14,283	—	—	—
TWY Bravo Reconstruction		366	1,035	8,570	9,978	—
Marine Protection - Southern Seawall replacement		58	2,070	2,142	333	—
Marine Protection - Western Seawall replacement		—	—	—	—	—
Marine Protection - Breakwater replacement		—	—	—	—	—
Regional and Goods Screening		—	—	—	—	8,033
AFS Land Purchase		—	—	—	—	1,228
Flight Catering Relocation		—	—	1,071	12,196	3,443
Sprinkler Valve house relocation		—	—	—	—	—
Energy Centre		—	—	—	—	—
Apron under AFS		—	—	—	222	861
Earthquake Strengthening		243	398	6,599	5,549	—
Complete MGC purchase		—	—	—	—	—
Other capital expenditure		25,196	9,248	16,711	23,068	20,000
Total forecast capital expenditure		29,334	28,779	51,770	119,345	101,365

Page 11

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

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

ref Version 5.0

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

	Units used	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1	Estimated present value of the proposed risk allocation adjustment (\$000)
Proposed risk allocation adjustment								
				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	
				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

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 .

Page 12

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022**SCHEDULE 7: REPORT ON SEGMENTED INFORMATION**

ref Version 5.0

		(\$000)			
		Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*
6					
7					
8	Airport activity charges	14,275	31,212		45,486
9	Noise mitigation charges		1,195		1,195
10					—
11					—
12	Lease, rental and concession income	3,034	125	1,656	4,814
13	Other operating revenue				—
14	Net operating revenue	17,308	32,531	1,656	51,495
15					
16	Gains / (losses) on asset sales				—
17	Other income				—
18	Total regulatory income	17,308	32,531	1,656	51,495
19					
20	Total operational expenditure	9,843	12,541	225	22,609
21					
22	Regulatory depreciation	11,048	11,214	717	22,978
23					
24	Total revaluations	11,333	26,810	1,353	39,496
25					
26	Regulatory tax allowance	664	2,829	306	3,798
27					
28	Regulatory profit/ loss	7,086	32,758	1,762	41,606
29					
30	RAB value	183,290	400,763	20,188	604,242

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

Commentary on Segmented Information

Accompanying commentary is appended to the end of these schedules.

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

SCHEDULE 8: CONSOLIDATION STATEMENT

ref Version 5.0

8a: CONSOLIDATION STATEMENT

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business- GAAP	Unregulated Activities- GAAP	(\$000) Airport Company- GAAP
Net income	51,495	2,820	54,315	41,262	95,577
Total operational expenditure	22,609	617	23,226	16,120	39,346
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	28,886	2,203	31,089	25,142	56,231
Depreciation	22,978	(627)	22,351	8,141	30,492
Revaluations	39,496	11,485	50,981	39,452	90,433
Tax expense	3,798	(10,492)	(6,694)	9,168	2,474
Net operating surplus / (deficit) before interest	41,606	24,807	66,413	47,285	113,698
Property plant and equipment	604,242	206,097	810,339	548,758	1,359,097

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

		Regulatory / GAAP Adjustments *
Description of Regulatory / GAAP Adjustment	Affected Line Item	
GAAP income includes an accrual for the PSE4 passenger wash-up, which will be calculated and recognised in the Annual Disclosures at the end of PSE4 in line with WIAL's price setting event forecasts.	Net income	2,820
GAAP expenditure includes an expected credit loss adjustment for accrued income. This is excluded from the Annual Disclosures as the associated income has also not been recognised.	Total operational expenditure	617
A portion of cloud computing costs are recognised as operational expenditure under GAAP, but are treated as capital expenditure in the Annual Disclosures consistent with WIAL's price setting event forecasts.		
Straight-line depreciation is applied under both GAAP and the Annual Disclosures. However, the Input Methodologies prescribe calculation rules for regulatory depreciation which differ from financial reporting requirements. Depreciation charge also differs from GAAP due to the different revaluation approaches.	Depreciation	(627)
Recognition of the difference between the change in the valuation of land and buildings adopted in WIAL's statutory financial statements (market revaluations) and the 2022 revaluation of regulated assets applied in accordance with the Input Methodology (indexed revaluations).	Revaluations	11,485
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	(10,492)
Cumulative impact of the different depreciation and revaluation requirements under the Input Methodologies compared with GAAP.	Property plant & equipment	206,097

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

Commentary on the Consolidation Statement

Accompanying commentary is appended to the end of these schedules.

6 **9a: Asset Allocations**

(\$000)

28 Asset AllocatorsPage 15

Asset Category

Allocator*

Allocator Type

Rationale

Asset Line Items

Page 16

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref Version 5.0

9b: Notes to the Report

9b(i): Changes in Asset Allocators

			Effect of Change (\$000)		
			CY-1	Current Year	CY+1
			31 Mar 21	(CY) 31 Mar 22	31 Mar 23
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

Accompanying commentary is appended to the end of these schedules.

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref Version 5.0

10a: Cost Allocations

(\$000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Corporate Overheads						
Directly attributable operating costs	-	-	-	-	-	-
Costs not directly attributable	2,233	2,279	153	4,665	3,692	8,357
Asset Management and Airport Operations						
Directly attributable operating costs	-	6,112	36	6,148	-	6,148
Costs not directly attributable	7,110	3,171	5	10,286	1,395	11,681
Asset Maintenance						
Directly attributable operating costs	-	749	2	751	-	751
Costs not directly attributable	500	230	29	759	228	987
Total directly attributable costs	-	6,861	38	6,899	-	6,899
Total costs not directly attributable	9,843	5,680	187	15,710	5,315	21,025
Total operating costs	9,843	12,541	225	22,609	5,315	27,924

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.

Page 18

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref Version 5.0

41 Cost Allocators (cont)

42	Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
43	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.
44	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.
45	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.
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					
63					
64					
65					
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76					
77					
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95					
96					
97					
98					
99					
100					
101					
102					
103					
104					
105					
106					
107					

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

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022**SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)**

ref Version 5.0

10b: Notes to the Report**10b(i): Changes in Cost Allocators**

			Effect of Change		
			(\$000)		
			Current Year		
			CY-1	(CY)	CY+1
			31 Mar 21	31 Mar 22	31 Mar 23
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

Accompanying commentary is appended to the end of these schedules.

Regulated Airport
For Year Ended**Wellington International Airport Ltd**
31 March 2022**SCHEDULE 11: REPORT ON RELIABILITY MEASURES**

ref Version 5.0

		Number	Total Duration	
			Hours	Minutes
6	Runway			
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8	Airports	—	—	—
9	Airlines/Other	—	—	—
10	Undetermined reasons	—	—	—
11	Total	—	—	—
12	Taxiway			
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14	Airports	—	—	—
15	Airlines/Other	—	—	—
16	Undetermined reasons	—	—	—
17	Total	—	—	—
18	Remote stands and means of embarkation/disembarkation			
19	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
20	Airports	—	—	—
21	Airlines/Other	—	—	—
22	Undetermined reasons	—	—	—
23	Total	—	—	—
24	Contact stands and airbridges			
25	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26	Airports	5	5	55
27	Airlines/Other	—	—	—
28	Undetermined reasons	3	4	26
29	Total	8	10	21
30	Baggage sortation system on departures			
31	The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
32	Airports	20	86	26
33	Airlines/Other	22	115	09
34	Undetermined reasons	4	4	18
35	Total	46	205	53
36	Baggage reclaim belts			
37	The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible			
38	Airports	—	—	—
39	Airlines/Other	—	—	—
40	Undetermined reasons	—	—	—
41	Total	—	—	—
42	On-time departure delay			
43	The total number of flights affected by on time departure delay and the total duration of the delay during disclosure year by party primarily responsible			
44	Airports	1	—	25
45	Airlines/Other	4	1	26
46	Undetermined reasons	2	1	39
47	Total	7	3	30

Page 21

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref Version 5.0

Fixed electrical ground power availability (if applicable)

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

—

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

Commentary concerning reliability measures

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.

Page 22

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022**SCHEDULE 12: REPORT ON CAPACITY UTILISATION INDICATORS FOR AIRCRAFT AND FREIGHT ACTIVITIES AND AIRFIELD ACTIVITIES**

ref Version 5.0

Runway

		Runway #1	Runway #2	Runway #3
Description of runway(s)	Designations	16-34		
	Length of pavement (m)	2,051		
	Width (m)	45		
	Shoulder width (m)	8		
	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)	38-26		

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	Runway busy day	30 July 2021
	Runway busy hour start time (day/month/year hour)	7 May 2021 3 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	4	—	—	4
	Domestic jet	64	—	—	64
	Domestic turboprop	—	159	1	160
	Total	68	159	1	228
Other (including General Aviation)					52
Total aircraft movements during the runway busy day					280

Number of aircraft runway movements during the runway busy hour

28

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

Accompanying commentary is appended to the end of these schedules.

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

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

ref Version 5.0

		International terminal	Domestic terminal	Common area [†]
6	Outbound (Departing) Passengers			
7	Landside circulation (outbound)			
8	Passenger busy hour for landside circulation (outbound)—start time (day/month/year hour)	—	—	8 Aug 2021 4 pm
9	Floor space (m ²)	—	—	1,866
10	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	961
11	Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	52
12				
13	Check-in			
14	Passenger busy hour for check-in—start time (day/month/year hour)	—	—	8 Aug 2021 4 pm
15	Floor space (m ²)	—	—	1,197
16	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	769
17	Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	64
18				
19	Baggage (outbound)			
20	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	—	—	8 Aug 2021 4 pm
21	Make-up area floor space (m ²)	—	—	2,892
22	Notional capacity during the passenger busy hour (bags/hour)*	—	—	1,800
23	Bags processed during the passenger busy hour (bags/hour)*	—	—	510
24	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	961
25	Utilisation (% of processing capacity)	Not defined	Not defined	28%
26				
27	Passport control (outbound)			
28	Passenger busy hour for passport control (outbound)—start time (day/month/year hour)	5 Jun 2021 4 pm		
29	Floor space (m ²)	198		
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)	162		
33	Utilisation (busy hour passengers per 100m ²)	82		
34	Utilisation (% of processing capacity)	23%		
35				
36	Security screening			
37	Passenger busy hour for security screening—start time (day/month/year hour)	5 Jun 2021 4 pm	8 Aug 2021 4 pm	
38	Facilities for passengers excluding international transit & transfer			
39	Floor space (m ²)	595	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)	162	700	
43	Utilisation (busy hour passengers per 100m ²)	27	120	
44	Utilisation (% of processing capacity)	30%	52%	
45	Facilities for international transit & transfer passengers			
46	Floor space (m ²)	—		
47	Number of screening points	—		
48	Notional capacity during the passenger busy hour (passengers/hour)*	—		
49	Estimated passenger throughput during the passenger busy hour (passengers/hour)	—		
50	Utilisation (busy hour passengers per 100m ²)	Not defined		
51	Utilisation (% of processing capacity)	Not defined		
52				
53				
54				

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

Page 24

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022

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

ref Version 5.0

	International terminal	Domestic terminal	Common area †
Airside circulation (outbound)			
Passenger busy hour for airside circulation (outbound)—start time (day/month/year hour)	5 Jun 2021 4 pm	8 Aug 2021 4 pm	
Floor space (m ²)	718	1,844	
Passenger throughput during the passenger busy hour (passengers/hour)	162	961	
Utilisation (busy hour passengers per 100m ²)	23	52	
Departure lounges			
Passenger busy hour for departure lounges—start time (day/month/year hour)	5 Jun 2021 4 pm	8 Aug 2021 4 pm	
Floor space (m ²)	1,221	2,671	
Number of seats	686	691	
Passenger throughput during the passenger busy hour (passengers/hour)	162	961	
Utilisation (busy hour passengers per 100m ²)	13	36	
Utilisation (passengers per seat)	0.2	1.4	
Inbound (Arriving) Passengers			
Airside circulation (inbound)			
Passenger busy hour for airside circulation (inbound)—start time (day/month/year hour)	21 May 2021 3 pm	5 Apr 2021 8 pm	—
Floor space (m ²)	1,669	1,787	—
Passenger throughput during the passenger busy hour (passengers/hour)	157	926	—
Utilisation (busy hour passengers per 100m ²)	9	52	Not defined
Passport control (inbound)			
Passenger busy hour for passport control (inbound)—start time (day/month/year hour)	21 May 2021 3 pm		
Floor space (m ²)	329		
Number of immigration booths and kiosks	8		
Notional capacity during the passenger busy hour (passengers/hour) *	864		
Passenger throughput during the passenger busy hour (passengers/hour)	157		
Utilisation (busy hour passengers per 100m ²)	48		
Utilisation (% of processing capacity)	18%		
* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
Landside circulation (inbound)			
Passenger busy hour for landside circulation (inbound)—start time (day/month/year hour)	—	—	2 May 2021 6 pm
Floor space (m ²)	—	—	1,866
Passenger throughput during the passenger busy hour (passengers/hour)	—	—	926
Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	50
Baggage reclaim			
Passenger busy hour for baggage reclaim—start time (day/month/year hour)	21 May 2021 3 pm	5 Apr 2021 8 pm	
Floor space (m ²)	536	1,081	
Number of reclaim units	2	3	
Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	—	—	
Bags processed during the passenger busy hour (bags/hour)*	—	—	
Passenger throughput during the passenger busy hour (passengers/hour)	157	741	
Utilisation (% of processing capacity)	Not defined	Not defined	
Utilisation (busy hour passengers per 100m ²)	29	69	
* Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.			
Bio-security screening and inspection and customs secondary inspection			
Passenger busy hour for bio-security screening and inspection and customs secondary inspection—start time (day/month/year hour)	21 May 2021 3 pm		
Floor space (m ²)	734		
Notional MAF secondary screening capacity during the passenger busy hour (passengers/hour)*	760		
Passenger throughput during the passenger busy hour (passengers/hour)	157		
Utilisation (% of processing capacity)	21%		
Utilisation (busy hour passengers per 100m ²)	21		
* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
Arrivals concourse			
Passenger busy hour for arrivals concourse—start time (day/month/year hour)	—	—	2 May 2021 6 pm
Floor space (m ²)	—	—	975
Passenger throughput during the passenger busy hour (passengers/hour)	—	—	928
Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	95

Page 25

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

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

ref Version 5.0

	International terminal	Domestic terminal	Common area [†]
Total terminal functional areas providing facilities and service directly for passengers			
Floor space (m ²)	—	—	23,723
Number of working baggage trolleys available for passenger use at end of disclosure year	—	—	836

Commentary concerning capacity utilisation indicators for Passenger Terminal Activities

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.

Page 26

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2022**SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS**

ref Version 5.0

Survey organisation

Survey organisation used

Other

If "Other", please specify

Passenger satisfaction survey score

(average quarterly rating by service item)

Domestic terminal

Quarter for year ended	1 30 Jun 21	2 30 Sep 21	3 31 Dec 21	4 31 Mar 22	Annual average
Ease of finding your way through an airport					—
Ease of making connections with other flights					—
Flight information display screens					—
Walking distance within and/or between terminals					—
Availability of baggage carts/trolleys					—
Courtesy, helpfulness of airport staff (excluding check-in and security)					—
Availability of washrooms/toilets					—
Cleanliness of washrooms/toilets					—
Comfort of waiting/gate areas					—
Cleanliness of airport terminal					—
Ambience of the airport					—
Security inspection waiting time					—
Check-in waiting time					—
Feeling of being safe and secure					—
Average survey score	—	—	—	—	—

International terminal

Quarter for year ended	1 30 Jun 21	2 30 Sep 21	3 31 Dec 21	4 31 Mar 22	Annual average
Ease of finding your way through an airport					—
Ease of making connections with other flights					—
Flight information display screens					—
Walking distance within and/or between terminals					—
Availability of baggage carts/trolleys					—
Courtesy, helpfulness of airport staff (excluding check-in and security)					—
Availability of washrooms/toilets					—
Cleanliness of washrooms/toilets					—
Comfort of waiting/gate areas					—
Cleanliness of airport terminal					—
Ambience of the airport					—
Passport and visa inspection waiting time					—
Security inspection waiting time					—
Check-in waiting time					—
Feeling of being safe and secure					—
Average survey score	—	—	—	—	—

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

Commentary concerning report on passenger satisfaction indicators

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.

Page 27

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref Version 5.0

Disclosure of the operational improvement process

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.

Page 28

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

refVersion 5.0

616a: Aircraft statistics

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	34	2,618
Airbus A320 Neo	134	10,039
Airbus A321 Neo	6	561
Airbus A330-200	1	233
Boeing 737-800	114	9,002
		</

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont)

ref Version 5.0

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	7,371	528,319
Airbus A320 Neo	239	17,891
Airbus A321 Neo	396	37,194
Total	8,006	583,404

(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)
ATR72-600	6,230	143,263
Cessna 208	3,289	13,001
Covair CV-580	9	237
De Havilland DHC-8-300	10,794	210,537
British Aerospace Jetstream 32	120	821
Pilatus PC-12	1,482	6,669
Saab SF340	67	1,139
Fairchild Swearingen Metroliner	113	846
Total	22,104	376,513

Page 30

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref Version 5.0

(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	339	651
Freight aircraft	815	6,566
Military and diplomatic aircraft	211	10,137
Other aircraft (including General Aviation)	5,524	16,462

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

	Total number of landings	Total MCTOW (tonnes)
Total	37,288	1,016,185

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	603	—	—	603
Domestic jet air passenger service movements	16,059	—	—	16,059

* 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 [†]	1,735,558	25,404	1,760,962
Outbound passengers [‡]	1,745,116	23,263	1,768,379
Total (gross figure)	3,480,674	48,667	3,529,341
less estimated number of transfer and transit passengers		—	—
Total (net figure)			3,529,341

† 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

[illegible]

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref Version 5.0

Airline statistics (cont)

Domestic

International

16e: Human Resource Statistics

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
Number of full-time equivalent employees	34.4	40.8	2.0	77.2
Human resource costs (\$000)				7,836

Commentary concerning the report on associated statistics

Accompanying commentary is appended to the end of these schedules.

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2022

SCHEDULE 17: REPORT ON PRICING STATISTICS

ref Version 5.0

17a: Components of Pricing Statistics

Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW

Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more

Net operating charges from airfield activities relating to international flights

Net operating charges from specified passenger terminal activities relating to domestic passengers

Net operating charges from specified passenger terminal activities relating to international passengers

(\$000)

11,804
20,293
724
14,680
331

Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW

Number of domestic passengers on flights of 30 tonnes MCTOW or more

Number of international passengers

Number of passengers

1,481,134
1,997,139
48,667

Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW

Total MCTOW of domestic flights of 30 tonnes MCTOW or more

Total MCTOW of international flights

Total MCTOW (tonnes)

753,133
1,165,464
45,744

17b: Pricing Statistics

Average charge from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW

Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more

Average charge from airfield activities relating to international flights

Average charge
(\$ per passenger)

7.97
10.16
14.89

Average charge
(\$ per tonne MCTOW)

15.67
17.41
15.84

Average charge from specified passenger terminal activities

Average charge
(\$ per domestic passenger)

4.22

Average charge
(\$ per international passenger)

6.81

Average charge from airfield activities and specified passenger terminal activities

Average charge
(\$ per domestic passenger)

13.45

Average charge
(\$ per international passenger)

21.69

Commentary on Pricing Statistics

Accompanying commentary is appended to the end of these schedules.

ACCOMPANYING COMMENTARY – ANNUAL INFORMATION DISCLOSURES

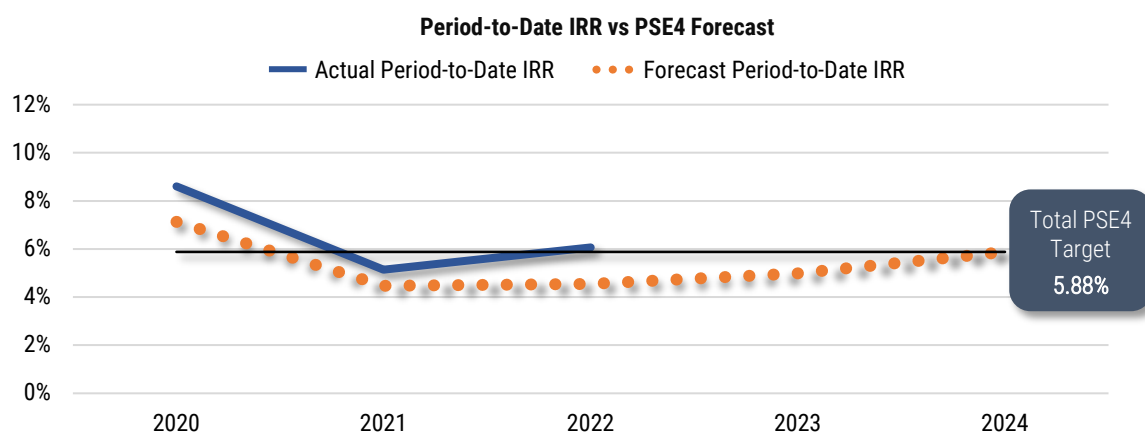
FOR THE PERIOD ENDED 31 MARCH 2022

The Annual Disclosures compare actual performance for both the year and pricing period-to-date with the forecasts set out in WIAL's Price Setting Event Disclosures (available from www.wellingtonairport.co.nz/business/investor-services/regulatory-disclosures).

SCHEDULE 1: REPORT ON PROFITABILITY

Internal Rate of Return (IRR) Outcomes

- WIAL targeted a total post-tax IRR of 5.88% for the five-year PSE4 period.
- The actual IRR for 2022 was 7.95%, above forecast of 4.73%. This primarily reflects the impact of high inflation (6.93%) on WIAL's indexed asset revaluations for the year.
- Excluding asset revaluation uplifts, the IRR for the year was 0.81% against an adjusted forecast of 4.05%. This reflects the large reduction in passengers and revenue due to Covid-19.
- The period-to-date IRR after three years is 6.06% compared with forecast of 4.55%, or 2.33% versus forecast of 3.07% excluding asset revaluations.



Variances vs Forecast

Period-to-date variances in IRR inputs and their relative impact on returns are quantified in the table below:

IRR Inputs	Actual (\$000)	Forecast (\$000)	Variance vs Forecast (\$000)	Period-to-Date IRR Impact
Opening investment value	513,290	512,647	643	(0.04%)
Regulatory income	178,457	200,999	(22,543)	(1.41%)
Operational expenditure	67,916	67,978	(61)	-
Unlevered tax	16,503	27,999	(11,496)	0.73%
Investment value movements	84,495	59,288	25,207	2.22%
Net Total				1.50%

Regulatory income is now \$22.5m below forecast as the recovery in passenger numbers from the Covid pandemic has been slower than assumed. The tax input naturally provides a partial IRR offset as lower operating earnings drives a reduced tax liability.

Movement in investment value compared with forecast continues to be the key driver of a higher IRR outcome. This movement comprises of several key components as set out below:

Investment Value Movements	Actual (\$000)	Forecast (\$000)	Variance vs Forecast (\$000)
Assets commissioned	81,532	92,206	(10,674)
Indexed asset revaluations	61,052	24,125	36,927
Depreciation	(61,798)	(59,810)	(1,988)
Carry forward adjustment	(2,767)	(2,767)	-
Changes in Asset Allocation	942	-	942
Net Total	84,495	59,288	25,207

Assets Commissioned

The slower than forecast recovery in passenger numbers and associated impact on cashflows has required WIAL to carefully manage capital expenditure. As a result, the delivery of certain growth-driven projects has been deferred and will be realigned with the airport's recovery expectations. An update on key projects included in the PSE4 forecast is provided in the commentary for schedule 6.

Indexed Asset Revaluations

Period-to-date asset revaluations are \$36.9m above forecast. This predominantly relates to the 2022 period when year-on-year CPI reported by Statistics New Zealand was 6.93%, well above long-term averages and WIAL's 1.50% forecast assumption for PSE4.

Carry Forward Balance

A \$9.2m opening carry forward adjustment was recognised for PSE4, consistent with WIAL's forecasts.

This reflects a net revaluation surplus at the commencement of the pricing period and comprises the net of:

- A \$33.4m historic non-indexed asset revaluation deficit since the commencement of the information disclosure regime in 2011 (i.e. actual revaluations recognised in annual information disclosures up until 31 March 2019 were below pricing forecasts); and
- A \$42.6m land revaluation uplift recognised in the PSE4 opening RAB as at 1 April 2019.

In accordance with the input methodologies (IMs), the carry forward adjustment is treated as a reduction to WIAL's investment value. This has the effect of lowering future aeronautical charges such that the \$9.2m surplus is returned to customers over time. WIAL has forecast to fully offset the carry forward balance by the end of PSE5.

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

Regulatory Profit

WIAL's regulatory profit for 2022 was \$16.6m above forecast.

- Regulatory income (\$19.3m below forecast)
WIAL's airport charges are primarily driven by passenger volume. Due to the ongoing Covid-19 restrictions in New Zealand, there were 1.2m or 25% fewer passengers in 2022 than forecast.

Passenger Numbers	Actual (000)	Forecast (000)	Variance vs Forecast (000)	Variance vs Forecast (%)
Domestic	3,481	4,442	(961)	(22%)
International	48	290	(242)	(83%)
Total	3,529	4,732	(1,203)	(25%)

- Operational expenditure (\$0.8m below forecast)
WIAL achieved significant cost reductions in response to Covid-19 and has focused on retaining these wherever possible. Key savings versus forecast are explained further in schedule 6 and included salaries/wages, marketing, repairs/maintenance and staff travel.
- Regulatory depreciation (\$2.3m above forecast)
The average depreciation charge of 3.8% is similar to the forecast assumption of 3.6%, but the regulatory asset base value is now \$25.9m higher than forecast.
- Indexed revaluation (\$31.2m above forecast)
The March year-on-year CPI rate was 6.93%, above long-term averages and WIAL's forecast of 1.50%. WIAL's assumption reflected forward-looking, medium term inflation expectations based on an average of RBNZ forecasts, NZIER forecasts and breakeven analysis using nominal and indexed bonds.
- Regulatory tax allowance (\$6.1m below forecast)
Refer to schedule 3a for detailed calculations of the tax allowance. Taxable profit was lower than forecast predominantly due to the variance in regulatory income noted above plus higher actual tax depreciation and notional interest.

Merger and Acquisition Expenses

WIAL did not incur any merger or acquisition expenses during the period.

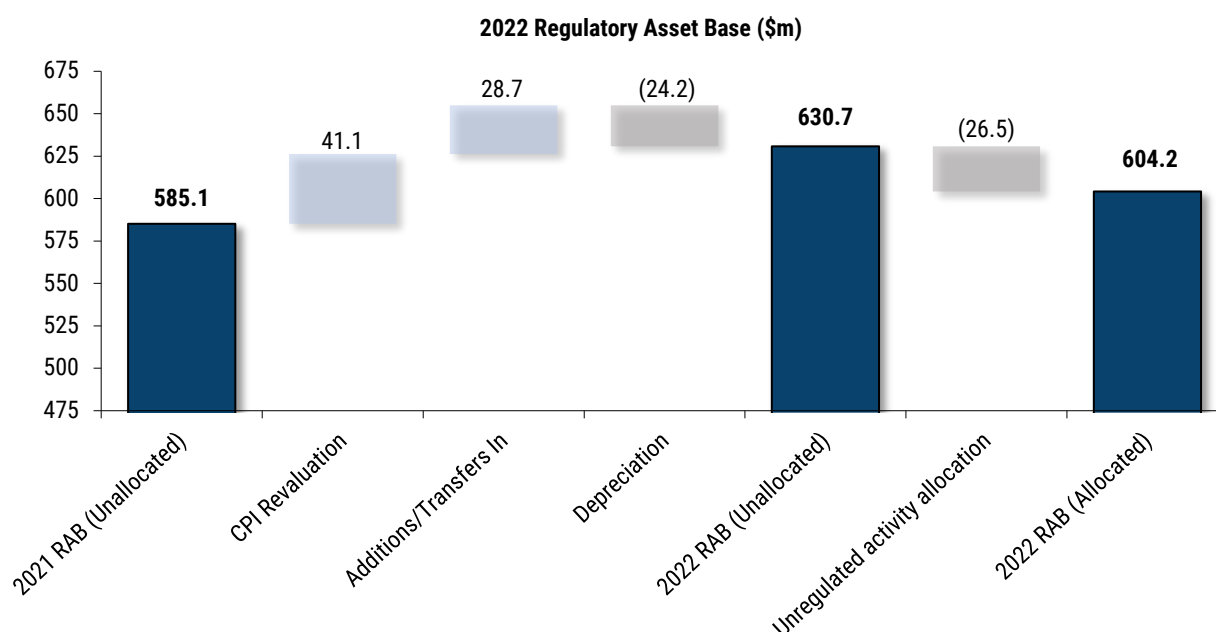
SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

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

- Permanent differences - not deductible
This represents 50% of entertainment expenditure which is non-deductible for tax purposes. Entertainment expenditure was allocated to the regulated business through the cost allocation methodology detailed in Schedule 10.
- Other temporary adjustments
These adjustments are required as there is a timing difference between financial reporting recognition and deductibility under the tax rules. The adjustments were allocated to the regulated business through the cost allocation methodology detailed in Schedule 10:

Temporary Adjustments	Current Period (\$000)
HR provisions/accruals	1,139
Prepayments	(1,636)
Audit fees	70
Total Adjustments	(427)

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD



The opening balance of the 2022 regulatory asset base (RAB) has been rolled forward from the prior-year closing RAB without adjustment. Movements recognised in the RAB during the year are as follows:

- CPI indexed revaluations
Assets were revalued using the CPI index of 6.93%, based on inflation indexations published by Statistics New Zealand for March 2022 vs March 2021.
- Assets commissioned
\$28.7m of unallocated assets (\$25.7m allocated) were commissioned during the period and are recognised in the RAB at cost.

Project Category	2022 Allocated Value Commissioned (\$m)
Main terminal building upgrades/redevelopments	13.7
Integrated Operations Control centre	1.2
Runway overlay	1.7
Fire & safety systems	1.2
Marine defences	0.8
Airfield works	1.8
IT hardware & systems	1.7
Southern terminal building upgrades/redevelopments	1.7
Freight building upgrades	0.3
Baggage system works	0.2
International arrivals enhancement	0.5
Security & access controls	0.6
Other operating items	0.3
Total	25.7

- Assets acquired from a related party**
 When the use of an existing asset changes between regulated and unregulated activities, it is transferred in or out of the RAB accordingly. There were no such transfers in 2022.
- Non-Standard Depreciation**
 WIAL's capital expenditure plans include replacing the baggage handling system and various buildings. Accelerated depreciation has been applied to the impacted assets on a straight-line basis, reflecting their shortened useful lives. The impact of this change is disclosed in schedule 4b(ii).
- Standard Depreciation**
 Excluding the above, standard straight-line depreciation methods have been applied to the opening RAB based on WIAL's original assessment of useful lives. No depreciation is recognised for the following assets in line with the input methodologies:
 - land;
 - assets commissioned in the current period;
 - assets transferred in or out of the RAB in the current period; and
 - assets with an opening 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.

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

The nature of transactions and parties involved is consistent with the prior year.

Only the regulatory business portion of related party transactions is disclosed. Average unit prices 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 2022 Annual Report which is available on www.wellingtonairport.co.nz

Transactions with Infratil relate to certain group insurance policies and other costs that are managed by Infratil Limited and on charged to WIAL.

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE**Capital expenditure**

The slower than forecast recovery in passenger numbers and associated impact on cashflows has required WIAL to carefully manage capital expenditure. As a result, the delivery of certain growth-driven projects has been deferred and will be realigned with the airport's recovery expectations.

Actual capital expenditure for the year was \$39.3m below forecast, while the period-to-date spend is \$32.7m below forecast. Commentary on significant variances is provided below:

Projects	Commentary on variance
Apron Development Package 1	Growth-driven project, timing of delivery under consideration due to Covid-19 impacts on passenger numbers and operational requirements.
New EDS ECAC Std3	Covid-19 presented challenges with procuring the design and investigation services for the works in line the forecast in the FPP. In recognition of this, the NZCAA changed the July 2023 target dates for NZ Airports meeting ECAC Std3 in NZ. Instead, NZCAA will work with individual aerodromes to set new target dates aiming for an implementation around 2026.
Cargo Hub	This project covers construction of a new Cargo Facilitation Area. To date the concept design for the facility has been completed with minimal external costs incurred. The first stage of construction is still expected in PSE4, and will replace the International Air Cargo Building & Air NZ cargo warehouse with a new expandable facility.
Trunk Utilities Relocation	Growth-driven project, timing of delivery under consideration due to Covid-19 impacts on passenger numbers and operational requirements.
8MPPA Terminal	Growth-driven project, timing of delivery under consideration due to Covid-19 impacts on passenger numbers and operational requirements. The costs incurred to date were for initial planning and design.
Miramar South School	This project covers the acquisition and development of the old school site to support future growth. The unforecast spend on this project is a timing variance on the land acquisition, as this was secured earlier than the forecast of 2024. The land has been treated as an Asset Held for Future Use and will only be incorporated into the regulatory asset base when it is utilized for the provision of specified airport services.
Runway Overlay	This project was completed in 2021 at a lower-than-expected cost. The reduction in international flights provided a longer overnight working window providing significant efficiencies.
Taxiway Bravo Reconstruction	Full reconstruction of Taxiway Bravo is required as the pavement is reaching the end of its life and its alignment does not allow for efficient future expansion. This project commenced in 2022 and remains on track for delivery during PSE4.
Marine Protection - Southern Seawall Replacement	PSE4 allocation relates to design and investigation of the seawall replacement works, which are programmed to occur in PSE5. Covid-19 presented challenges with procuring the design and investigation services, however these are now underway.
Flight Catering Relocation	Growth-driven project, timing of delivery under consideration due to Covid-19 impacts on passenger numbers and operational requirements.
Earthquake Strengthening	This project covers the seismic strengthening of the terminal to align with the revised guidelines for seismic assessments of concrete buildings (section C5). This work is currently underway and the projects remains on track for delivery during PSE4.
Other Capital Expenditure ¹	The forecast for other capital expenditure largely covers routine asset renewals and upgrades across the aeronautical business. The underspend reflects the reduction in operational demand through Covid-19 and WIAL's ongoing focus on cashflow management.

¹ In accordance with the Information Disclosure Determination 2019, key capital expenditure includes those projects or programmes of expenditure with a total cost greater than \$5 million. Projects or programmes of expenditure below \$5 million are included in "other capital expenditure".

Operating expenditure

In response to Covid-19, WIAL resized the business for the forecast impact on passenger volumes. This included a 30% reduction in airport staff, staff salary and Directors' fees reductions, temporary implementation of a 4-day working week and other targeted cost savings. These savings were incorporated into the PSE4 forecasts and WIAL has sought to retain efficiencies wherever possible.

Actual operating expenditure for the year was \$0.8m below forecast, predominantly driven by the following areas:

- Salaries/wages (\$0.4m below forecast): WIAL's headcount remains below pre-Covid levels as passenger numbers continue to recover.
- Marketing (\$0.3m below forecast): The forecast included an allowance for international route marketing to support the recovery, but the continued closure of borders meant this was not undertaken.
- Repairs and maintenance (\$0.2m below forecast): Savings reflect a focus on cost efficiency and reduction in reactive repairs and maintenance with fewer aircraft/passengers.
- Staff travel (\$0.2m below forecast): Travel restrictions in place during the year meant that only minimal staff travel was undertaken.

These savings were partially offset by higher spending on home insulation works as part of the airport's noise mitigation activities (\$0.2m) and additional terminal cleaning/hygiene costs (\$0.1m). Other costs were materially in line with forecast.

Risk allocation adjustments

Due to material uncertainty in passenger forecasts in the Covid-19 environment, WIAL's PSE4 pricing included a volume risk-share with airlines.

In line with WIAL's Price Setting Event Disclosures, the revenue surplus/shortfall resulting from actual vs forecast passengers will be calculated at the end of PSE4. The balance will be treated as a closing carry-forward adjustment for PSE4.

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

The segmented outcomes in schedule 7 produce the following post-tax returns on investment (ROI) for each regulated activity:

Segment	Actual Post-Tax ROI
Specified passenger terminal	3.9%
Airfield	8.2%
Aircraft and freight	8.7%
Total	6.9%

The ROI for Aircraft & Freight activities continues to be comparatively higher than other activities as contractual lease revenues have been less impacted by reduced passenger volumes during the Covid-19 pandemic.

The calculated ROI for specified terminal activities was relatively lower than other activities in 2022 mainly due to the following factors:

- WIAL simplified prices in PSE4 by converting airfield and terminal charges into a single passenger charge. For the purposes of schedule 7, charges have been allocated between airfield (68.6%) and specified terminal activities (31.4%) in proportion to the RAB as this was assessed as the most relevant driver available.
- Terminal activities are more cost intensive in nature, accounting for 43.5% of allocated operating expenditure.
- Depreciation is also proportionately higher than other activities as, overall, terminal assets in the RAB have a shorter life. This reflects the greater weighting of furniture, fit-outs, technology and equipment.

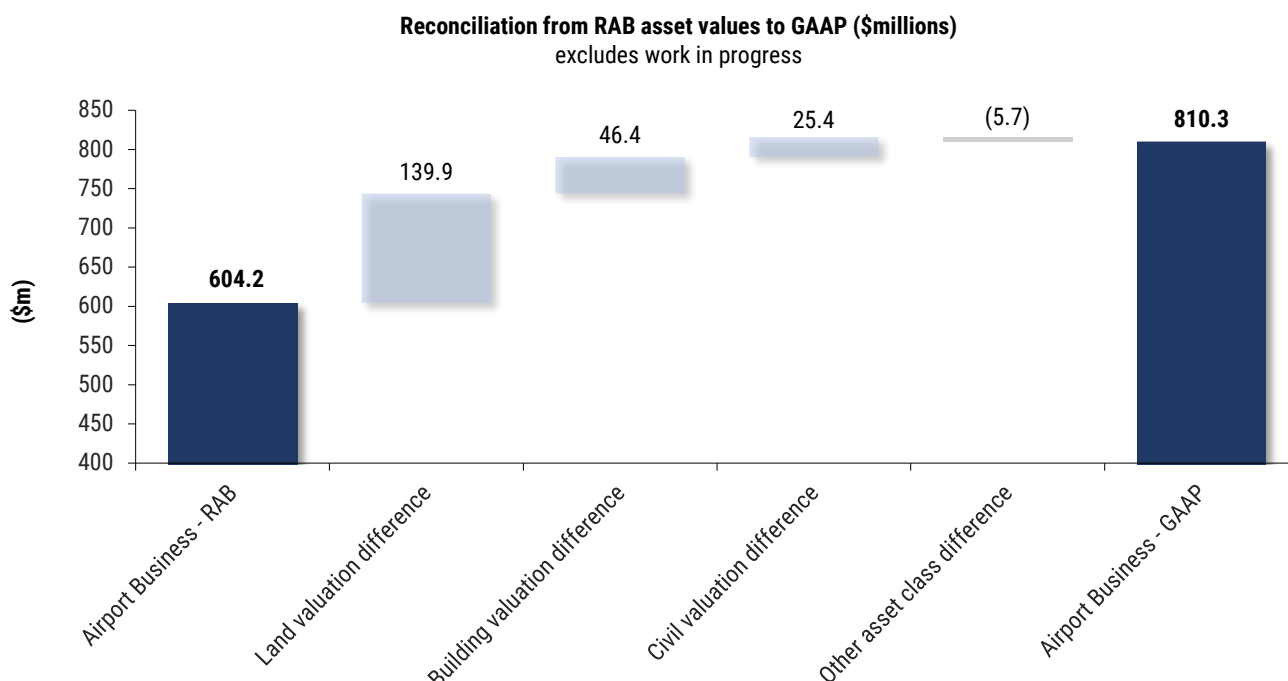
SCHEDULE 8: CONSOLIDATION STATEMENT

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 assets are allocated using the methodology detailed in schedule 9. As shown below and in schedule 8a, the valuation of airport business assets in the RAB is \$206.1m or 25% lower when compared with WIAL's GAAP valuation.



The regulatory value of assets in the RAB differs from the value under GAAP financial reporting due to:

- Land**
RAB land 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.
- Buildings**
In the RAB, building 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.
- Future use assets**
These assets are excluded from the RAB but are included in the airport company GAAP assets for financial reporting purposes.
- 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.
- 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.

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

The asset allocation methodology is unchanged from the prior year, but allocation rates have been updated to reflect changes in the underlying drivers (such as land areas).

SCHEDULE 10: REPORT ON COST ALLOCATIONS

The cost allocation methodology is unchanged from the prior year, but allocation rates have been updated to reflect changes in the underlying driver (such as land areas and terminal floor space). For 2022, allocated airport business expenditure is equivalent to 67.7% of total operating expenditure excluding the airport's hotel business (2021: 68.6%).

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

There were 56 reportable occurrences during the 2022 period, of which only 5 resulted in on-time departure delays affecting 7 aircraft movements.

Baggage sortation system (47 interruptions, 4 on-time departure delays)

WIAL recognises that the baggage system is reaching the end of its useful life and considers a high proportion of outages in recent years to be attributable to ageing equipment. The investment in a new system is currently expected in PSE5 and in the interim, minor works and system optimisation are being undertaken to manage performance of the equipment until the replacement is completed.

20 of the interruptions in 2022 were attributed to the New Zealand Aviation Security Service and their in-line Explosive Detection X-Ray equipment which forms an integral part of the baggage system. This was also the cause of the on-time departure delays which impacted 4 flights for a total duration of one hour twenty-six minutes.

Contact stands and aerobridges (9 interruptions, 3 on-time departure delays)

6 of 9 incidences were minor faults that were quickly resolved in an average of 22 minutes.

The remaining 3 interruptions caused on-time departure delays:

- A short terminal wide electricity interruption resulted in extended loss of power at an aerobridge and an aircraft had to be moved to another stand. This caused a delay of one hour and eleven minutes.
- A safety mechanism was triggered meaning an aerobridge could not be maneuvered and causing a delay of twenty-eight minutes.
- A door safety mechanism malfunctioned and doors were temporarily locked. This caused a consequential delay to the departing flight of twenty-five minutes.

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) Determinations.

Runway

WIAL's runway capacity varies depending on the direction of use (runway 16 or 34) and weather conditions. During the FY22 busy hour, there were 28 movements which is below runway 16 capacity in all conditions, but above runway 34 capacity in poor weather conditions (IMC).

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 all aerobridges were available.

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

Reported utilisation rates are low across most indicators, as there were minimal international services at WIAL during the 2022 busy hours. 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 carousels continue to be used as standard for international arrivals with carousels 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

For the purposes of capacity utilization reporting there were no material changes in the classification of floor spaces from the previous disclosure year.

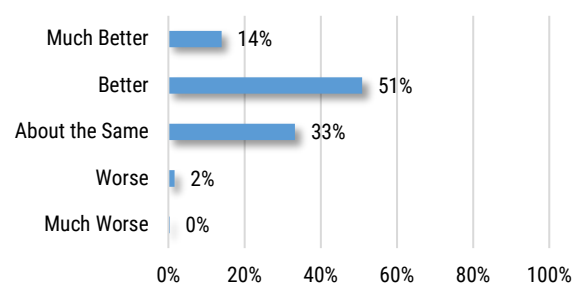
SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ASQ survey information is not available for the 2022 year as the surveys were suspended in response to Covid-19. WIAL has recommenced the surveys during 2023.

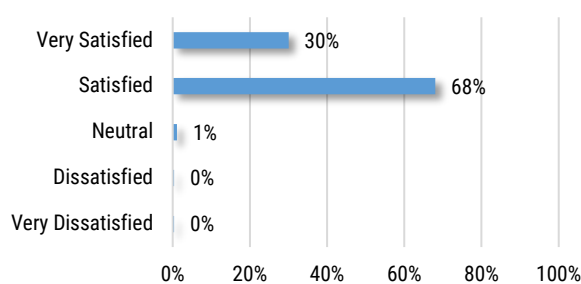
In the interim, WIAL has continued to monitor passenger satisfaction through an internally conducted survey. Results from the most recent survey undertaken in July/August 2021 are summarised in the charts below. Note that results have been calculated exclusive of "N/A" responses to each question.

Overall, this feedback showed passengers were highly satisfied with their experience at Wellington Airport and 97% of respondents said they felt safe travelling despite the Covid-19 situation. However, feedback also indicates that passengers want to see a return of express airport bus services (which is now expected in mid-2023) and an ongoing focus on the comfort of waiting areas.

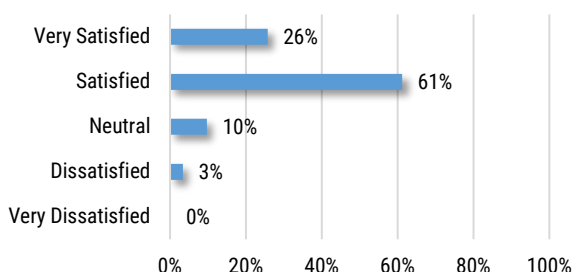
Rating compared with other airports visited



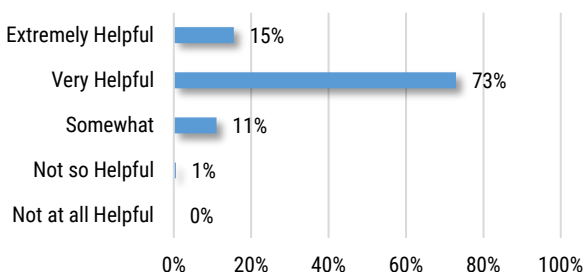
Satisfaction with cleanliness of facilities



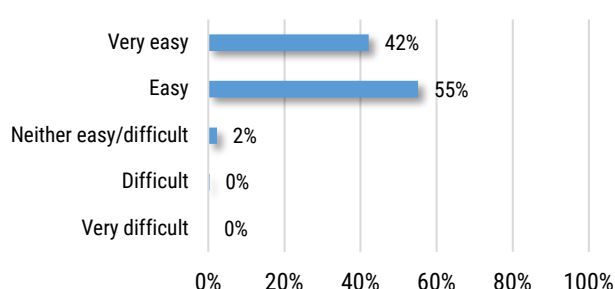
Satisfaction with retail, food, and beverage options



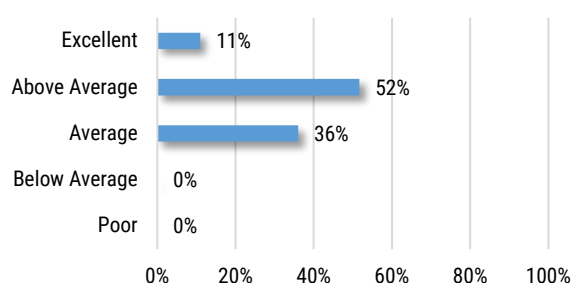
Helpfulness & friendliness of staff



Ease of finding way around terminal



Comfort of waiting areas



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
- Executive Team meetings (weekly)
- Board meetings (bi-monthly)
- Executive Risk Management Committee meetings (3 per year)
- Executive Safety Risk Meetings (2 per year)
- Audit & Risk Committee meetings (4 per year)

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)
- Quarterly Airside safety meetings
- Quarterly Landside safety meetings
- Airspace safety meeting (twice a year)
- Airport security meeting (twice a year)

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
- Passenger Satisfaction and Net Promotor Score surveys – Quarterly passenger feedback
- Q-Pulse – Occurrence and interruption reporting
- UPKEEP – 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
- Runway sensors – real time runway friction information for pilots to enhance safety

Covid-19 Response

WIAL, airlines and border agencies quickly established daily meetings to discuss the impact on airport operations. This ensured that the international arrivals and departures processes complied with the Ministry of Health regulations and kept both travellers and staff safe.

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.

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 allocated to unregulated activities, they are excluded from this disclosure.

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

WIAL's allocated headcount increased by 1.5 FTE from prior-year. WIAL expects headcount to gradually return to pre-Covid levels as passenger numbers recover.

SCHEDULE 17: REPORT ON PRICING STATISTICS

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

As WIAL agreed with airlines to hold prices flat for two years until 31 March 2021, the new pricing schedule for PSE4 was applicable from 1 April 2021 onwards.

The components of the PSE4 price structure are described below.

Price Structure Simplification

Airline feedback featured a view that a simplification of the price structure would be welcomed. WIAL has converted airfield and terminal charges into a per passenger charge. For the purposes of schedule 17, charges have been allocated between airfield (68.6%) and specified passenger terminal activities (31.4%) in proportion to the RAB as this was assessed as the most relevant driver available. The allocation does not affect the average per passenger charge in totality.

Exempt Passengers

The price structure exempts infants (under 2 years old), transit passengers (those travelling on the same aircraft without leaving the lounge), positioning crew, and diverted international passengers (not processed by customs). The volume of exempts totals around 1.3% of the domestic and 1.2% of all international passengers; the PSE4 forecasts assume these proportions remain unchanged.

Transfer Passengers

WIAL was interested in airline views of the merits of incorporating discounts or exemptions for transfer passengers, the definition of transfer passengers (within airline, between airlines, timeframe between connecting flights), and the ability of airlines to be able to provide accurate counts of transfer volumes for charging purposes. Accurate information regarding the transfer volumes is still not visible to WIAL and therefore transfer discounts have not been adopted in PSE4.

Peak Pricing

The introduction of peak pricing has supported a reduction in movements during the peak (to the shoulder) and an upgauging of aircraft, resulting in more efficient use of the runway. WIAL has retained the current definition of the peak time period, being 07:45-08:45 and 18:15-19:15 weekdays, and the shoulder time period applying 30 minutes either side of the peak.

WIAL has continued the application of increased charges during the peak but with a simplified price structure calculated on a per movement basis (replacing the current mix of MCTOW and movement charge). The charge is fixed throughout PSE4 at \$20.00 during the peak and \$10.00 during the shoulder. With no relative increase in peak pricing proposed, the forecast assumes the current proportions of peak, shoulder and off peak flying remain unchanged over PSE4.

For unscheduled movements, the peak charge is proposed to equal a MCTOW charge consistent with a scheduled aircraft of the same MCTOW (assuming 80% load factor), while general aviation (aircraft less than two tonnes) will face a higher fixed charge.

Parking

WIAL has retained free parking during off-peak and when airlines operate reasonable turn times (60 mins for domestic, 120 mins for international/unscheduled), encouraging the efficient use of apron space during the peak (06:00-10:00 and 16:00-20:00 weekdays). Charges per (part) hour were set based on FY19 values escalated by CPI over PSE4.

Incentive Arrangements

Given the significant & uncertain impact of Covid-19 on domestic and international passenger volumes and the PSE4 passenger wash-up arrangement in place, the published growth incentive programme does not continue for the remainder of PSE4.

However, WIAL expects to enter into commercial incentive agreements with some airlines to support the recovery of passenger demand. These agreements have previously included both financial and non-financial incentives, the value of which cannot be reliably forecast due to dependency on commercial negotiations. These incentives are treated as a commercial (non-regulated) expense and are excluded from the determination of airline pricing.



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 for the year ended 31 March 2022.

In our opinion;

- 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 historical financial information in Schedules 1 to 10 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 historical non-financial information in Schedules 11 to 13 and 15 to 17 pursuant to clause 2.4(1) of the Determination complies, in all material respects, with the Determination.

Qualified Opinion

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

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

Basis for qualified opinion

Subject to clause 2.6(3) and pursuant to clause 2.4(1), Schedule 14 is required to be prepared as part of the Airport Disclosure Schedules by the Determination. For the year ended 31 March 2022, the Company did not include information in Schedule 14 for the quarter ended 30 June 2021. We are therefore unable to express a reasonable assurance opinion that Schedule 14 complies, in all material respects, with the Determination. A formal exemption letter dated 12 October 2021 was obtained from the Commerce Commission in respect of the quarters ended, 30 September 2021, 31 December 2021 and 31 March 2022, and our opinion is not qualified in respect of these quarters.

Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to Schedules 1 to 17 of the Airport Services Information Disclosure Schedules for the regulatory year ended 31 March 2022 ('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 2019 (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) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements SAE 3100 (Revised) *Assurance Engagements on Compliance*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In accordance with those standards we have:

- used our professional judgement to assess the risk of material misstatement and non-compliance and plan and perform the engagement to obtain reasonable assurance that the Airport Disclosure Schedules are free from material misstatement or non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express an opinion 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 and non-compliance

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

Misstatements or non-compliance, 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 opinions 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 Schedules 1,2,4 and 6 of the Determination has been extracted from the forecast information prepared by the Company and used in the Final Pricing Document for the period 2020 - 2024. 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

Directors' of Wellington International Airport Limited 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 Directors determine is necessary to enable proper records to be kept by the Company to enable complete and accurate compilation of Airport Disclosure Schedules that are free from material misstatement or non-compliance whether due to fraud or error.

Our responsibility

Our responsibility is to express an opinion to the directors on whether the preparation and presentation of the Airport Disclosure Schedules is, in all material respects, 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 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* 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
Wellington

31 August 2022