



WELLINGTON INTERNATIONAL AIRPORT LIMITED

SPECIFIED AIRPORT SERVICES - ANNUAL INFORMATION DISCLOSURE
FOR THE YEAR ENDED 31 MARCH 2023

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 2023, which represents the 13th year of disclosure reporting and the fourth year of Price Setting Event 4 (PSE4).

WIAL's passenger numbers and aircraft movements are still recovering from the impacts of Covid-19, with 5.3 million passengers travelling through the airport in the year ended 31 March 2023 (FY23) compared to 6.2 million passengers pre Covid in FY20. Certain measures in these disclosures should therefore be considered in the context of the reduced volumes and also ongoing recovery.

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 approximately 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 and several key projects were deferred into future pricing periods.

Airports and airlines continue to bear the consequences of the pandemic, with passenger numbers for FY23 and the period-to-date remaining well below PSE4 forecasts:

	FY23 Year				PSE4 Period-To-Date			
	Actual (000)	Forecast (000)	Variance (000)	Variance (%)	Actual (000)	Forecast (000)	Variance (000)	Variance (%)
Domestic	4,690	5,214	(524)	(10%)	16,366	17,845	(1,479)	(8%)
International	564	758	(194)	(26%)	1,532	1,967	(435)	(22%)
Total	5,253	5,971	(718)	(12%)	17,898	19,812	(1,914)	(10%)

Focus has therefore remained on managing cashflows, including prioritising capital investment and retaining the cost savings achieved over FY20 and FY21 wherever possible.

We have continued to progress those essential works needed for regulatory, resilience and safety reasons and also took the opportunity to undertake certain works at a time when the airport was less busy. This resulted in an improved efficiency and lower cost of targeted runway, taxiway and terminal building works. Further detail on our capital investment is set out in schedule 6 of the Disclosures.

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 passenger volumes for the year, WIAL is providing quality infrastructure and facilities, with 4.0 hours of delays to on-time flight departures during FY23 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 changes to Aviation Security screening standards which are soon to be adopted. The investment in a new system is currently planned for PSE5

and in the interim, minor works and system optimisation are being undertaken to manage performance of the equipment.

Constrained passenger numbers in FY23 mean the busy hour capacity metrics in schedule 12 and 13 continue to 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) surveys recommenced from Q2 of the FY23 period after being suspended in response to Covid-19 for safety and financial reasons.

Overall, survey results showed passengers were highly satisfied with their experience at Wellington Airport with an average result of 4.1 out of 5 for both domestic and international services. Particularly strong results were achieved in 2023 for:

- ➔ Passport and visa inspection waiting time (4.4)
- ➔ Check-in waiting time (average score 4.3)
- ➔ Feeling of being safe and secure (average score 4.2)
- ➔ Courtesy, helpfulness of airport staff (average score 4.2)

Passenger scoring on the comfort of waiting/gate areas (average 3.7) indicates this is the key area for improvement for WIAL. Further enhancements to the main terminal building including improved seating are progressively being completed.

While not evident in the survey results for FY23, WIAL is aware that security screening queue lengths and wait times do not meet passenger expectations during peak periods. WIAL is engaging with Aviation Security to improve this service and consulting on plans to implement passenger tracking technology. This will enable better prediction of passenger flows and inform future operational and investment decisions.

As already noted above, WIAL is also seeking to improve the resilience of the baggage system to minimise the impact from interruptions to Aviation Security's screening equipment, and provide a more seamless passenger experience.

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 achieve net zero emissions for scope 1, 2 and staff travel. We are also aiming to reduce 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.

Our annual Kaitiakitanga report for the FY23 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.

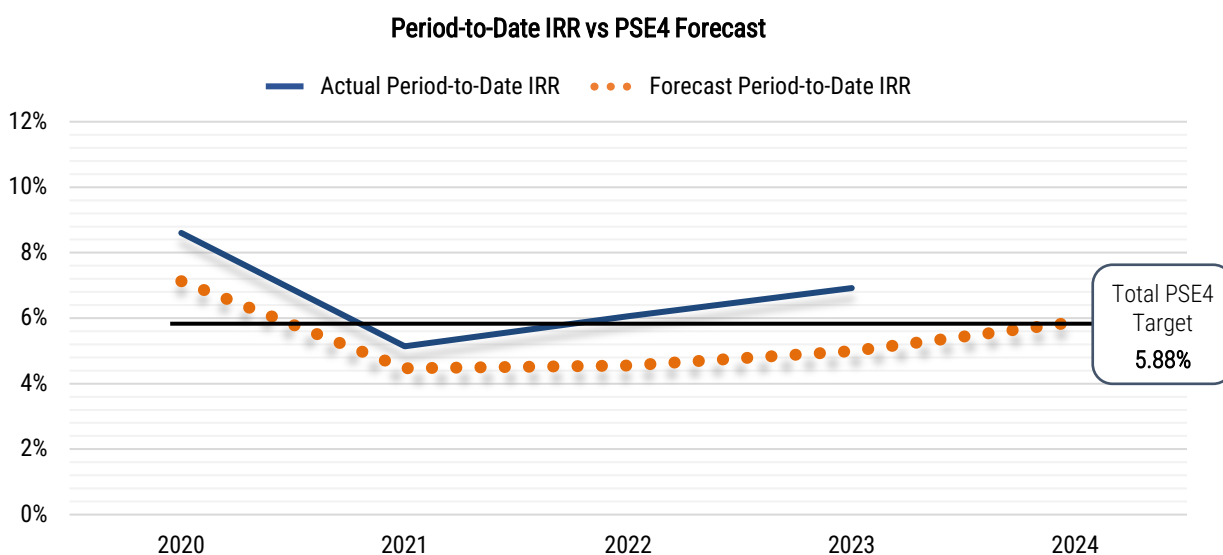
- We set a concessionary price path targeting an average \$15 per passenger charge at the end of PSE4 and deferring \$20m revenue to PSE5 (\$15.1m post tax).
- After consultation a passenger wash up was implemented for PSE4 which effectively provides a passenger volume risk share arrangement with airlines. This was a sensible approach to addressing ongoing uncertainty in the Covid-19 environment and the balance will be calculated at the end of PSE4.

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

FY23 and PSE4 Period-to-Date Returns

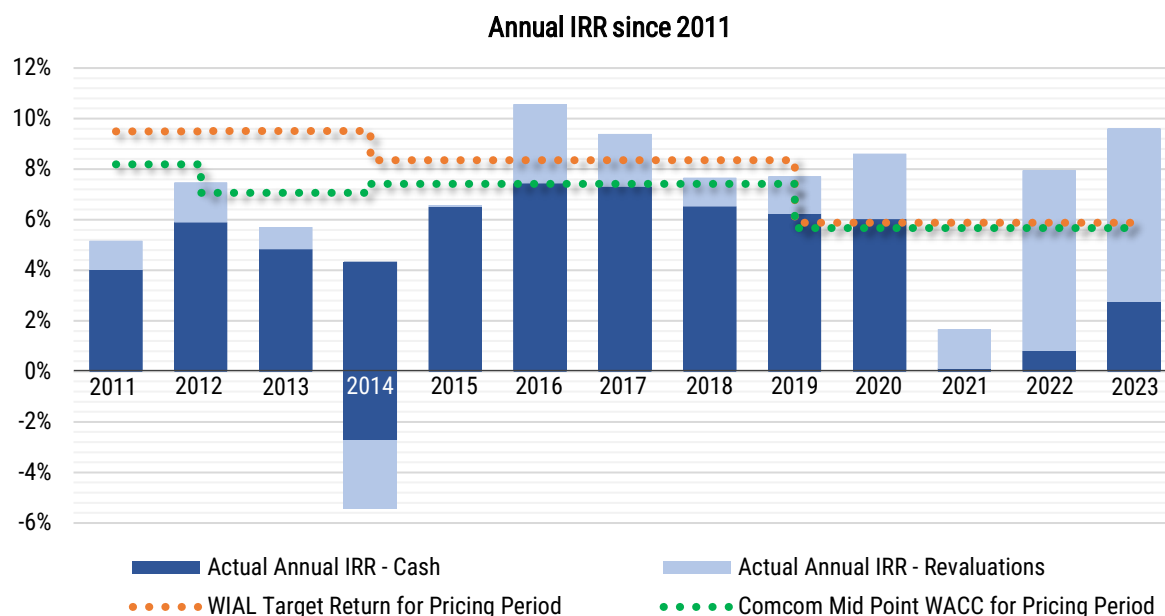
WIAL is targeting a total IRR of 5.88% over the five-year PSE4 period. Actual IRR outcomes for PSE4 are summarised below (variances from forecast are explained in detail under schedule 1 of the Disclosures):

- The IRR for 2023 was 9.61%, above forecast of 6.30%. This primarily reflects the impact of high inflation (6.65%) on WIAL's indexed asset revaluations for the year.
- Excluding asset revaluation uplifts, the IRR for the year was 2.75% against an adjusted forecast of 4.82%. This reflects a 0.7 million or 12% shortfall in passengers versus forecast.
- The period-to-date IRR after four years is 6.92% compared with forecast of 4.99%, or 2.51% versus forecast of 3.56% 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 FY11:



**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 FY11-FY19 (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 FY11-FY24, 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 FY20 and most of FY21, while also factoring in the expected impacts of Covid-19 on FY22–FY24 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.aero7.06

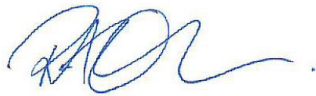
Schedule 21 – Certification for Disclosed Information

Clause 2.7(1)

We, Rachel Drew and Matthew Ross, 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 exception:

1. Schedule 14 does not include information regarding availability of baggage carts/trolleys contrary to the requirements of clause 2.4(1)(a)(iv) of the determination.

Passenger surveys were not undertaken for the quarter ended 30 June 2022, but pursuant to the exemption granted by the Commerce Commission on 12 October 2021 and amended on 29 March 2022.



Director
29 August 2023



Director
29 August 2023



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

Company Name	Wellington International Airport Ltd
Disclosure Date	31 August 2023
Disclosure Year (year ended)	31 March 2023
Pricing period starting year (year ended)	31 March 2020

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

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Schedule	Description
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2	REPORT ON THE REGULATORY PROFIT
3	REPORT ON THE REGULATORY TAX ALLOWANCE
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5	REPORT ON RELATED PARTY TRANSACTIONS
6	REPORT ON ACTUAL TO FORECAST PERFORMANCE
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17	REPORT ON PRICING STATISTICS
25	TRANSITIONAL REPORT ON REGULATORY ASSET BASE VALUE FOR LAND

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
Pricing period starting year (year ended)

Wellington International Airport Ltd
31 March 2023
31 March 2020

SCHEDULE 1: REPORT ON PROFITABILITY

ref Version 5.0

1a: Internal Rates of Return

	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
Post-tax IRR - pricing period to date (%)	6.92%	4.99%	1.93%
Post-tax IRR - current year (%)	9.61%	6.30%	3.31%

1a(i): Pricing Period to Date IRR

	(\$000 unless otherwise specified)		
	Actual for Period to Date	Forecast for Period to Date	Variance
Opening RAB	522,514	521,871	643
Opening carry forward adjustment	9,224	9,224	–
Opening investment value	513,290	512,647	643
plus Total regulatory income	259,535	293,174	(33,639)
less Assets commissioned	101,870	157,778	(55,908)
plus Asset disposals	354	–	354
less Operational expenditure	96,889	97,183	(294)
less Unlevered tax	28,100	42,416	(14,316)
RAB value	639,860	631,501	8,359
Closing carry forward adjustment	5,535	5,535	–
Closing investment value	634,325	625,966	8,359
Post-tax IRR for pricing period to date (%)	6.92%	4.99%	1.93%

1a(ii): Current Year Annual IRR

	(\$000 unless otherwise specified)		
	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
Opening RAB	604,242	578,392	25,850
Opening carry forward adjustment	6,457	6,457	–
Opening investment value	597,784	571,935	25,850
plus Total regulatory income	81,078	92,175	(11,097)
less Assets commissioned	20,338	65,573	(45,235)
plus Asset disposals	354	–	354
less Operational expenditure	28,972	29,205	(233)
less Unlevered tax	11,597	14,416	(2,819)
RAB value	639,860	631,501	8,359
Closing carry forward adjustment	5,535	5,535	–
Closing investment value	634,325	625,966	8,359
Post-tax IRR for current year (%)	9.61%	6.30%	3.31%

Explanation of variances

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 Schedule 1, 2, 4 and 6 that have a material impact on the variance in the Post-tax IRR for pricing period to date.

Accompanying commentary/explanations are appended to the end of these schedules.

Regulated Airport
For Year Ended

Pricing period starting year (year ended)

Wellington International Airport Ltd

31 March 2023

31 March 2020

SCHEDULE 1: REPORT ON PROFITABILITY (cont)

ref Version 5.0

1b: Actual IRR Inputs

	Pricing Period Starting Year	Pricing Period Starting Year + 1	Pricing Period Starting Year + 2	Pricing Period Starting Year + 3	Pricing Period Starting Year + 4
	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024
Opening RAB	522,514	538,035	561,308	604,242	639,860
Opening carry forward adjustment	9,224	8,302	7,380	6,457	5,535
Opening investment value	513,290	529,733	553,928	597,784	634,325
Total regulatory income	85,391	41,570	51,495	81,078	
Assets commissioned - 1st month	11,828	10,078	4,281	1,655	
Assets commissioned - 2nd month	193	164	796	3,053	
Assets commissioned - 3rd month	2,842	85	60	1,031	
Assets commissioned - 4th month	968	806	182	161	
Assets commissioned - 5th month	115	—	114	381	
Assets commissioned - 6th month	215	1,211	289	31	
Assets commissioned - 7th month	12	79	7	308	
Assets commissioned - 8th month	6	48	70	7,232	
Assets commissioned - 9th month	640	4	10,342	6,086	
Assets commissioned - 10th month	382	—	—	400	
Assets commissioned - 11th month	665	17,435	—	—	
Assets commissioned - 12th month	2,302	5,790	9,526	—	
Asset disposals	—	—	—	354	
Operational expenditure	25,064	20,243	22,609	28,972	
Unlevered tax	12,473	904	3,126	11,597	
RAB value	538,035	561,308	604,242	639,860	
Closing carry forward adjustment	8,302	7,380	6,457	5,535	
Closing investment value	529,733	553,928	597,784	634,325	—
Post-tax IRR - pricing period to date (%)	8.60%	5.14%	6.06%	6.92%	(57.21%)

1c: Carry Forward Balance

	Actual	Forecast	Variance
Opening carry forward adjustment	6,457	6,457	—
Default revaluation gain/loss adjustment	(922)	(922)	—
Risk allocation adjustment			—
Other carry forward adjustment – forecast			—
Other carry forward adjustment – not forecast			—
Closing carry forward adjustment	5,535	5,535	—

Commentary on Carry forward balance

Accompanying commentary/explanations are appended to the end of these schedules.

1d: Cash flow timing assumptions

	flow timing assumption
Cash flow timing - revenues - days from year end	148
Cash flow timing - expenditure - days from year end	182

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref Version 5.0

6 2a: Regulatory Profit

(\$000 unless otherwise specified)

7 Income

Actual

Forecast

Variance

8 Airport activity charges

74,065

85,535

(11,470)

9 Noise mitigation charges

1,740

1,867

(127)

12 Lease, rental and concession income

5,273

4,773

500

13 Other operating revenue

-

14 Net operating revenue

81,078

92,175

(11,097)

16 Gains / (losses) on sale of assets

-

-

-

17 Other income

-

-

-

18 Total regulatory income

81,078

92,175

(11,097)

19 Expenses

20 Operational expenditure:

21 Corporate overheads

6,164

6,497

(332)

22 Asset management and airport operations

21,112

20,731

382

23 Asset maintenance

1,695

1,978

(283)

24 Total operational expenditure

28,972

29,205

(233)

26 Operating surplus / (deficit)

52,106

62,969

(10,863)

28 Regulatory depreciation

25,709

21,140

4,570

30 plus Indexed revaluation

40,748

8,676

32,072

31 plus Periodic land revaluations

-

-

-

32 Total revaluations

40,748

8,676

32,072

34 Regulatory Profit / (Loss) before tax

67,145

50,506

16,639

36 less Regulatory tax allowance

10,276

14,416

(4,141)

38 Regulatory Profit / (Loss)

56,869

36,089

20,780

Page 3

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref Version 5.0

(\$000 unless otherwise specified)

2b: Notes to the Report

2b(i): Financial Incentives

(\$000)

Pricing incentives

1,170

Other incentives

—

Total financial incentives

1,170

2b(ii): Rates and Levy Costs

(\$000)

Rates and levy costs

2,501

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 2023

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref Version 5.0

3a: Regulatory Tax Allowance

(\$000)

Regulatory profit / (loss) before tax

67,145

plus Regulatory depreciation

Other permanent differences—not deductible

Other temporary adjustments—current period

25,709

32 *

1,214 *

26,955

less Total revaluations

Tax depreciation

Notional deductible interest

Other permanent differences—non taxable

Other temporary adjustments—prior period

40,748

12,362

4,719

— *

(427) *

57,401

Regulatory taxable income (loss)

36,699

less Tax losses used

Net taxable income

—

36,699

Statutory tax rate (%)

Regulatory tax allowance

28.0%

10,276

Notional interest tax shield

Unlevered tax

1,321

11,597

* 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/explanations are appended to the end of these schedules.

3b(ii): Tax Depreciation Roll-Forward

(\$000)

Opening RAB (Tax Value)

plus Regulatory tax asset value of additions

less Regulatory tax asset value of disposals

plus Regulatory tax asset value of assets transferred from/(to) unregulated asset base

less Tax depreciation

plus Other adjustments to the RAB tax value

Closing RAB (tax value)

299,934

19,629

—

(75)

12,362

475

307,602

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

(\$000)

Tax losses (regulated business)—prior period

plus Current year tax losses

less Tax losses used

—

—

—

Tax losses (regulated business)

—

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

RAB value - previous year

Debt leverage assumption (%)

Cost of debt assumption (%)

Notional deductible interest

Tax rate (%)

Notional interest tax shield

604,242

19%

4.11%

4,719

28.0%

1,321

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Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref	Version 5.0		Actual (\$000)	Forecast (\$000)	Variance (\$000)
6					
7					
8		RAB value—previous disclosure year	604,242	578,392	25,850
9					
10		less Regulatory depreciation	25,709	21,140	4,570
11		plus Total revaluations	40,748	8,676	32,072
12		plus Assets Commissioned	20,338	65,573	(45,235)
13		less Asset disposals	354	—	354
14		plus Lost and found assets adjustment	—	—	—
15		Adjustment resulting from cost allocation	595	—	595
16					
17		RAB value [†]	639,860	631,501	8,359
18					
19					
20			Unallocated RAB *	RAB	
21			(\$000)	(\$000)	(\$000)
22		RAB value—previous disclosure year	630,739		604,242
23		less			
24		Regulatory depreciation	27,696		25,709
25		plus			
26		Indexed revaluations	42,513	40,748	
27		Periodic land revaluations	—	—	
28		Total revaluations	42,513		40,748
29		plus			
30		Assets commissioned (other than below)	20,568	20,338	
31		Assets acquired from a regulated supplier	—	—	
32		Assets acquired from a related party	—	—	
33		Assets commissioned	20,568		20,338
34		less			
35		Asset disposals (other)	—	—	
36		Asset disposals to a regulated supplier	—	—	
37		Asset disposals to a related party	354	354	
38		Asset disposals	354		354
39		plus			
40		Lost and found assets adjustment	—		—
41					
42		Adjustment resulting from cost allocation			595
43		RAB value [†]	665,770		639,860

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

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

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023

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	26,277	24,300
Non-standard depreciation	1,419	1,409
Regulatory depreciation	27,696	25,709

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	1,224	2021	7,948	9,864
Revised useful lives - Baggage Handling System assets to be replaced	186	2021	1,736	1,806

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)	1,142
CPI at CPI reference date—current year (index value)	1,218
Revaluation rate (%)	6.65%

Asset category revaluation rates

Land	6.65%
Sealed Surfaces	6.65%
Infrastructure and buildings	6.65%
Vehicles, plant and equipment	6.65%

Revaluations

	Unallocated RAB	RAB
Land	12,911	12,712
Sealed Surfaces	13,882	13,794
Infrastructure and buildings	14,306	12,977
Vehicles, plant and equipment	1,415	1,265
Indexed revaluation	42,513	40,748

4b(iv): Works Under Construction

	Unallocated works under construction	Allocated works under construction
Works under construction—previous disclosure year	38,125	29,859
plus Capital expenditure	30,421	26,196
less Asset commissioned	20,568	20,338
plus Adjustment resulting from cost allocation		2,011
Works under construction	47,977	37,728

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Regulated Airport
For Year Ended

Wellington International Airport Ltd
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SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD (cont)

ref Version 5.0

4b(v): Capital Expenditure by Primary Purpose

Capacity growth	8,479	
plus Asset replacement and renewal	17,718	
Total capital expenditure		26,196

4b(vi): Asset Classes

	Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
RAB value—previous disclosure year	191,058	198,666	195,351	19,166	604,242
less Regulatory depreciation	—	8,183	11,953	5,573	25,709
plus Indexed revaluations	12,712	13,794	12,977	1,265	40,748
plus Periodic land revaluations	—	—	—	—	—
plus Assets commissioned	—	10,838	7,632	1,868	20,338
less Asset disposals	—	—	352	2	354
plus Lost and found assets adjustment	—	—	—	—	—
plus Adjustment resulting from cost allocation	(200)	60	670	65	595
RAB value	203,571	215,176	204,324	16,790	639,860

* Corresponds to values in RAB roll forward calc

4b(vii): Assets Held for Future Use

	(\$000)	(\$000)
Assets held for future use opening cost—previous year		44,926
plus Holding costs	2,664	
less Assets held for future use net revenue	64	
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		47,526
Opening base value		37,911
plus Assets held for future use revaluations	2,769	
plus Assets held for future use additions	—	
less Assets held for future use disposals	—	
less Transfers to works under construction	—	
Closing base value		40,679
plus Opening tracking revaluations	3,692	
Tracking revaluations	6,461	
Highest rate of finance applied (%)		4.53%

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Regulated Airport
For Year Ended

Wellington International Airport Ltd
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SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref Version 5.0

5(i): Related Party Transactions

(\$000)

Net operating revenue	–
Operational expenditure	2,480
Related party capital expenditure	354
Market value of asset disposals	354
Other related party transactions	1,845

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
NZ Airport 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 costs	–	2,358
Infratil Limited	Oncharges of insurance and other group costs	–	87
HRL Morrison & Co	Expenditure for group costs oncharged	–	7
One NZ (previously Vodafone)	Expenditure for technology services provided	–	27
Wellington International Airport Limited	Asset transfers from regulated activities to unregulated activities	–	354
Other (Key Management Personnel)	Short-term employee benefits to Executive Management and Directors fees.	–	1,845

Commentary on Related Party Transactions

Accompanying commentary/explanations are appended to the end of these schedules.

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023

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	8,479	62,406	(86.4%)	39,463	143,221	(72.4%)
Asset replacement and renewal	17,718	56,939	(68.9%)	63,888	86,007	(25.7%)
Total capital expenditure	26,196	119,345	(78.1%)	103,351	229,229	(54.9%)
Corporate overheads	6,164	6,497	(5.1%)	20,770	23,562	(11.8%)
Asset management and airport operations	21,112	20,731	1.8%	69,861	66,355	5.3%
Asset maintenance	1,695	1,978	(14.3%)	6,257	7,266	(13.9%)
Total operational expenditure	28,972	29,205	(0.8%)	96,888	97,183	(0.3%)
Key Capital Expenditure Projects						
AFS Relocation	501	8,648	(94.2%)	2,537	10,069	(74.8%)
Apron Development Package 1	—	13,305	(100.0%)	98	18,740	(99.5%)
Apron Development Package 2	—	—	Not defined	—	—	Not defined
Apron Development Package 3	—	—	Not defined	—	—	Not defined
Stage 3 - New EDS ECAC Std3 (capitalisation 1)	—	5,765	(100.0%)	—	8,122	(100.0%)
Stage 3 - New EDS ECAC Std3 (capitalisation 2)	—	—	Not defined	—	—	Not defined
Cargo Hub Stage 1	252	26,609	(99.1%)	532	33,278	(98.4%)
New 8MPPA Terminal Build - Stage 1	157	—	Not defined	3,255	1,890	72.2%
JUHI Relocation	—	—	Not defined	—	—	Not defined
Trunk Utilities Relocation	—	13,672	(100.0%)	—	17,786	(100.0%)
Miramar South School	70	—	Not defined	11,652	—	Not defined
Runway Overlay	—	—	Not defined	12,306	14,290	(13.9%)
TWY Bravo Reconstruction	7,893	9,978	(20.9%)	11,130	19,949	(44.2%)
Marine Protection - Southern Seawall replacement	629	333	89.2%	3,377	4,603	(26.6%)
Marine Protection - Western Seawall replacement	—	—	Not defined	—	—	Not defined
Marine Protection - Breakwater replacement	—	—	Not defined	—	—	Not defined
Regional and Goods Screening	—	—	Not defined	—	—	Not defined
AFS Land Purchase	—	—	Not defined	—	—	Not defined
Flight Catering Relocation	—	12,196	(100.0%)	—	13,267	(100.0%)
Sprinkler Valve house relocation	—	—	Not defined	—	—	Not defined
Energy Centre	—	—	Not defined	—	—	Not defined
Apron under AFS	—	222	(100.0%)	—	222	(100.0%)
Earthquake Strengthening	4,410	5,549	(20.5%)	7,837	12,789	(38.7%)
Complete MGC purchase	—	—	Not defined	—	—	Not defined
Other capital expenditure	12,285	23,068	(46.7%)	50,627	74,224	(31.8%)
Total capital expenditure	26,196	119,345	(78.1%)	103,351	229,229	(54.9%)

Explanation of Variances

Accompanying commentary/explanations are 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 + 3.

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023

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

Expenditure by Category

	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year
	+ 1	+ 2	+ 3	+ 4	
for year ended	31 Mar 20	31 Mar 21	31 Mar 22	31 Mar 23	31 Mar 24
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	19,501	23,415	29,205	32,978

Key Capital Expenditure Projects

	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year	Pricing Period Starting Year
	+ 1	+ 2	+ 3	+ 4	
for year ended	31 Mar 20	31 Mar 21	31 Mar 22	31 Mar 23	31 Mar 24
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 8MPPA Terminal Build - Stage 1	1,890	—	—	—	—
JUHI Relocation	—	—	—	—	—
Trunk Utilities Relocation	—	399	3,715	13,672	3,538
Miramara 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	101,364

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Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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

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

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 .

Regulated Airport
For Year Ended

Wellington International Airport Ltd
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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	23,905	50,159	–	74,065
9	Noise mitigation charges	–	1,740	–	1,740
10					–
11					–
12	Lease, rental and concession income	3,316	130	1,828	5,273
13	Other operating revenue				–
14	Net operating revenue	27,221	52,030	1,828	81,078
15					
16	Gains / (losses) on asset sales	–	–	–	–
17	Other income	–	–	–	–
18	Total regulatory income	27,221	52,030	1,828	81,078
19					
20	Total operational expenditure	12,385	16,032	555	28,972
21					
22	Regulatory depreciation	12,827	12,022	860	25,709
23					
24	Total revaluations	12,172	27,205	1,371	40,748
25					
26	Regulatory tax allowance	2,671	7,368	237	10,276
27					
28	Regulatory profit/ loss	11,510	43,814	1,546	56,869
29					
30	RAB value	200,179	420,029	19,652	639,860

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

Commentary on Segmented Information

Accompanying commentary/explanations are appended to the end of these schedules.

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023

SCHEDULE 8: CONSOLIDATION STATEMENT

ref Version 5.0

8a: CONSOLIDATION STATEMENT

					(\$000)
	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business– GAAP	Unregulated Activities– GAAP	Airport Company– GAAP
Net income	81,078	2,672	83,750	56,078	139,828
Total operational expenditure	28,972	(1,288)	27,684	22,541	50,225
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	52,106	3,960	56,065	33,538	89,603
Depreciation	25,709	(6,243)	19,466	9,334	28,800
Revaluations	40,748	27,714	68,462	34,536	102,998
Tax expense	10,276	(10,238)	37	6,256	6,293
Net operating surplus / (deficit) before interest	56,869	48,155	105,024	52,484	157,508
Property plant and equipment	639,860	246,648	886,508	616,290	1,502,798

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

			(\$000)
	Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
	GAAP income includes an accrual for the PSE4 revenue deferral, which will be recognised as a \$15.1m closing carry forward adjustment in WIAL's 2024 Annual Information Disclosures. This treatment is consistent with WIAL's Price Setting Event Forecasts.	Net income	2,672
	Write-off costs for houses acquired and demolished as part of WIAL's Noise Management Activities are a non-operating expense under GAAP. This is included under operating expenditure for the Annual Information Disclosures, consistent with the treatment in WIAL's Price Setting Event Forecasts.	Total operational expenditure	(101)
	GAAP requires WIAL to recognise an Expected Credit Loss (ECL) provision for potential non-collection of debtor balances. WIAL only recognises bad debts as expenditure in the Annual Information Disclosures when specific debt balances are written-off.	Total operational expenditure	242
	A portion of annual premiums paid to WIAL's wholly owned captive insurance subsidiary are allocated to the airport business, consistent with the treatment in WIAL's Price Setting Event Forecasts. This expenditure is eliminated as an intra-group transaction under GAAP reporting.	Total operational expenditure	(1,429)

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

Commentary on the Consolidation Statement

Accompanying commentary/explanations are appended to the end of these schedules.

(\$000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	—	182,732	7,159	189,892		189,892
Assets not directly attributable	3,065	10,019	595	13,679	3,349	17,028
Total value land				203,571		
Sealed Surfaces						
Directly attributable assets	12,200	196,596	4,049	212,845		212,845
Assets not directly attributable	1,024	1,250	57	2,331	1,304	3,635
Total value sealed surfaces				215,176		
Infrastructure and Buildings						
Directly attributable assets	105,689	6,052	7,116	118,858		118,858
Assets not directly attributable	71,319	13,541	606	85,466	19,902	105,367
Total value infrastructure and buildings				204,324		
Vehicles, Plant and Equipment						
Directly attributable assets	5,368	8,608	15	13,991		13,991
Assets not directly attributable	1,514	1,230	55	2,799	1,356	4,155
Total value vehicles, plant and equipment				16,790		
Total directly attributable assets	123,257	393,988	18,340	535,585		535,585
Total assets not directly attributable	76,922	26,041	1,312	104,275	25,910	130,185
Total assets	200,179	420,029	19,652	639,860	25,910	665,777

[illegible]

ref Version 5.0

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

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023**SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)**

ref Version 5.0

9b: Notes to the Report**9b(i): Changes in Asset Allocators**

(\$000)

Effect of Change

	CY-1 31 Mar 22	Current Year (CY) 31 Mar 23	CY+1 31 Mar 24
--	-------------------	-----------------------------------	-------------------

Asset category

Original allocator or components

New allocator or components

Rationale

Original
New
Difference

	—	—	—

Asset category

Original allocator or components

New allocator or components

Rationale

Original
New
Difference

	—	—	—

Asset category

Original allocator or components

New allocator or components

Rationale

Original
New
Difference

	—	—	—

Asset category

Original allocator or components

New allocator or components

Rationale

Original
New
Difference

	—	—	—

Asset category

Original allocator or components

New allocator or components

Rationale

Original
New
Difference

	—	—	—

Asset category

Original allocator or components

New allocator or components

Rationale

Original
New
Difference

	—	—	—

Asset category

Original allocator or components

New allocator or components

Rationale

Original
New
Difference

	—	—	—

Commentary on Asset Allocations

Accompanying commentary/explanations are appended to the end of these schedules.

Regulated Airport
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SCHEDULE 10: REPORT ON COST ALLOCATIONS

ref Version 5.0

6 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	3,146	2,925	94	6,164	4,433	10,598
Asset Management and Airport Operations						
Directly attributable operating costs	–	7,757	55	7,812	–	7,812
Costs not directly attributable	8,652	4,304	344	13,300	1,503	14,804
Asset Maintenance						
Directly attributable operating costs	–	683	1	685	–	685
Costs not directly attributable	588	362	61	1,011	250	1,261
Total directly attributable costs	–	8,441	56	8,497	–	8,497
Total costs not directly attributable	12,385	7,592	499	20,476	6,187	26,662
Total operating costs	12,385	16,032	555	28,972	6,187	35,159

21 Cost Allocators

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Terminal building	Terminal asset values	Causal Relationship	Individual terminal assets are assigned an identification code reflecting location and underlying use. The split of terminal asset values is therefore considered to be an appropriate allocator for operating costs.	All utility and maintenance associated costs for the terminal building.
Operations	Staff resource/time	Causal Relationship	The Operations Team provides support across both regulated and unregulated activities. The majority of costs are remuneration and allocation based on staff resource/time requirements is therefore appropriate.	Employee remuneration and ancillary costs for airport operations staff.
Airport planning	Staff resource/time	Causal Relationship	Planning activities are lead by internal WIAL staff with support from external consultants. Costs are predominantly remuneration and professional fees and allocation based on staff resource/time requirements is therefore appropriate.	Employee remuneration and ancillary costs for airport planning staff and external consulting costs required for planning activity.
"Westside 1" property	Rental revenue	Causal Relationship	Property is occupied by a mix of tenants for regulated and unregulated activities. Rental revenue is an appropriate indicator of the use and costs related to the building.	All utility and maintenance associated costs for the Westside 1 building.
Other Western properties	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 and costs related to the building.	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 an appropriate indicator of the use and costs related to the houses.	All repairs and maintenance, rates and property administration costs for the houses.
Other Eastern properties	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 and costs related to the building.	All utility and maintenance associated costs for the other Eastern properties.
Property administration	Staff resource/time	Causal Relationship	WIAL property staff undertake property management and administration functions including communication with tenants, lease negotiations and renewals, and oversight of properties. The majority of costs are remuneration and allocation based on staff resource/time requirements is therefore appropriate.	Employee remuneration and ancillary costs for airport property staff.
Facilities	External repairs and maintenance expenditure	Causal Relationship	WIAL's Facilities Team manage repairs, maintenance and upgrade on buildings/facilities. The value of external repairs and maintenance costs provides an appropriate basis for allocating remuneration and ancillary costs for this team.	Employee remuneration and ancillary costs for airport maintenance staff.

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

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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)		
			CY-1	Current Year	CY+1
			31 Mar 22	31 Mar 23	31 Mar 24
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/explanations are appended to the end of these schedules.

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref Version 5.0

		Number	Total Duration	
			Hours	Minutes
6	Runway			
	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			
	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			
	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			
	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26	Airports	11	13	27
27	Airlines/Other	—	—	—
28	Undetermined reasons	1	1	—
29	Total	12	14	27
30	Baggage sortation system on departures			
	The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible			
32	Airports	14	23	22
33	Airlines/Other	18	115	47
34	Undetermined reasons	2	2	57
35	Total	34	142	06
36	Baggage reclaim belts			
	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			
	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	8	4	01
45	Airlines/Other	36	16	35
46	Undetermined reasons	—	—	—
47	Total	44	20	36

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Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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/explanations are 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.

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Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023**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)	7.5		
	Runway code	4E		
	ILS category	Category I	N/A	N/A
Declared runway capacity for specified meteorological condition	VMC (movements per hour)	38-29		
	IMC (movements per hour)	36-26		

Taxiway

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

Aircraft parking stands

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

		Contact stand—airbridge	Contact stand—walking	Remote stand—bus
Air passenger services	International	8	—	—
	Domestic jet	12	—	—
	Domestic turboprop	—	16	2
Total parking stands		20	16	2

Busy periods for runway movements

		Date
Runway busy day		17 February 2023
	Runway busy hour start time (day/month/year hour)	30 Sep 2022 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	13	—	—	13
	Domestic jet	87	—	—	87
	Domestic turboprop	—	142	3	145
	Total	100	142	3	245
Other (including General Aviation)					36
Total aircraft movements during the runway busy day					281

Number of aircraft runway movements during the runway busy hour

27

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

Accompanying commentary/explanations are appended to the end of these schedules.

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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)	—	—	26 Jun 2022 7 pm
9	Floor space (m ²)	—	—	1,839
10	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	1,136
11	Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	62
12				
13	Check-in			
14	Passenger busy hour for check-in—start time (day/month/year hour)	—	—	26 Jun 2022 7 pm
15	Floor space (m ²)	—	—	1,197
16	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	909
17	Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	76
18	Baggage (outbound)			
19	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	—	—	26 Jun 2022 7 pm
20	Make-up area floor space (m ²)	—	—	2,892
21	Notional capacity during the passenger busy hour (bags/hour)*	—	—	1,800
22	Bags processed during the passenger busy hour (bags/hour)*	—	—	605
23	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	1,136
24	Utilisation (% of processing capacity)	Not defined	Not defined	34%
25	* Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.			
26	Passport control (outbound)			
27	Passenger busy hour for passport control (outbound)—start time (day/month/year hour)	8 Jul 2022 4 pm		
28	Floor space (m ²)	198		
29	Number of emigration booths and kiosks	6		
30	Notional capacity during the passenger busy hour (passengers/hour) *	709		
31	Passenger throughput during the passenger busy hour (passengers/hour)	441		
32	Utilisation (busy hour passengers per 100m ²)	223		
33	Utilisation (% of processing capacity)	62%		
34				
35	* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
36	Security screening			
37	Passenger busy hour for security screening—start time (day/month/year hour)	8 Jul 2022 4 pm	5 Mar 2023 4 pm	
38	Facilities for passengers excluding international transit & transfer			
39	Floor space (m ²)	595	584	
40	Number of screening points	2	3	
41	Notional capacity during the passenger busy hour (passengers/hour) *	540	1,350	
42	Passenger throughput during the passenger busy hour (passengers/hour)	441	806	
43	Utilisation (busy hour passengers per 100m ²)	74	138	
44	Utilisation (% of processing capacity)	82%	60%	
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	* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
54				

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Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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

ref Version 5.0

		International terminal	Domestic terminal	Common area [†]
61	Airside circulation (outbound)			
62	Passenger busy hour for airside circulation (outbound)—start time (day/month/year hour)	8 Jul 2022 4 pm	26 Aug 2022 9 am	
63	Floor space (m ²)	718	1,882	
64	Passenger throughput during the passenger busy hour (passengers/hour)	441	1,106	
65	Utilisation (busy hour passengers per 100m ²)	61	59	
66	Departure lounges			
67	Passenger busy hour for departure lounges—start time (day/month/year hour)	8 Jul 2022 4 pm	26 Aug 2022 9 am	
68	Floor space (m ²)	1,221	2,705	
69	Number of seats	636	645	
70	Passenger throughput during the passenger busy hour (passengers/hour)	441	1,106	
71	Utilisation (busy hour passengers per 100m ²)	36	41	
72	Utilisation (passengers per seat)	0.7	1.7	
73	Inbound (Arriving) Passengers			
74	Airside circulation (inbound)			
75	Passenger busy hour for airside circulation (inbound)—start time (day/month/year hour)	17 Nov 2022 2 pm	10 Mar 2023 7 am	—
76	Floor space (m ²)	1,669	1,787	—
77	Passenger throughput during the passenger busy hour (passengers/hour)	451	1,035	—
78	Utilisation (busy hour passengers per 100m ²)	27	58	Not defined
79	Passport control (inbound)			
80	Passenger busy hour for passport control (inbound)—start time (day/month/year hour)	17 Nov 2022 2 pm		
81	Floor space (m ²)	329		
82	Number of immigration booths and kiosks	8		
83	Notional capacity during the passenger busy hour (passengers/hour) *	864		
84	Passenger throughput during the passenger busy hour (passengers/hour)	451		
85	Utilisation (busy hour passengers per 100m ²)	137		
86	Utilisation (% of processing capacity)	52%		
87	* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
88	Landside circulation (inbound)			
89	Passenger busy hour for landside circulation (inbound)—start time (day/month/year hour)	—	—	20 Nov 2022 2 pm
90	Floor space (m ²)	—	—	1,839
91	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	1,035
92	Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	56
93	Baggage reclaim			
94	Passenger busy hour for baggage reclaim—start time (day/month/year hour)	17 Nov 2022 2 pm	10 Mar 2023 7 am	
95	Floor space (m ²)	536	1,081	
96	Number of reclaim units	2	3	
97	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	—	—	
98	Bags processed during the passenger busy hour (bags/hour)*	—	—	
99	Passenger throughput during the passenger busy hour (passengers/hour)	451	828	
100	Utilisation (% of processing capacity)	Not defined	Not defined	
101	Utilisation (busy hour passengers per 100m ²)	84	77	
102	* Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.			
103	Bio-security screening and inspection and customs secondary inspection			
104	Passenger busy hour for bio-security screening and inspection and customs secondary inspection—start time (day/month/year hour)	17 Nov 2022 2 pm		
105	Floor space (m ²)	734		
106	Notional MAF secondary screening capacity during the passenger busy hour (passengers/hour)*	760		
107	Passenger throughput during the passenger busy hour (passengers/hour)	451		
108	Utilisation (% of processing capacity)	59%		
109	Utilisation (busy hour passengers per 100m ²)	61		
110	* Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.			
111	Arrivals concourse			
112	Passenger busy hour for arrivals concourse—start time (day/month/year hour)	—	—	20 Nov 2022 2 pm
113	Floor space (m ²)	—	—	985
114	Passenger throughput during the passenger busy hour (passengers/hour)	—	—	1,079
115	Utilisation (busy hour passengers per 100m ²)	Not defined	Not defined	110

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Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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

ref Version 5.0

		International terminal	Domestic terminal	Common area [†]
130				
131	Total terminal functional areas providing facilities and service directly for passengers			
132	Floor space (m ²)	—	—	23,750
133	Number of working baggage trolleys available for passenger use			
134	at end of disclosure year	—	—	845
135	Commentary concerning capacity utilisation indicators for Passenger Terminal Activities			
136	Accompanying commentary/explanations are appended to the end of these schedules.			
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168	Commentary must include an assessment of the accuracy of the passenger data used to prepare the utilisation indicators.			
169	[†] For functional components which are normally shared by passengers on international and domestic aircraft.			
170				

Regulated Airport
For Year Ended

Wellington International Airport Ltd
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SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref Version 5.0

Survey organisation

Survey organisation used

ACI

If "Other", please specify

Passenger satisfaction survey score

(average quarterly rating by service item)

Domestic terminal

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

International terminal

Quarter for year ended	1 30 Jun 22	2 30 Sep 22	3 31 Dec 22	4 31 Mar 23	Annual average
Ease of finding your way through an airport	N/A	4.2	4.1	3.9	4.1
Ease of making connections with other flights	N/A	N/A	N/A	N/A	
Flight information display screens	N/A	4.3	4.0	3.9	4.1
Walking distance within and/or between terminals	N/A	4.4	4.1	4.2	4.2
Availability of baggage carts/trolleys	N/A				
Courtesy, helpfulness of airport staff (excluding check-in and security)	N/A	4.5	4.0	4.0	4.2
Availability of washrooms/toilets	N/A	4.0	4.1	4.0	4.0
Cleanliness of washrooms/toilets	N/A	4.1	4.0	3.6	3.9
Comfort of waiting/gate areas	N/A	3.7	3.8	3.7	3.7
Cleanliness of airport terminal	N/A	4.1	4.2	3.9	4.1
Ambience of the airport	N/A	4.0	4.0	3.7	3.9
Passport and visa inspection waiting time	N/A	4.5	4.5	4.0	4.4
Security inspection waiting time	N/A	3.8	4.3	4.0	4.0
Check-in waiting time	N/A	4.4	4.1	3.9	4.2
Feeling of being safe and secure	N/A	4.2	4.3	4.0	4.2
Average survey score	—	4.2	4.1	3.9	4.1

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/explanations are appended to the end of these schedules.

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

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref Version 5.0

Disclosure of the operational improvement process

Accompanying commentary/explanations are appended to the end of these schedules.

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

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

**Total MCTOW
(tonnes)**

[illegible]

Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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	10,081	721,254
Airbus A320 Neo	394	29,349
Airbus A321 Neo	307	29,545
Boeing 737-800	4	316
Total	10,786	780,463

(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)
Rockwell Turbo Commander 690	8	37
Alenia ATR72	5,127	117,887
Cessna 208	3,673	14,491
De Havilland DHC-8-300	11,206	218,573
British Aerospace Jetstream 32	198	1,417
Pilatus PC-12	2,043	9,194
Saab SF340	107	1,608
Fairchild Swearingen Metroliner	75	561
Total	22,437	363,768

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ref Version 5.0

104	(iii) The total number and MCTOW of landings of aircraft not included in (i) and (ii) above during disclosure year	Total number of	Total MCTOW
105		landings	(tonnes)
106	Air passenger service aircraft less than 3 tonnes MCTOW	389	809
107	Freight aircraft	877	6,751
108	Military and diplomatic aircraft	347	13,608
109	Other aircraft (including General Aviation)	5,131	17,405

110	(iv) The total number and MCTOW of landings during the disclosure year		
111		Total number of landings	Total MCTOW (tonnes)
112	Total	41.887	1,330.125

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
115					
116	International air passenger service movements	3,850			3,850
117	Domestic jet air passenger service movements	21,624			21,624

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

		Domestic	International	Total
	The total number of passengers during disclosure year			
	Inbound passengers [†]	2,342,580	281,766	2,624,346
	Outbound passengers [†]	2,347,212	281,745	2,628,957
	Total (gross figure)	4,689,792	563,511	5,253,303
	less estimated number of transfer and transit passengers		—	—
	Total (net figure)			5,253,303

† 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.

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

	Domestic	International
132		
133	Air New Zealand Limited	Air New Zealand Limited
134	Air Chathams Limited	Qantas Airways Limited
135	Golden Bay Air Limited	Jetstar Airways Limited
136	Jetstar Airways Limited	Fiji Airways
137	Origin Air Limited	
138	Sounds Air Travel & Tourism Limited	
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Regulated Airport
For Year Ended

Wellington International Airport Ltd
31 March 2023

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	38.5	50.5	2.0	91.1
Human resource costs (\$000)				9,868

Commentary concerning the report on associated statistics

Accompanying commentary/explanations are appended to the end of these schedules.

Regulated Airport
For Year EndedWellington International Airport Ltd
31 March 2023**SCHEDULE 17: REPORT ON PRICING STATISTICS**

ref Version 5.0

17a: Components of Pricing Statistics

	(\$000)
Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	12,423
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	31,176
Net operating charges from airfield activities relating to international flights	8,130
Net operating charges from specified passenger terminal activities relating to domestic passengers	22,009
Net operating charges from specified passenger terminal activities relating to international passengers	2,645
	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,584,865
Number of domestic passengers on flights of 30 tonnes MCTOW or more	3,104,927
Number of international passengers	563,511
	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	728,127
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	1,559,888
Total MCTOW of international flights	295,211

17b: Pricing Statistics

	Average charge (\$ per passenger)	Average charge (\$ per tonne MCTOW)
Average charge from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	7.84	17.06
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	10.04	19.99
Average charge from airfield activities relating to international flights	14.43	27.54
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from specified passenger terminal activities	4.69	4.69
	Average charge (\$ per domestic passenger)	Average charge (\$ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	13.99	19.12

Commentary on Pricing Statistics

Accompanying commentary/explanations are appended to the end of these schedules.

ACCOMPANYING COMMENTARY – ANNUAL INFORMATION DISCLOSURES

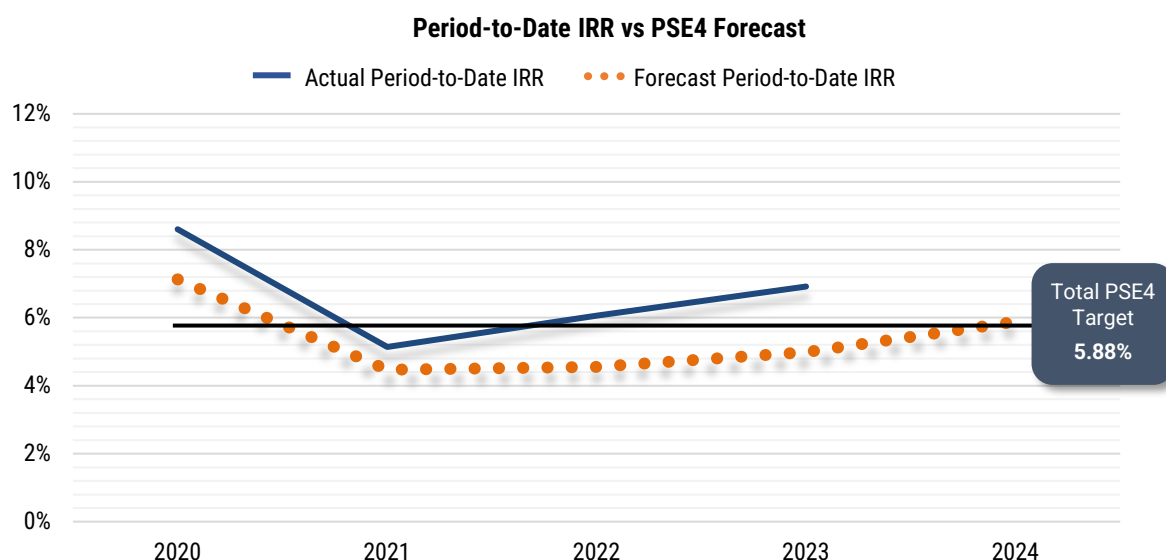
FOR THE YEAR ENDED 31 MARCH 2023

The Annual Disclosures compare actual performance for both the year and pricing period-to-date with the forecasts set out in WIAL's PSE4 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 FY23 was 9.61%, above forecast of 6.30%. This primarily reflects the impact of high inflation (6.65%) on WIAL's indexed asset revaluations for the year.
- Excluding asset revaluation uplifts, the IRR for the year was 2.75% against an adjusted forecast of 4.82%. This reflects a 0.7 million or 12% shortfall in passengers versus forecast.
- The period-to-date IRR after four years is 6.92% compared with forecast of 4.99%, or 2.51% versus forecast of 3.56% 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	(0.03%)
Regulatory income	259,535	293,174	(33,639)	(1.53%)
Operational expenditure	96,889	97,183	(294)	0.01%
Unlevered tax	28,100	42,416	(14,316)	0.67%
Investment value movements	121,036	113,320	7,716	2.81%
Net Total				1.93%

Regulatory income is now \$33.6m below forecast as the recovery in passenger numbers from the Covid pandemic has been slower than forecast. 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 a 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	101,870	157,778	(56,263)
Indexed asset revaluations	101,800	32,801	68,999
Depreciation	(87,507)	(80,950)	(6,558)
Carry forward adjustment	3,690	3,690	-
Changes in Asset Allocation	1,537	-	1,537
Net Total	121,036	113,320	7,716

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 \$69.0m above forecast. Year-on-year CPI reported by Statistics New Zealand was 6.93% for FY22 and 6.65% for FY23, this rate is 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 FY11 (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 FY23 was \$20.8m above forecast.

- Regulatory income (\$11.1m below forecast)
WIAL's airport charges are primarily driven by passenger volume. There were 0.7 million or 12% fewer passengers in FY23 than forecast.

FY23 Passenger Numbers	Actual (000)	Forecast (000)	Variance (000)	Variance (%)
Domestic	4,690	5,214	(524)	(10%)
International	564	758	(194)	(26%)
Total	5,253	5,971	(718)	(12%)

- Operational expenditure (\$0.2m 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.
- Indexed revaluation (\$32.1m above forecast)
The March year-on-year CPI rate was 6.65%, 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 depreciation (\$4.6m above forecast)
The value of existing assets has increased above forecast due to the higher CPI noted above. There have been no changes to depreciation rates from prior year.
- Regulatory tax allowance (\$4.1m 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.

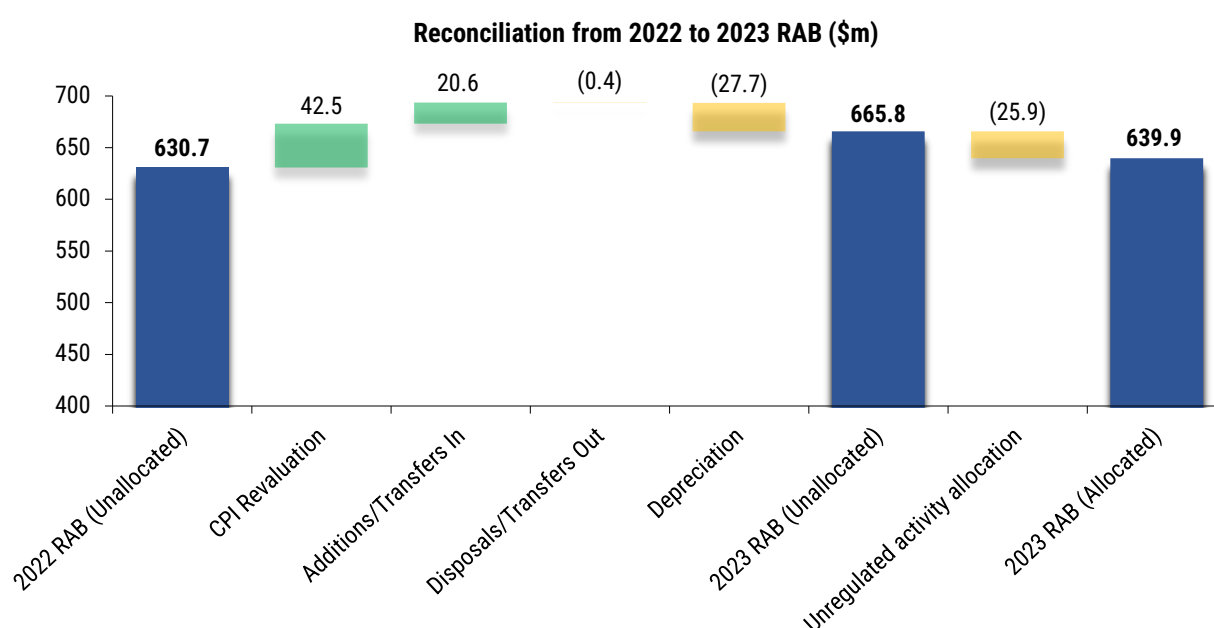
SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

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	1,262
Prepayments	171
Audit fees	(39)
Building write-off	(180)
Total Adjustments	1,214

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD



The opening balance of the 2023 regulatory asset base (RAB) is a roll forward from the FY22 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 6.65%, based on inflation indexations published by Statistics New Zealand for March 2023 vs March 2022.
- Assets commissioned
\$20.6m of unallocated assets (\$20.3m allocated) were commissioned during the period and are recognised in the RAB at cost.

Project Category	2023 Allocated Value Commissioned (\$m)
Taxiway Bravo Resurfacing	9.1
Main terminal building upgrades/redevelopments	4.8
Southern terminal building upgrades/redevelopments	2.5
Baggage system works	1.2
Marine defences	0.9
Airfield works	0.6
IT hardware & systems	0.3
Security & access controls	0.1
Fire & safety systems	0.1
Other operating items	0.8
Total	20.3

- 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. \$354k of assets have been transferred out of the RAB as an area of the terminal that was previously leased for aeronautical activities is now being used for commercial activities.
- 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 FY23 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 \$93.1m below forecast, while the period-to-date spend is \$125.9m below forecast. Commentary on significant variances is provided below:

Projects	Commentary on variance
AFS Relocation & Apron under AFS	Construction of the new fire station has commenced on the land acquired on the eastern airport boundary. Completion of this project is now expected in FY25.
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 project is now expected to be completed in PSE5 with the first stage of construction being the replacement of 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 FY24. The aeronautical portion of 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 FY21 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 FY22 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 progressing in line with forecast.
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 FY23 was \$0.2m or 0.8% below forecast despite high inflation over PSE4 to-date, reflecting the net of variances across the following key areas:

- Noise mitigation activities (\$0.6m below forecast): WIAL's noise mitigation programme is funded by passenger charges and the rollout has been managed to align with below forecast revenue levels.
- Marketing (\$0.4m below forecast): The forecast included an allowance for international route marketing to support the recovery. Most of this budget was not spent in FY23 as there would be limited benefit from marketing at time when airline capacity is constrained, and high load factors are being achieved.
- Repairs and maintenance (\$0.3m below forecast): Savings reflect a continued focus on cost efficiency and reduction in reactive repairs and maintenance with fewer aircraft/passengers.
- Property Costs (\$0.6m above forecast): Overspend is predominantly within cleaning, energy and consumables which have been impacted by higher than expected inflation over PSE4.
- Insurance (\$0.4m above forecast): Premiums have increased as high cost of construction inflation drives growth in the replacement value of assets, combined with challenging market conditions as underwriters seek to price in natural disaster and aviation specific losses.

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 PSE4 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	5.7%
Airfield	10.4%
Aircraft and freight	7.9%
Total	8.9%

The calculated ROI for specified terminal activities was relatively lower than other activities in FY23 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 (65.6%) 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 42.7% 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.

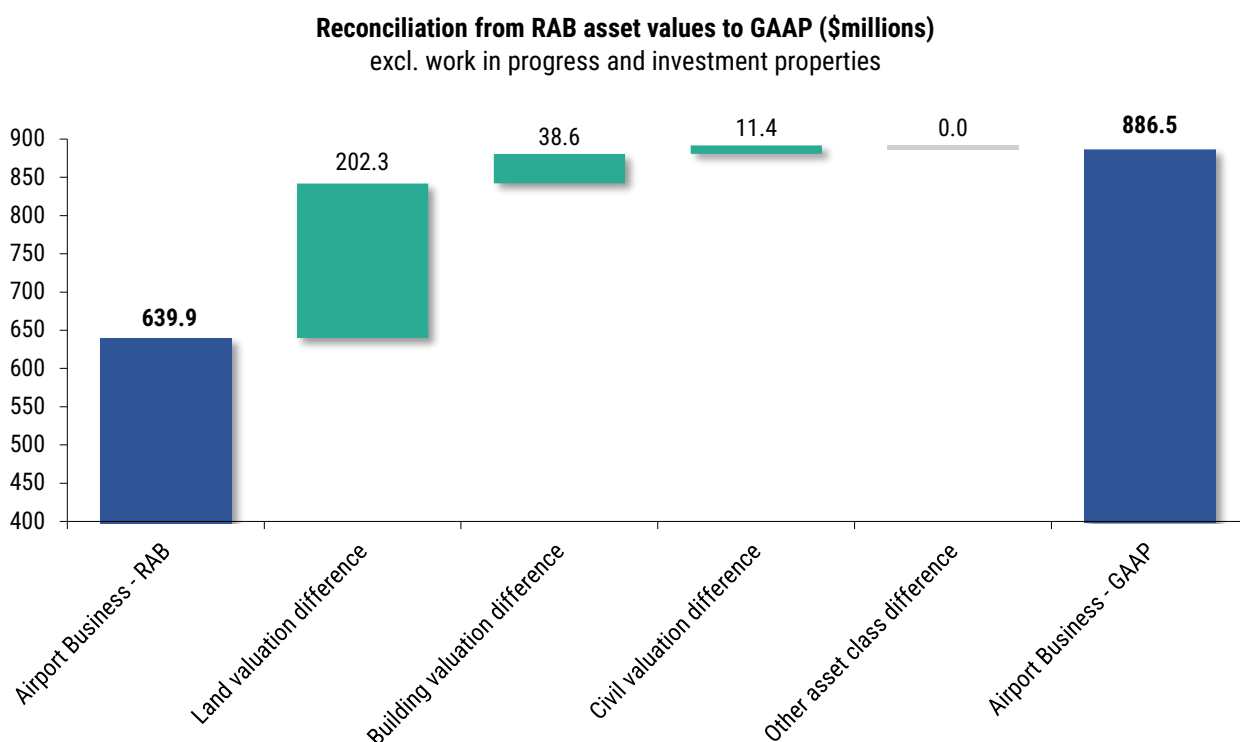
SCHEDULE 8: CONSOLIDATION STATEMENT

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 \$246.6m or 28% 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). Land was last revalued for GAAP reporting purposes as at 31 March 2023 while RAB land was last revalued as at 1 April 2019.
- 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 2023, allocated airport business expenditure is equivalent to 69.8% of total GAAP operating expenditure excluding the airport's hotel business (2022: 66.1%). The increased allocation in 2023 predominantly reflects the recovery in regulated airport activity and passenger numbers.

SCHEDULE 11: REPORT ON RELIABILITY MEASURES

There were 46 reportable occurrences during the 2023 period. Of these, 14 resulted in on-time departure (OTP) delays affecting 44 aircraft movements.

Wellington Airport was the party responsible for less than 20% of the OTP delay time.

Baggage sortation system (34 interruptions, 7 OTP flight delays)

Consistent with the prior year, most baggage system interruptions are attributable to the New Zealand Aviation Security Service and their in-line Explosive Detection X-Ray equipment.

WIAL recognises that the baggage system is reaching the end of its useful life. 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.

Contact stands and aerobridges (12 interruptions, 7 flight OTP delays)

9 of 12 aerobridge interruptions were quickly resolved. 3 interruptions required attendance from an external contractor and caused OTP delays of 2 hours and 34 minutes.

WIAL recently commissioned an external provider to undertake a condition assessment of all aerobridges. The outcome of this review will be used to develop a 5-year programme of works to upgrade and/or replace these assets progressively. This is expected to improve aerobridge performance and reduce outages over time.

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 FY23 busy hour, there were 27 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 relatively few international services at WIAL during the 2023 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 two available), and assuming that 50% of passengers will be assessed and released without further inspection. Notional throughput of 760 passengers per hour based on two x-ray machines.

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

As reported in prior years, ASQ passenger surveys were temporarily suspended due to Covid-19 and the Commerce Commission provided an exemption effective through to the quarter ended 30 June 2022. Accordingly, WIAL has now recommenced surveys from 1 July 2022.

WIAL operates a common use terminal with most facilities used by both domestic and international passengers. The survey outcomes for WIAL's facilities therefore reflect the views of each category of passengers rather than service levels for separate terminals. The survey measures are reported on a scale of 1 - 5, with a higher score being more positive.

A copy of the survey methodology is available at: www.wellingtonairport.co.nz/business/investor-services/regulatory-disclosures

Overall, the feedback indicates a high level of service across the areas covered with an average result of 4.1 for both domestic and international. Particularly strong results were achieved in 2023 for:

- Passport and visa inspection waiting time (4.4)
- Check-in waiting time (average score 4.3)
- Feeling of being safe and secure (average score 4.2)
- Courtesy, helpfulness of airport staff (average score 4.2)

Passenger scoring for the comfort of waiting/gate areas (average 3.7) indicates this remains the key area for improvement for WIAL. Further enhancements to the main terminal building including improved seating are progressively being completed.

Results are not reported for the availability of baggage carts/trolleys as this question was removed from the standard survey suite by the survey organisation (ACI). WIAL is working with ACI to have this question included in future surveys and notes that the number of available baggage trolleys is included in schedule 13 each year.

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

For 2023, examples of specific actions taken to improve operations include:

- Collaborating with Aviation Security to improve the efficiency and throughput of security screening processes
- Implementation of non-passenger screening to enhance security outcomes and minimise insider threat risk
- Refurbishment of the baggage handling system to improve reliability and efficiency
- Resurfacing of Taxiway Bravo to ensure seamless aircraft operations for the next 10-15 years
- Targeted initiatives to respond to feedback from passenger satisfaction surveys such as additional seating, charging stations and upgrades to toilet facilities

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 remains 12.3 FTE below FY20 levels, reflecting the efficiencies achieved through Covid-19 and efforts to retain these wherever possible.

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, a published growth incentive programme is not in place for PSE4.

However, WIAL expects to enter into commercial incentive agreements with airlines where appropriate 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 and to the New Zealand Commerce Commission

Opinion

Our reasonable assurance opinion has been formed on the basis of the matters outlined in this report for the year ended 31 March 2023.

In our opinion, in all material respects:

- Subject to clause 2.6(3) of the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010, as amended in 2019 (the 'Determination') and as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Airport Disclosure Schedules have been kept by the Company and 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 2023, the Company did not include information regarding availability of baggage carts/trolleys in Schedule 14 for the quarter ended 30 September 2022, 31 December 2022, and 31 March 2023. 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 and the exemption amendment dated 29 March 2022 was obtained from the Commerce Commission in respect of Schedule 14 the quarter ended 30 June 2022, and our opinion is not qualified in respect of this quarter.



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 2023 ('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. As a result, 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* issued by the New Zealand Auditing and Accounting Standards Board. 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 and 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, including omissions, within the Airport Disclosure Schedules or non-compliance 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.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement for the year ended 31 March 2023 does not provide assurance on whether compliance with the Determination will continue in the future.

Use of this assurance Report

Our report is made solely for the Wellington International Airport Limited. Our assurance work has been undertaken so that we might state to Wellington International Airport Limited those matters we are required to state to them in the assurance report and for no other purpose. We have also consented to the Commerce



Commission receiving a copy of our report on a reliance basis. No other third party is intended to receive our report.

Our report should not be regarded as suitable to be used or relied on by any third parties other than Wellington International Airport Limited and Commerce Commission ("Recipients") for any purpose or in any context. Any other party 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.

Our report is released to the Recipients on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to any party other than Wellington International Airport Limited for our work, for this independent reasonable assurance report, and/or for the opinions we have reached.

Directors' responsibility for Airport Disclosure Schedules

The Directors of Wellington International Airport Limited are responsible for the preparation and fair presentation of the Airport Disclosure Schedules in accordance with the Determination, which the Directors' have determined to meet the needs of Wellington International Airport Limited. This responsibility includes such internal control as the Directors determine is necessary to enable compliance and to monitor ongoing compliance and to enable the preparation and fair presentation of the Airport Disclosure Schedules that is free from material misstatement and non-compliance whether due to fraud or error.

Our responsibility

Our responsibility is to express an opinion to the Wellington International Airport Limited on whether the preparation and presentation of the Airport Disclosure Schedules, in all material respects, has been prepared in accordance with the criteria Determination year ended 31 March 2023.

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

29/08/2023