WELLINGTON INTERNATIONAL AIRPORT LIMITED

SPECIFIED AIRPORT SERVICES ANNUAL INFORMATION DISCLOSURE

FOR THE YEAR ENDING 31 MARCH 2014

Executive Summary

1. Introduction

Wellington International Airport Limited (**WIAL**) provides its Annual Disclosure and reporting of financial and service quality outcomes for the year ended 31 March 2014. This is WIAL's fourth Annual Disclosure under the Commerce Act information disclosure regime (**ID Regime**) which commenced following the publication of the Commerce Commission's Information Disclosure Determination in December 2010 (**Determination**).

WIAL recognises that the purpose of information disclosure, as provided in the Commerce Act (**Act**), is for WIAL to provide sufficient information to enable interested persons to assess WIAL's performance over time and in comparison to Auckland International Airport Limited (**AIAL**) and Christchurch International Airport Limited (**CIAL**).

WIAL considers that the ability of the Commerce Commission (**Commission**) and interested persons to assess WIAL's performance will improve over time as further information disclosures are published.

WIAL looks forward to further feedback from the Commission on this and previous years disclosures.

2. Return on Investment

WIAL's actual return on investment is set out in Schedule 1 of the Annual Disclosures. The return over the last four years has been as follows:

Year	WIAL's Post Tax Return on Investment	WIAL's Return on Investment excluding Revaluations	Commission's 75th %ile Cost of Capital Published for WIAL	Impact on Revenue per annum	Cumulative Impact on Revenue(1)
2011	6.16%	5.14%	9.18%	$17.2 million shortfall	$21.4 million shortfall
2012	6.91%	5.44%	8.73%	$10.4 million shortfall	$33.5 million shortfall
2013	6.23%	5.43%	8.04%	$10.5 million shortfall	$44.8 million shortfall
2014	4.18%	6.63%	7.67%	$19.8 million shortfall	$64.5 million shortfall

(1) SHOWN IN 2014 PRESENT VALUE TERMS

The regulatory profit has decreased from $27.073m in 2013 to $18.040m for 2014. This provides a Return on Investment (ROI) of 4.18%. This ROI however includes a $16.672m reduction in the land valuation in 2014, which results from WIAL's MVAU valuation at 31 March 2013 adopted for the 2014 disclosures. Excluding this non-indexed valuation, the ROI would be 8.26%.

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

As shown in the table above, the actual returns for 2014 and all years since the commencement of the ID Regime are below the cost of capital determinations released by the Commission for WIAL.

The revenue shortfalls in the table demonstrate that WIAL is not earning excessive profits and in fact is currently earning revenues well below the levels that would be derived from applying the Commission's input methodologies (**IMs**).

3. Service Quality and Investment

WIAL is committed to providing an appropriate quality of service to all users of its airports services, undertaking investment and initiatives to address any areas of inadequate quality or concern and to facilitate passenger growth in future years.

WIAL continues to rate highly and improve in its ASQ (**Airport Service Quality**) survey scores, with an average domestic score of 4.1 in 2014 (an increase from 4.0 in 2013) and an average international score of 4.2 in 2014 (an increase from 4.1 in 2013). These compare extremely well against other airports around the world and WIAL is currently ranked the 2nd highest airport in Australasia and in the top half in its worldwide peer group of airports with 5 to 15 million passengers per annum.

WIAL continues to consult with its airline customers and other stakeholders on operational matters. In 2011 WIAL established a forum for airport stakeholders, namely TEAM WLG an acronym for Together Everyone Achieves More. TEAM WLG meetings continued to be held in 2014. These meetings focused on service reliability, service performance and a review of ASQ results, as well as airport collaborative decision making as a model for improving passenger and aircraft processing.

In Schedule 15, WIAL comments on a number of initiatives that have been completed or are currently in progress to deliver further improvements in service quality. These include the following:

The Terminal South Extension (**TSE**), which includes the design and expansion of the South West Pier (**SWP**) and associated apron and other works. The design phase for the TSE is now complete and construction is expected to commence in September 2014. The main benefits of these capital works will be to improve terminal capacity and passenger amenity, improve departure lounges and improved toilet facilities. These enhancements are in part due to the introduction of larger A320 aircraft in New Zealand.

- In response to the outcomes in the ASQ surveys and as part of the TSE project, WIAL plans to address the waiting/departure gate lounge congestion and accessibility of washrooms at the Airport.

- WIAL, in conjunction with Auckland International Airport Limited (AIAL) have reinvigorated the Airport Collaborative Decision Making (ACDM) nationwide project with Airways Corporation (Airways), airlines and ground handlers, a number of joint meetings have been held within the last year. ACDM is an operational concept that is being advanced by the International Civil Aviation Organisation (ICAO), and is also supported by Airports Council International (ACI) and International Air Transport Association (IATA). ACDM is about aviation partners working

together more efficiently and transparently resulting in operational efficiencies and enhanced traffic capacity. The concept is based upon the key stakeholders sharing operational information (often automatically from existing systems), into a common software platform, which provides all stakeholders with a common situational awareness of aircraft movement across a network.

- Two new Rosenbauer Panther fire trucks were commissioned in March 2014 to replace the 25 year old Trident fire trucks. As a result WIAL is now able to provide Aircraft Rescue and Firefighting (ARFF) Category 9 on request.

- Ongoing improvements to the Baggage Handling System (**BHS**) including new safety enhancements as a result of quality surveys completed during the year.

- Following a ruling by the Civil Aviation Authority, responsibility for gatehouse security was assumed by WIAL from 1 April 2014. WIAL has commissioned an automated system to control staff and vehicle access to/from the airfield in accordance with the Part 139 security regulations.

- Upgrading the Flight Information Display system (**FIDs**) design to enhance the ability for passengers to find their flight times and departure gates. The new and revitalised look reflects WIAL's branding colours with sharp and crisp text and graphics. The look is enhanced further by incorporating an image of the airline 'tail' for quick and easy passenger referencing to each flight, and additional information on the bottom of the screen. Weather feeds are now also being displayed on the FIDS.

WIAL also continually reviews the quality of service it provides to its passengers and customers including commissioning of passenger surveys and through a collaborative decision making approach in meetings with its stakeholders including airlines and Government agencies. Service quality improvements to address identified concerns are undertaken on a continuous basis. Initiatives undertaken during the year have included the following:

- Baggage Delivery: TEAM WLG instigated the BIC (Baggage Input Console) project. The BIC is designed to better inform the arriving passengers on expected baggage delivery times to the reclaim belt. A time allowance is added to real time once the aircraft arrives 'on blocks' at the stand and is automatically displayed at the reclaim belt. The airline ground handlers must deliver the bags to the belt within the specified time allowance. By use of a touch screen at the reclaim belt, the ground handlers indicate delivery of first bag and then again for last the bag to the belt. This updates the information displayed front of house to the waiting passengers. The system became operational during 2014; however WIAL is working closely with the airlines to continue to improve operating processes to ensure the delivery times are being met.

- MPI X-ray replacement. During the year a successful upgrade/replacement of Ministry for Primary Industries (MPI)'s biosecurity X-ray machines was undertaken. The transition to the new machines was smoothly managed by all stakeholders.

- Earthquake emergency response. New earthquake response procedures were adopted in 2013, based on similar principles adopted by Christchurch Airport with response requirements governed by readings from an accelerometer installed at WIAL. The August 2013 6.5 magnitude Seddon earthquake caused minimal disruption and no damage to the Main Terminal or other structures eventuated. The event however provided WIAL the opportunity to

adjust the accelerometer trigger levels and refine its response procedures in conjunction with its service partners. Specific checklists for different parts of the terminal building and the airfield are now in place. This provides rapid area assessments for management to make a quick and considered decision to re-start airport operations.

- Slot Coordination New Zealand Limited. NZ Airports and airlines agreed to form a slot coordinating entity for NZ, who have been tasked with the allocation of international slots for the three major airports and for all slots for Queenstown Airport. The allocation of international slots is expected to enhance the overall capacity and passenger waiting times.

Further initiatives reviewed and undertaken by WIAL in the year included:

- Enhancing passenger experience. Two big screens were installed in the check-in area. These screens will be used for running promotions and tourism clips to enhance the passenger experience. In case of emergencies the screens can be used as information screens.

4. 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: mharrington@wellingtonairport.co.nz

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

Company Name	Wellington International Airport Limited
Disclosure Date	20 August 2014
Disclosure Year (year ended)	31 March 2014
Pricing period starting year (year ended) [1]	31 March 2013

[1] *Pricing period starting year of the pricing period in place at the end of the disclosure year. Is used in clause b schedule 6.*

Templates for schedules 1–17 & 23 (Annual Disclosure)
Version 2.0. Prepared 25 January 2012

Table of Contents

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 in 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	**Wellington International Airport Limited**
	For Year Ended	**31 March 2014**

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT

ref *Version 2.0*

($000 unless otherwise specified)

1a: Return on Investment

			CY-2 *	CY-1 *	Current Year CY
	Return on Investment (ROI)	*for year ended*	**31 Mar 12**	**31 Mar 13**	**31 Mar 14**
	Regulatory profit / (loss)		29,727	27,073	18,040
less	Notional interest tax shield		1,240	1,166	975
	Adjusted regulatory profit		28,487	25,907	17,065
	Regulatory investment value		412,211	415,821	408,443
	ROI—comparable to a post tax WACC (%)		6.91%	6.23%	4.18%
	Post tax WACC (%)		7.75%	7.06%	6.69%
	ROI—comparable to a vanilla WACC (%)		7.21%	6.51%	4.42%
	Vanilla WACC (%)		8.06%	7.34%	6.93%

Commentary on Return on Investment

WIAL has provided commentary on its return on investment in the Executive Summary accompanying these Annual Disclosures.

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

	Regulated Airport	**Wellington International Airport Limited**
	For Year Ended	**31 March 2014**

SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)

ref *Version 2.0*

($000 unless otherwise specified)

1b: Notes to the Report

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

32	RAB value - previous year	405,702
33	Debt leverage assumption (%)	17%
34	Cost of debt assumption (%)	5.05%
35	Notional deductible interest	3,483
36	Tax rate (%)	28.0%
37	Notional interest tax shield	975

1b(ii): Regulatory Investment Value

39	Regulatory asset base value - previous year	405,702

		Commissioned Projects	Assets Commissioned—RAB Value ($000)	Proportion of Year Available (%)	Proportionate Regulatory Value
41		Gates	1,080	67%	724
42		Movement Areas	116	75%	87
43		Residential Acquisitions	395	88%	346
44		Fire Rescue and Operating Appliances	3,014	17%	502
45		MTB Development - Stage 1A (Toilet Refurbishment)	527	100%	527
46		Baggage System - Stage 1	77	90%	69
47		Baggage System - Stage 2	28	90%	26
48	*plus*	Other assets commissioned	1,771	50%	886
49	*plus*	Adjustment for merger, acquisition or sale activity	–		–
50	*less*	Asset disposals	850	50%	425
51		RAB investment	6,159		
52		RAB proportionate investment			2,741
53					
54		Regulatory investment value			408,443

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Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

Version 2.0

2a: Regulatory Profit

			($000)
Income			
Landing and parking charges	35,889		
Terminal charges	26,723		
Counter charges	1,083		
Noise mitigation charges	2,205		
Lease, rental and concession income	4,233		
Other operating revenue	–		
Net operating revenue		70,133	
Gains / (losses) on sale of assets	118		
Other income	–		
Total regulatory income		70,251	
Expenses			
Operational expenditure:			
Corporate overheads	3,142		
Asset management and airport operations	11,290		
Asset maintenance	2,133		
Total operational expenditure		16,565	
Operating surplus / (deficit)		53,686	
Regulatory depreciation		12,793	
plus Indexed revaluation	5,950		
plus Non-indexed revaluation	(16,672)		
Total revaluations		(10,723)	
Regulatory Profit / (Loss) before tax & allowance for long term credit spread		30,171	
less Allowance for long term credit spread		141	
Regulatory Profit / (Loss) before tax		30,030	
less Regulatory tax allowance		11,989	
Regulatory Profit / (Loss)		18,040	

Commentary on Regulatory Profit

The regulatory profit has decreased from the previous year to $18.040m (2013: $27.073m), providing a Return on Investment (ROI) of 4.18%. This ROI is after inclusion of a $16.672m reduction in land valuation in 2014 (following adoption of a Telfer Young MVAU valuation at 31 March 2013 for pricing purposes). Excluding this non-indexed valuation, the ROI would have been 8.26%. WIAL has provided further commentary on its regulatory profit in the Executive Summary accompanying these Annual Disclosures.

Bloomberg has discontinued servicing the NZ debt index therefore information for the Long Term Credit Spread calculation has been sourced from a relevant proxy (the Thomson Reuters bond credit curve which is updated on a daily basis).

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref *Version 2.0*

($000 unless otherwise specified)

2b: Notes to the Report

2b(i): Allowance for Long Term Credit Spread

Schedule 2b(i) is only to be completed if at the end of the disclosure year the weighted average original tenor of the airport's qualifying debt and non-qualifying debt is greater than five years.

Qualifying debt	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value	Term Credit Spread Difference	Execution cost of an interest rate swap	Notional debt issue cost readjustment
WIAL wholesale bonds	1/08/2007	1/08/2007	10.0	8.81%	150,000	225	28	(263)
WIAL wholesale bonds	11/06/2013	11/06/2013	7.0	5.27%	25,000	61	5	(15)
WIAL wholesale bonds	17/06/2013	17/06/2013	6.0	3.92%	25,000	150	5	(25)
WIAL retail bonds	15/11/2013	15/11/2013	7.5	6.25%	75,000	450	28	(88)
						886	65	(390)

562

Attribution Rate (%) 25.08%

Allowance for long term credit spread 141

2b(ii): Financial Incentives

		($000)
Pricing incentives	2,822	
Other incentives	–	
Total financial incentives		2,822

2b(iii): Rates and Levy Costs

	($000)
Rates and levy costs	1,091

2b(iv): Merger and Acquisition Expenses

	($000)
Merger and acquisition expenses	–

Justification for Merger and Acquisition Expenses

N/A

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Regulated Airport	**Wellington International Airport Limited**
For Year Ended	**31 March 2014**

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref *Version 2.0*

3a: Regulatory Tax Allowance

ref					($000)
7		Regulatory profit / (loss) before tax			30,030
8					
9	*plus*	Regulatory depreciation	12,793		
10		Other permanent differences—non deductible	27	*	
11		Other temporary adjustments—current period	393	*	
12					13,212
13					
14	*less*	Total revaluations	(10,723)		
15		Tax depreciation	7,935		
16		Notional deductible interest	3,483		
17		Other permanent differences—non taxable	–	*	
18		Other temporary adjustments—prior period	(273)	*	
19					423
20					
21		Regulatory taxable income (loss)			42,819
22					
23	*less*	Tax losses used	–		
24		Net taxable income			42,819
25					
26		Statutory tax rate (%)	28.0%		
27		Regulatory tax allowance			11,989

** Workings to be provided*

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3b: Notes to the Report

3b(i): Disclosure of Permanent Differences and Temporary Adjustments

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

The tax adjustments/differences detailed in Schedule 3 were determined as follows:

• Other permanent differences - not deductible - 50% of entertainment expenditure is non-deductible expenditure for tax purposes and this adjustment represents the allocated share of the total non-deductible expenditure in WIAL's 2014 tax return. Entertainment expenditure was allocated to the regulated cost base following application of the cost allocation processes detailed in Schedule 10. The aeronautical share of entertainment expenses was applied to the tax adjustment in WIAL's tax calculation schedule for the 2014 financial year - comprising a company cost of $40,494 multiplied by a 65.77% aeronautical share of this expense.

• Other temporary adjustments current period - these comprise year end accruals for human resource costs (annual leave, bonus provision and ACC levies) that are not deductible in the year they are accrued. These amounts represent the amounts allocated to the aeronautical business - comprising a company accrual of $531,413 multiplied by a 73.91% aeronautical share of this expense.

• Other temporary adjustments prior period - these comprise the human resource year end accruals as described above for the previous year.

WIAL notes that the Determination currently defines “other temporary adjustments – prior period” to include depreciation. The Commission has separately confirmed that depreciation should be excluded from this adjustment and on 22 March 2012 provided WIAL with an exemption from the requirement in the Determination.

3b(ii): Tax Depreciation Roll-Forward

ref			($000)	
50		Opening RAB (Tax Value)	180,627	
51	*plus*	Regulatory tax asset value of additions	6,619	
52	*less*	Regulatory tax asset value of disposals	355	
53	*plus*	Regulatory tax asset value of assets transferred from/(to) unregulated asset base	(558)	
54	*less*	Tax depreciation	7,935	
55	*plus*	Other adjustments to the RAB tax value	(204)	
56		Closing RAB (tax value)		178,194

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

ref			($000)	
59		Tax losses (regulated business)—prior period	–	
60	*plus*	Current year tax losses	–	
61	*less*	Tax losses used	–	
62				
63		Tax losses (regulated business)		–

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref *Version 2.0*

		Unallocated RAB * ($000)	Unallocated RAB * ($000)	RAB ($000)	RAB ($000)
	RAB value—previous disclosure year		419,198		405,702
less					
	Regulatory depreciation		13,442		12,793
plus					
	Indexed revaluations	6,152		5,950	
	Non-indexed revaluations	(16,881)		(16,672)	
	Total revaluations		(10,730)		(10,723)
plus					
	Assets commissioned (other than below)	7,794		7,009	
	Assets acquired from a regulated supplier	–		–	
	Assets acquired from a related party	–		–	
	Assets commissioned		7,794		7,009
less					
	Asset disposals (other)	203		201	
	Asset disposals to a regulated supplier	–		–	
	Asset disposals to a related party	748		649	
	Asset disposals		951		850
plus	**Lost and found assets adjustment**		–		–
	Adjustment resulting from cost allocation				(250)
	RAB value †		401,869		388,095

Commentary

Revaluations
WIAL undertook a revaluation and updated the MVAU effective as at 31 March 2013. This revaluation was undertaken as part of WIAL's PSE3 pricing consultation and therefore not finalised until after publication of the 2013 Annual Disclosures - the valuation was completed prior to publication of this 2014 disclosure and WIAL has therefore updated the land valuation for this disclosure. However, because the valuation is effective as at March 2013 to enable CPI indexing to be applied for the March 2014 year WIAL has included an adjustment to the opening land RAB value in Schedule 4b(iv).

Asset Disposals
Asset disposals in the current year relate to a small number of chattels disposed of following removal of the Bridge Street houses on the airport perimeter in 2013 as part of the Noise Mitigation programme. The Trident fire trucks which were replaced in 2014 were also included in asset disposals.

Asset Transfers
There was only one change of asset use in 2014 ("assets disposals to a related party") and an adjustment was made to the asset base to recognise this change. This was for an area in the Main Terminal Building formerly used as a passenger waiting area and partly apportioned to the aeronautical asset base. This area was converted into a retail space in March 2014 and therefore transferred out of the Regulatory Asset Base (RAB).

Cost Allocation Adjustment
WIAL's allocation methodology for the allocation of common assets to regulated and non-regulated assets has not changed from the previous year. The allocation methodology is detailed in Schedule 9. While the methodology is unchanged the allocation factors, such as floor area, were amended as a result of changes to the asset base during the year.

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

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

4b: Notes to the Report

4b(i): Regulatory Depreciation

	Unallocated RAB ($000)	RAB ($000)
Standard depreciation	13,442	12,793
Non-standard depreciation	–	–
Regulatory depreciation	13,442	12,793

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

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

ref *Version 2.0*

($000 unless otherwise specified)

4b(ii): Non-Standard Depreciation Disclosure

	Non-standard Depreciation Methodology	Depreciation charge for the period (RAB)	Year change made (year ended)	RAB value under 'non-standard' depreciation	RAB value under 'standard' depreciation
67	N/A				
68					
69					
70					
71					

4b(iii): Non-Standard Depreciation Disclosure for Year of Change

	Summary of Change	Justification for change in depreciation methodology	Extent of customer disagreement and supplier response
74	N/A		
75			

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

78	CPI at CPI reference date—previous year (index value)				1,174
79	CPI at CPI reference date—current year (index value)				1,192
80	Revaluation rate (%)				1.53%
81			Unallocated RAB		RAB
82	RAB value—previous disclosure year		419,198		405,702
83	*less* Revalued land	16,881		16,672	
84	*less* Assets with nil physical asset life	139		137	
85	*less* Asset disposals	951		850	
86	*less* Lost asset adjustment	–		–	
87	Indexed revaluation		6,152		5,950

4b(v): Works Under Construction

			Unallocated works under construction		Allocated works under construction
90	Works under construction—previous disclosure year		5,452		4,946
91	*plus* Capital expenditure	11,924		10,825	
92	*less* Asset commissioned	7,794		7,009	
93	*less* Offsetting revenue	–		–	
94	*plus* Adjustment resulting from cost allocation				–
95	Works under construction		9,581		8,762

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

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

ref *Version 2.0*

4b(vi): Capital Expenditure by Primary Purpose

ref				
104		Capacity growth	2,657	
105	*plus*	Asset replacement and renewal	8,167	
106		Total capital expenditure		10,825

4b(vii): Asset Classes

ref			Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
109		RAB value—previous disclosure year	122,805	124,480	144,244	14,173	405,702
110	*less*	Regulatory depreciation	–	4,703	5,966	2,124	12,793
111	*plus*	Indexed revaluations	1,627	1,908	2,199	216	5,950
112	*plus*	Non-indexed revaluations	(16,672)				(16,672)
113	*plus*	Assets commissioned	395	291	1,174	5,149	7,009
114	*less*	Asset disposals	–	–	842	9	850
115	*plus*	Lost and found assets adjustment	–	–	–	–	–
116	*plus*	Adjustment resulting from cost allocation	(8)	(26)	(195)	(21)	(250)
117		RAB value	108,147	121,949	140,614	17,384	388,095

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

4b(viii): Assets Held for Future Use

ref			Base Value	Holding Costs	Net Revenues	Tracking Revaluations	Total
120		Assets held for future use—previous disclosure year	7,034	1,941	(26)	(99)	8,902
121	*plus*	Assets held for future use—additions[1]	428	847	100	366	1,541
122	*less*	Transfer to works under construction	–	–	–	–	–
123	*less*	Assets held for future use—disposals	–	–	–	–	–
124		Assets held for future use[2]	7,462	2,788	74	267	10,443

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

125 *[2] Each category value shown in the 'Assets held for future use' line (Base Value, Holding Costs, Net Revenues, and Tracking Revaluations) is carried forward into the following year's disclosure as 'Assets held for future use—previous disclosure year' .*

ref			
126		Highest rate of finance applied (%)	6.76%

127

Regulated Airport	Wellington International Airport Limited
For Year Ended	31 March 2014

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref *Version 2.0*

5(i): Related Party Transactions

	($000)
Net operating revenue	6
Operational expenditure	2,768
Related party capital expenditure	–
Market value of asset disposals	649
Other related party transactions	–

5(ii): Entities Involved in Related Party Transactions

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

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price ($)	Value ($000)
HRL Morrison & Co	Consultancy fees	–	4
Wellington City Council	Property rates	–	941
Z Energy Limited	Lease of land (revenue)	–	6
Z Energy Limited	Petrol purchases	–	16
Wellington International Airport Limited	Asset transfers from regulated activities to unregulated activities	–	649
Wellington International Airport Limited - Key Management Personnel	Short term employee benefits for the allocation of Key Management Personnel - includes Directors and Executive Management	157	1,807

Commentary on Related Party Transactions

Other than Key Management Personnel expenses, averages have not been reported for all of the other transaction categories because there is no base for calculating an average unit price for these items.
WIAL's directors are listed in its Annual Report which is available on its website (www.wellingtonairport.co.nz).

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST EXPENDITURE

ref *Version 2.0*

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	2,657	17,385	(84.7%)	5,075	29,614	(82.9%)
Asset replacement and renewal	8,167	8,066	1.3%	14,419	18,356	(21.4%)
Total capital expenditure	10,825	25,451	(57.5%)	19,495	47,970	(59.4%)
Corporate overheads	3,142	2,773	13.3%	7,033	6,654	5.7%
Asset management and airport operations	11,290	11,850	(4.7%)	25,834	28,261	(8.6%)
Asset maintenance	2,133	2,681	(20.4%)	3,302	5,276	(37.4%)
Total operational expenditure	16,565	17,303	(4.3%)	36,169	40,190	(10.0%)
Key Capital Expenditure Projects						
Sea Protection Structures	214	205	4.3%	663	866	(23.5%)
Gates	1,088	292	272.5%	1,363	963	41.5%
Aprons	464	552	(16.0%)	742	1,090	(31.9%)
Creation of Additional AC Stands	–	–	Not defined	–	733	(100.0%)
Movement Areas	1,419	657	116.2%	2,034	1,120	81.7%
Operational Compliance Works	–	–	Not defined	–	–	Not defined
Residential Acquisitions	396	–	Not defined	396	–	Not defined
Relocation AFS / Airside Operations	–	645	(100.0%)	–	645	(100.0%)
Taxiway Compliance and Realignment of Calabar Road	–	–	Not defined	–	–	Not defined
Fire Rescue and Operating Appliances	2,474	1,996	24.0%	3,086	3,790	(18.6%)
Southern Apron Development	–	1,942	(100.0%)	6	2,846	(99.8%)
MTB Development - Stage 1 (Baggage Hall)	2,652	4,602	(42.4%)	3,233	11,325	(71.5%)
MTB Development - Stage 1A (Toilet Refurbishment)	(0)	–	Not defined	671	1,333	(49.7%)
Baggage System - Stage 1	0	–	Not defined	79	–	Not defined
Baggage System - Stage 2	5	3,199	(99.8%)	77	3,507	(97.8%)
MTB Development - Stage 2 (Terminal Extension)	0	2,641	(100.0%)	21	3,068	(99.3%)
South West Pier Redevelopment	–	4,057	(100.0%)	26	5,054	(99.5%)
LUMINS Property Acquisitions	–	826	(100.0%)	962	2,362	(59.3%)
Other capital expenditure	2,113	3,839	(45.0%)	6,136	9,270	(33.8%)
Total capital expenditure	10,825	25,451	(57.5%)	19,495	47,970	(59.4%)

Explanation of Variances

Capital Expenditure - Capacity Growth

Actual capital expenditure was substantially below forecast in both the year ended 31 March 2014 (2014) ($2.7m actual compared to a forecast of $17.4m) and for the pricing period to date ($5.1m actual compared to a forecast of $29.6m). WIAL remains committed to progressing each of the specified projects but was unable to do so during the pricing period to date for the reasons noted below:

The majority of the actual capital expenditure in 2014 and the pricing period to date relates to the design phase of the Terminal South Extension (TSE) project. In contrast, the forecast for the pricing period was defined in relation to the envisaged phasing of the TSE project, broken down into terminal developments, baggage and apron development elements.

In mid-2011, WIAL began consultation with key stakeholders in relation to the TSE project and associated apron development works. This concept design took longer than expected as a result of stakeholder feedback and resulting changes to redevelopment of the Southern Apron.

The delay in commencement of this project has led to a consequent delay in the majority of the other capacity growth projects due to their interdependencies. This included the Southern Apron Development, Baggage System and South West Pier projects. Consequently only minimal expenditure has been incurred in the pricing period to date on the key capacity growth capital expenditure projects.

While the capital expenditure forecast for PSE2 included this expenditure WIAL's forecast did not anticipate the commissioning of the substantial project works until 2015 and consequently the reduced expenditure has not had an impact on consumers. WIAL's subsequent re-opening of pricing consultation for PSE3 will result in the capital expenditure forecast being updated and the timing of this expenditure altered to recognise the TSE project; which was supported by the airlines during the consultation.

In 2013, the actual expenditure on the Toilet Refurbishment project was below forecast. The project was completed in the first quarter of 2014. The project forecast also included monies for development of temporary facilities during the construction period and for refurbishment of Level 0 toilets. Neither of these were required. The Level 0 toilet refurbishment will be included in the TSE project.

LUMINS Property Acquisitions: The 2013 actual capital spend for LUMINS acquisitions was $0.6m below forecast. The forecast provided for the acquisition of 7 houses, however acquisitions are dependent on home owners offering their property for sale to WIAL and in 2013 only 2 houses were offered for sale. In 2014, two houses were forecast and purchased, however as the building was removed and written off within the same year and the write down recovered from WIAL's noise mitigation subsidiary WANT Limited there is no capital expenditure reflected in WIAL's accounts. The $0.4m capex in 2014 for Residential Acquisitions relates to land retained by WIAL for the above mentioned acquisitions.

Capital Expenditure - Asset Replacement and Renewal

Sea Protection Structures: capex was $0.2m below forecast in 2013 due to the delay in the upgrade of the breakwater at the Southern end of the runway. This project has been partially completed in 2014. The 2014 forecast included manufacture and installation of 107 akmons as part of a 2-year programme. Further works are scheduled for late 2014.

Gates: Capital expenditure in 2013 was $0.3m below forecast as the forecast included enhancement of gates surrounding the South and South West piers, which was deferred until after resolution of the Southern Apron project design (referred to in the Capacity Growth section above). In 2014, WIAL refurbished Gates 16 and 17, and commissioned Rear Boarding Stairs for Gates 17 and 22. Neither of these projects was originally included in the forecast. Rear Boarding capability was requested by the airlines as a result of the introduction of more A320 aircraft and drive for efficiency.

Aprons: in both 2013 and 2014 some miscellaneous works were completed however the main forecast provision was for expenditure on the Eastern apron. This project is subject to the Southern Apron development design.

Movement Areas: in 2013 capex relating to Movement Areas was above forecast due to capital works to enhance stubway Bravo 9 which were brought forward into 2013. WIAL considered that early completion of these works would enhance the efficient use of the runway. In 2014 WIAL extended clearways to the North and South. These clearways increased WIAL's TODA (Take of Distance Available) to 2,300m in both directions with the extended clearways also having the potential to increase the payload for certain aircraft types departing Wellington by up to 1000kg (approx. 9 passengers). Refer to Schedule 15 for further information on this project.

Relocation of AFS / Airside: this project was put on hold as a result of WIAL's current Master Planning update work.

Other capital expenditure in 2013 and 2014 included:

The planned enhancement of WIAL's data warehouse, implementation of gate allocation software, upgrading of the CCTV system and upgrade of the safety management software. The safety management software is now in operation (since June 2013). The CCTV and gate allocation projects are now underway in 2014.

2013 forecast also included a project to review the layout of the trolley bus wires at the Northern end of the runway. This work was also deferred pending further work on the prospective runway extension.

Operational Expenditure – Asset Management and Airport Operations
The variance in total operating costs is primarily due to the same cost items (other compensating variances exist) for both the current year (2014) and the period to date. The composition of the variances is set out below:
WIAL achieved a significant saving during its insurance renewals in both years. This was possible due to improved insurance market conditions following the Christchurch earthquakes and strong competition between insurance brokers.

In 2013 WIAL implemented a "Cost Out" Programme due to the fact that passenger numbers were below forecast in the early part of 2013. This resulted in the saving and deferral of certain expenditure.

In 2014, cost savings were slightly offset by an increase in overtime costs for airport fire fighters resulting from cover for injury and illness.

Operational Expenditure - Asset Maintenance
As noted above, in 2013 WIAL implemented a "Cost Out" Programme. This cost management programme was implemented to manage essential and non-essential expenditure, provided that safety or service quality levels were not compromised, savings that resulted including repairs and maintenance and service expenditure. Some but not all of the expenditure was incurred in 2014, in addition to the normal forecast maintenance requirements for that year.

Airport Companies must provide a brief explanation for any line item variance of more than 10%
** Disclosure year coincides with Pricing Period Starting Year + 1.*

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

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

ref *Version 2.0*

6b: Forecast Expenditure

From most recent disclosure following a price setting event

Starting year of current pricing period (year ended) 31 March 2013

	for year ended	Pricing Period Starting Year 31 Mar 13	Pricing Period Starting Year + 1 31 Mar 14	Pricing Period Starting Year + 2 31 Mar 15	Pricing Period Starting Year + 3 31 Mar 16	Pricing Period Starting Year + 4 31 Mar 17
Expenditure by Category						
Capacity growth		12,229	17,385	2,352	–	–
Asset replacement and renewal		10,290	8,066	11,128	8,294	6,936
Total forecast capital expenditure		22,519	25,451	13,480	8,294	6,936
Corporate overheads		3,881	2,773	2,794	3,217	3,209
Asset management and airport operations		16,411	11,850	13,979	13,882	14,661
Asset maintenance		2,595	2,681	3,275	3,386	3,000
Total forecast operational expenditure		22,887	17,303	20,048	20,485	20,869

	for year ended	Pricing Period Starting Year 31 Mar 13	Pricing Period Starting Year + 1 31 Mar 14	Pricing Period Starting Year + 2 31 Mar 15	Pricing Period Starting Year + 3 31 Mar 16	Pricing Period Starting Year + 4 31 Mar 17
Key Capital Expenditure Projects						
Sea Protection Structures		661	205	522	369	–
Gates		671	292	271	139	88
Aprons		538	552	45	82	290
Creation of Additional AC Stands		733	–	–	–	465
Movement Areas		463	657	193	157	378
Operational Compliance Works		–	–	1,981	–	–
Residential Acquisitions		–	–	538	1,104	–
Relocation AFS / Airside Operations		–	645	2,081	2,787	–
Taxiway Compliance and Realignment of Calabar Road		–	–	–	–	2,208
Fire Rescue and Operating Appliances		1,794	1,996	646	–	113
Southern Apron Development		904	1,942	–	–	–
MTB Development - Stage 1 (Baggage Hall)		6,723	4,602	–	–	–
MTB Development - Stage 1A (Toilet Refurbishment)		1,333	–	–	–	–
Baggage System - Stage 1		–	–	–	–	–
Baggage System - Stage 2		308	3,199	–	–	–
MTB Development - Stage 2 (Terminal Extension)		427	2,641	2,352	–	–
South West Pier Redevelopment		997	4,057	–	–	–
LUMINS Property Acquisitions		1,537	826	1,693	1,735	1,779
Other capital expenditure		5,431	3,839	3,157	1,921	1,616
Total forecast capital expenditure		22,519	25,451	13,480	8,294	6,936

Regulated Airport: **Wellington International Airport Limited**
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SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref *Version 2.0*

($000)

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business*
Landing and parking charges	–	35,889	–	35,889
Terminal charges	26,723	–	–	26,723
Counter charges	1,083	–	–	1,083
Noise mitigation charges	–	2,205	–	2,205
Lease, rental and concession income	1,884	209	2,140	4,233
Other operating revenue	–	–	–	–
Net operating revenue	29,691	38,303	2,140	70,133
Gains / (losses) on asset sales	–	118	–	118
Other income	–	–	–	–
Total regulatory income	29,691	38,421	2,140	70,251
Total operational expenditure	6,897	9,135	533	16,565
Regulatory depreciation	7,237	5,216	340	12,793
Total revaluations	2,002	(12,093)	(632)	(10,723)
Allowance for long term credit spread	82	56	3	141
Regulatory tax allowance	5,107	6,554	328	11,989
Regulatory profit/ loss	12,369	5,367	305	18,040
Regulatory investment value	145,840	244,040	18,563	408,443

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

Commentary on Segmented Information

Specified Passenger Terminal and Airfield Activities

The segmented outcomes above produce ROI's of 8.48% (2013: 8.02%) for the specified passenger terminal activity and 2.20% (2013: 5.79%) for the airfield activity. The Airfield ROI's is significantly impacted by the non-indexed revaluation in the current year. Airfield ROI's excluding the non-indexed revaluation would be 8.59%. In WIAL's view, these returns (adjusted in the case of Airfield) are consistent with the forecast outcome from the price setting approach taken by WIAL for the pricing period commencing on 1 April 2012. This is explained further in WIAL's Price Setting Event Disclosure for PSE2 (available on WIAL's website www.wellingtonairport.co.nz).

Aircraft & Freight Activities

This segment produces an ROI of 1.64% (2013: 6.08%), excluding the non-indexed revaluation this return is 6.43%. WIAL confirms that rental levels for individual tenants are established via commercially negotiated agreements, following receipt of advice from valuers and negotiations with tenants or prospective tenants. Valuers, in forming their advice establish commercial valuations of the properties which reflect their expectation of market rental levels.

Regulated Airport	**Wellington International Airport Limited**
For Year Ended	**31 March 2014**

SCHEDULE 8: CONSOLIDATION STATEMENT

ref *Version 2.0*

8a: CONSOLIDATION STATEMENT

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business– GAAP	Unregulated Activities– GAAP	($000) Airport Company– GAAP
Net income	70,251	(118)	70,133	40,757	110,890
Total operational expenditure	16,565	–	16,565	9,252	25,817
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	53,686	(118)	53,568	31,504	85,073
Depreciation	12,793	(214)	12,578	3,203	15,781
Revaluations	(10,723)	10,723	–	511	511
Tax expense	11,989	(15,264)	(3,275)	5,909	2,634
Net operating surplus / (deficit) before interest	18,181	26,083	44,264	22,904	67,169
Property plant and equipment	388,095	123,818	511,913	227,184	739,097

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

Description of Regulatory / GAAP Adjustment	Affected Line Item	($000) Regulatory / GAAP Adjustments *
Adjustment of regulatory depreciation to align with GAAP	Depreciation	(214)
Recognition of the difference between the change in MVEU valuation of land adopted in WIAL's 2014 financial statements and the indexed revaluations of regulated assets applied in accordance with the Input Methodology	Revaluations	10,723
The regulatory tax calculation excludes consideration of deferred tax however this must be included in the GAAP financial statements	Tax expense	(15,264)
Differences arising from valuation approaches required by Input Methodology	Property plant & equipment	123,818

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

Commentary on the Consolidation Statement

WIAL notes that the regulatory depreciation for civil works assets and building assets will vary from that used in GAAP financial reporting over time. This is due to:

• The Input Methodologies (IMs) prescribe calculation rules for regulatory depreciation which differ from financial reporting requirements. For example, depreciation on acquisitions is not recognised in the year of acquisition for regulatory purposes while for financial reporting 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.

• WIAL recognises salvage values for a number of assets in its depreciation calculations meaning these proportions of assets will not be depreciated to nil in WIAL's financial statements. The IMs depreciation formula does not recognise salvage values.

Revaluations

The regulatory asset base is rolled forward by CPI indexing in accordance with the Determination. In 2014 WIAL also adopted a non-indexed revaluation decrease to reflect the reduction in WIAL's 2013 Market Value Alternative Use (MVAU) land value. WIAL did not revalue the regulated assets for GAAP financial reporting in 2014.

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.

Property, Plant and Equipment

Differences in the Property, Plant and Equipment values between the regulatory and GAAP approaches arise from:

• Land valuation – land valuation is recognised at MVAU per the IMs in the RAB while land is required to be valued at fair value, Market Value Existing Use (MVEU) for financial reporting.

• Buildings, civil and plant and equipment assets – different revaluation and depreciation treatments are required for regulatory reporting compared to the requirements for financial reporting. The differences in the processes to calculate depreciation are explained above. In addition, per the IMs for regulatory reporting the value of these assets is required to be increased by CPI annually. Valuations for financial reporting are undertaken periodically with assets, excluding plant and equipment, valued at optimised depreciated replacement cost. Plant and equipment assets are not revalued for financial reporting.

• Future use assets – per the IMs these are excluded from the RAB but are included in the Airport Business – GAAP assets for financial reporting purposes.

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

Version 2.0

9a: Asset Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	79	95,533	7,311	102,924		102,924
Assets not directly attributable	1,584	3,497	142	5,223	1,716	6,939
Total value land				108,147		
Sealed Surfaces						
Directly attributable assets	404	115,828	4,011	120,242		120,242
Assets not directly attributable	563	1,068	76	1,707	860	2,567
Total value sealed surfaces				121,949		
Infrastructure and Buildings						
Directly attributable assets	79,575	4,346	5,968	89,889		89,889
Assets not directly attributable	46,171	4,251	303	50,725	10,208	60,933
Total value infrastructure and buildings				140,614		
Vehicles, Plant and Equipment						
Directly attributable assets	11,024	4,080	40	15,143		15,143
Assets not directly attributable	1,007	1,152	82	2,241	990	3,231
Total value vehicles, plant and equipment				17,384		
Total directly attributable assets	91,082	219,787	17,330	328,199		328,199
Total assets not directly attributable	49,324	9,968	604	59,896	13,774	73,671
Total assets	140,406	229,755	17,933	388,095	13,774	401,869

Asset Allocators

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

Regulated Airport: **Wellington International Airport Limited**
For Year Ended: **31 March 2014**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 2.0*

41 **Asset Allocators (cont)**

ref	Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
42					
43			[Select one]		
44			[Select one]		
45			[Select one]		
46			[Select one]		
47			[Select one]		
48			[Select one]		
49			[Select one]		
50			[Select one]		
51			[Select one]		
52			[Select one]		
53			[Select one]		
54			[Select one]		
55			[Select one]		
56			[Select one]		
57			[Select one]		
58			[Select one]		
59			[Select one]		
60			[Select one]		
61			[Select one]		
62			[Select one]		
63			[Select one]		
64			[Select one]		
65			[Select one]		
66			[Select one]		
67			[Select one]		
68			[Select one]		
69			[Select one]		
70			[Select one]		
71			[Select one]		
72			[Select one]		
73			[Select one]		
74			[Select one]		
75			[Select one]		
76			[Select one]		
77			[Select one]		
78			[Select one]		
79			[Select one]		
80			[Select one]		
81			[Select one]		
82			[Select one]		
83			[Select one]		
84			[Select one]		
85			[Select one]		
86			[Select one]		

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

88

	Regulated Airport	Wellington International Airport Limited
	For Year Ended	31 March 2014

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 2.0*

95 **9b: Notes to the Report**

96 **9b(i): Changes in Asset Allocators**

97 **($000)**

98 **Effect of Change**

				CY-1 31 Mar 13	Current Year (CY) 31 Mar 14	CY+1 31 Mar 15
99						
100	Asset category					
101	Original allocator or components		Original			
102	New allocator or components		New			
103	Rationale		Difference	–	–	–
104						
105	Asset category					
106	Original allocator or components		Original			
107	New allocator or components		New			
108	Rationale		Difference	–	–	–
109						

110 **Commentary on Asset Allocations**

111 While the methodology is unchanged the allocation factors, such as floor area, were amended as a result of changes to cost and asset bases during the year.

112

113

Regulated Airport
For Year Ended

Wellington International Airport Limited
31 March 2014

SCHEDULE 10: REPORT ON COST ALLOCATIONS

Version 2.0

10a: Cost Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Corporate Overheads						
Directly attributable operating costs	–	–	–	–		–
Costs not directly attributable	1,442	1,586	114	3,142	3,938	7,080
Asset Management and Airport Operations						
Directly attributable operating costs	218	5,539	21	5,778		5,778
Costs not directly attributable	4,228	1,012	272	5,512	905	6,417
Asset Maintenance						
Directly attributable operating costs	–	790	1	791		791
Costs not directly attributable	1,010	208	124	1,342	336	1,678
Total directly attributable costs	218	6,329	22	6,569		6,569
Total costs not directly attributable	6,679	2,806	511	9,996	5,180	15,176
Total operating costs	6,897	9,135	533	16,565	5,180	21,745

Cost Allocators

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Terminal building costs	Building value	Causal Relationship	Building value considered to be an appropriate indicator of the share of use of the terminal building by regulated and unregulated activities.	All utility and maintenance associated costs for the terminal building.
Operations	Staff time	Causal Relationship	Operations staff operate 24 hour facility overseeing the entire airport and undertake daily facilitation of activities for passengers and other visitors to the airport.	Employee remuneration and ancillary costs for airport operations staff.
Airport planning costs	Staff time	Causal Relationship	Airport planning costs are dependent on staff hours therefore this is seen as the most appropriate allocator.	Employee remuneration and ancillary costs for airport planning staff and external consulting costs required for planning activity.
SQA costs	Staff time	Causal Relationship	Service quality assurance costs are dependent on staff hours therefore this is seen as the most appropriate allocator.	Employee remuneration and ancillary costs for airport service quality assurance staff.
"Westside 1" property costs	Rental revenue	Causal Relationship	Property is occupied by a mix of tenants for regulated and unregulated activities. Rental revenue is considered an appropriate indicator of the use of the building.	All utility and maintenance associated costs for the Westside 1 building.
Other Western properties	Rental revenue	Causal Relationship	Properties are occupied by a mix of tenants for regulated and unregulated activities. Rental revenue is considered an appropriate indicator of the use of the buildings.	All utility and maintenance associated costs for the other Western properties.
Residential houses	Rental revenue	Causal Relationship	Houses comprise those compulsorily acquired due to aeronautical activity and other properties purchased for commercial purposes. Rental revenue is considered an appropriate indicator of the use of houses.	All repairs and maintenance, rates and property administration costs for the houses.
Other Eastern properties	Rental revenue	Causal Relationship	Properties are occupied by a mix of tenants for regulated and unregulated activities. Rental revenue is considered an appropriate indicator of the use of the buildings.	All utility and maintenance associated costs for the other Eastern properties.
Property administration	Staff time	Causal Relationship	WIAL property staff undertake property administration functions including communication with tenants, lease negotiations and renewals, and oversight of properties.	Employee remuneration and ancillary costs for airport property staff.
Maintenance	Repairs and maintenance expenditure	Causal Relationship	WIAL maintenance team overseeing maintenance of all WIAL facilities. External maintenance costs allocated to facilities throughout the year is considered an appropriate basis for the allocation of WIAL maintenance staff and associated costs.	Employee remuneration and ancillary costs for airport maintenance staff.
Pricing consultation and regulation	Aeronautical revenue	Causal Relationship	Share of revenue for each regulated activity is considered appropriate to allocate these costs.	External professional advice and support services required to meet consultation and Airport Authorities/Commerce Act
Corporate marketing	Directly allocated marketing costs	Causal Relationship	Marketing costs directly allocated to business activities is considered an appropriate indicator of concentration of marketing activity in the reporting year.	Employee remuneration and ancillary costs for corporate marketing staff and general corporate advertising not attributable to a specific activity.
Corporate salaries	Staff time	Proxy Cost Allocator	The allocation is based on an estimate of staff time spent on regulated and unregulated activities.	Employee remuneration and ancillary costs for corporate management, finance, human resources and information technology staff.
Other corporate administration costs	Costs previously allocated to activities	Proxy Cost Allocator	These costs are allocated in proportion to direct and causal costs allocated to regulated and unregulated activities. Level of costs incurred in a particular year are considered appropriate indicator for the activities undertaken in that year.	Non employee costs incurred for operation of the corporate office.

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SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref *Version 2.0*

44 **Cost Allocators (cont)**

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

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

112

	Regulated Airport	Wellington International Airport Limited
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SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

ref *Version 2.0*

119 **10b: Notes to the Report**

120 **10b(i): Changes in Cost Allocators**

121 **($000)**

122 **Effect of Change**

				CY-1 31 Mar 13	Current Year (CY) 31 Mar 14	CY+1 31 Mar 15
123						
124	Operating cost category					
125	Original allocator or components		Original			
126	New allocator or components		New			
127	Rationale		Difference	–	–	–
128						
129						
130	Operating cost category					
131	Original allocator or components		Original			
132	New allocator or components		New			
133	Rationale		Difference	–	–	–

134 **Commentary on Cost Allocations**

135 While the methodology is unchanged the allocation factors, such as building value, were amended as a result of changes to cost and asset bases during the year.

136

137

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SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref *Version 2.0*

ref		Number	Total Duration Hours		Minutes
6	**Runway**				
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible				
8	Airports	–	–		–
9	Airlines/Other	2	–		57
10	Undetermined reasons	–	–		–
11	Total	2	–	:	57
12	**Taxiway**				
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible				
14	Airports	–	–		–
15	Airlines/Other	–	–		–
16	Undetermined reasons	–	–		–
17	Total	–	–	:	–
18	**Remote stands and means of embarkation/disembarkation**				
19	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible				
20	Airports	–	–		–
21	Airlines/Other	–	–		–
22	Undetermined reasons	–	–		–
23	Total	–	–	:	–
24	**Contact stands and airbridges**				
25	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible				
26	Airports	3	23		7
27	Airlines/Other	1	1		30
28	Undetermined reasons	–	–		–
29	Total	4	24	:	37
30	**Baggage sortation system on departures**				
31	The number and duration of interruptions to baggage sortation system on departures during disclosure year by party primarily responsible				
32	Airports	10	24		55
33	Airlines/Other	4	2		36
34	Undetermined reasons	1	–		17
35	Total	15	27	:	48
36	**Baggage reclaim belts**				
37	The number and duration of interruptions to baggage reclaim belts during disclosure year by party primarily responsible				
38	Airports	–	–		–
39	Airlines/Other	–	–		–
40	Undetermined reasons	–	–		–
41	Total	–	–	:	–
42	**On-time departure delay**				
43	The total number of flights affected by on time departure delay and the total duration of the delay during disclosure year by party primarily responsible				
44	Airports	8	3		49
45	Airlines/Other	1	–		43
46	Undetermined reasons	7	3		19
47	Total	16	7	:	51
48					

Regulated Airport	**Wellington International Airport Limited**
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SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref *Version 2.0*

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

56 The percentage of time that FEGP is unavailable due to interruptions* 0.074%

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

57

58 **Commentary concerning reliability measures**

59 **Process for Determining Responsibility for Interruptions**

60 WIAL maintains a database that records each breakdown in respect of the facilities recorded in Schedule 11. Each breakdown that occurs is then
61 evaluated by WIAL's Manager Airport Performance to determine whether it meets the criteria for a reportable interruption. The assessment is undertaken
62 in accordance with "Appendix C: Reliability Conditions for Disclosure" of the Information Disclosure (Airport Services) Reasons Paper published by the
Commission on 22 December 2010.

63 The evaluation includes assessment of the party responsible for the interruption and may include discussions with airlines if airlines contributed to the
64 cause of the interruption.

65 The number and duration of on time departure delays increased in 2014 to 16 flights and a total duration of 7 hours and 51 minutes (2013: 2 flights and a
66 duration of 1 hours and 14 minutes). It should be noted that 6 of these on-time delay departures were due to one of two earthquake events; the August
67 2013 earthquake resulted in 6 events totalling 3 hours and 1 minute of cumulative delay. Robust airport response procedures kept closure of the runway
68 to a minimum. Of the remainder, the Baggage Handling System event caused delays to 8 aircraft in total, 4 aircraft (cumulative total of 1 hour and 29
69 minutes) related to one event that arose from an excessive amount of salt spray within the baggage hall which arose from a southerly storm in June 2013,
70 and the consequential on-going issues this caused with visual sensors. The other events were related to two aerobridge failures which prevented docked
aircraft from being able to push back on departure.

71 **Process to Consider Requirement for Operational Improvements**

72 The interruptions are discussed with participants at the TEAM WLG (a forum for airport stakeholders which was established, and first met in April 2011)
73 meetings (refer also to Schedule 15) which were held predominantly monthly until December 2013. In December 2013 it was decided that a new
74 framework for these meetings was required and the meetings were put on hold until this framework was established. A new Terms of Reference for
TEAM WLG has been finalised and was implemented effective 30 June 2014 which also includes quarterly meetings.

75 TEAM WLG will continue to focus on service reliability, service performance and a review of ASQ results, as well as airport collaborative decision making
76 as a model for improving passenger and aircraft processing. The meetings assist in confirming responsibility for interruptions and to consider whether
77 process improvements are required.

78

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

80

Regulated Airport	**Wellington International Airport Limited**
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SCHEDULE 12: REPORT ON CAPACITY UTILISATION INDICATORS FOR AIRCRAFT AND FREIGHT ACTIVITIES AND AIRFIELD ACTIVITIES

ref *Version 2.0*

Runway

		Runway #1	Runway #2	Runway #3
Description of runway(s)	Designations	16-34		
	Length of pavement (m)	2,051		
	Width (m)	45		
	Shoulder width (m)	7.5		
	Runway code	4E		
	ILS category	Category I	[Select one]	[Select one]
Declared runway capacity for specified meteorological condition	VMC (movements per hour)	38-36		
	IMC (movements per hour)	29-26		

Taxiway

		Taxiway #1	Taxiway #2	Taxiway #3
Description of main taxiway(s)	Name	Main		
	Length (m)	2,051		
	Width (m)	18		
	Status	Full length	[Select one]	[Select one]
	Number of links	11		

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	–	13	3
Total parking stands		20	13	3

Busy periods for runway movements

	Date
Runway busy day	28 March 2014
Runway busy hour start time (day/month/year hour)	18 Sep 2013 8 a.m.

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	17	–	–	17
	Domestic jet	84	–	–	84
	Domestic turboprop	–	191	–	191
	Total	101	191	–	292
Other (including General Aviation)					34
Total aircraft movements during the runway busy day					326

Number of aircraft runway movements during the runway busy hour	32

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

Busy Day and Hour Information

WIAL commissioned Airbiz Limited (Airbiz) to provide advice on the technical information required to be disclosed by WIAL. Airbiz were also requested to determine the required busy hour and busy day statistics to be included in this Schedule.

Runway

WIAL's runway capacity varies depending on the direction of use of the runway (namely runway 16 or 34) and weather conditions. WIAL's busy hour demand was assessed at 32 movements per hour (2013: 32 movements per hour). The 32 movements is below available capacity in clear weather conditions (VMC conditions) but exceeds available capacity when weather conditions are poor (IMC conditions).

WIAL expects that congestion of its runway will increase in the future as aircraft movements grow to accommodate the forecast increase in passengers although WIAL also anticipates that aircraft movements should not increase at the same growth rate as passengers because WIAL expects airlines to increase the average size of aircraft in their fleet.

WIAL is working with the airlines, Airways Corporation (Airways) and other stakeholders to implement measures to manage the prospective congestion to ensure appropriate changes to facilities that could increase runway movement capacity are identified and implemented. In 2014, WIAL continued to work with stakeholders to deliver works which ease runway congestion. This included enhancements to Visual Aids to Navigation in the form of enhanced Airfield Ground Markings, and continued work on Movement Area Guidance Signs (MAGS).

WIAL implemented a new price schedule for the pricing period 1 June 2014 to 31 March 2019. WIAL decided to continue with a similar pricing methodology to that developed for PSE2, including peak period congestion pricing and parking charges to encourage the efficient use of facilities and scarce resources, incentivising aircraft operators to utilise runway slots in peak periods for the greatest number of passengers possible. Details of WIAL's pricing schedule and the rationale for this approach are set out in WIAL's Price Setting Event Disclosure for PSE3 (available on WIAL's website www.wellingtonairport.co.nz).

Aircraft Parking Stands

WIAL has 12 aircraft stands available with aerobridge services. 5 of the 8 WIAL parking stands adjacent to the North Pier are available for international aircraft, and for domestic use when not required for international services. As the parking stand capacity data reported is for a busy day period we have included the North Pier aircraft gates as being available for both international and domestic aircraft. On the runway busy day there were no aerobridges out of service.

Changes from 2013 Annual Disclosures

The 2013 Annual Disclosures recorded the length of pavement on the runway and main taxiway as 1,945 metres and 1,900 metres respectively. It also recorded the taxiway width as 23 metres. In 2014 these have been recorded as 2,051 metres for runway and taxiway length and 18 metres for taxiway width. The existing 1,945 metres was only recording the runway distance for one direction (runway 16). Adding up the threshold to threshold distance of 1,815 metres plus a runway 16 starter extension of 130 metres and a runway 34 starter extension of 106 metres gives 2,051 metres for paved runway usable by aircraft; 2,051 metres of physical asphalt is what WIAL maintains and provides. The full length taxiway (taxiway Alpha) runs to each end of the runway, so the distance is equal to the 2,051 metres also. With regard to the taxiway width an error was discovered in the declaring base that has previously been used. The taxiway had always been published as 23 metres, however upon a recertification survey WIAL discovered it was only 18 meters (the additional 5 metres is taxiway shoulder which isn't load bearing and therefore cannot be included in the declared width).

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

Version 2.0

ref	Outbound (Departing) Passengers	International terminal	Domestic terminal	Common area †
7	**Landside circulation (outbound)**			
8	Passenger busy hour for landside circulation (outbound)—start time			
9	(day/month/year hour)	N/A	N/A	20 Jun 2013 3 p.m.
10	Floor space (m2)	N/A	N/A	2,291
11	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,153
12	Utilisation (busy hour passengers per 100m²)	N/A	N/A	50
13	**Check-in**			
14	Passenger busy hour for check-in—start time (day/month/year hour)	N/A	N/A	20 Jun 2013 3 p.m.
15	Floor space (m²)	N/A	N/A	1,250
16	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	922
17	Utilisation (busy hour passengers per 100m²)	N/A	N/A	74
18	**Baggage (outbound)**			
19	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	N/A	N/A	20 Jun 2013 3 p.m.
20	Make-up area floor space (m²)	N/A	N/A	2,791
21	Notional capacity during the passenger busy hour (bags/hour)*	N/A	N/A	2,430
22	Bags processed during the passenger busy hour (bags/hour)*	N/A	N/A	734
23	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,153
24	Utilisation (% of processing capacity)	N/A	N/A	30%
25	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
26	**Passport control (outbound)**			
27	Passenger busy hour for passport control (outbound)—start time			
28	(day/month/year hour)	21 Jul 2013 3 p.m.		
29	Floor space (m²)	210		
30	Number of emigration booths and kiosks	5		
31	Notional capacity during the passenger busy hour (passengers/hour) *	637		
32	Passenger throughput during the passenger busy hour (passengers/hour)	590		
33	Utilisation (busy hour passengers per 100m²)	281		
34	Utilisation (% of processing capacity)	93%		
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)	21 Jul 2014 3 p.m.	23 Jun 2014 8 p.m.	
38	Facilities for passengers excluding international transit & transfer			
39	Floor space (m²)	263	181	
40	Number of screening points	2	3	
41	Notional capacity during the passenger busy hour (passengers/hour) *	540	810	
42	Passenger throughput during the passenger busy hour (passengers/hour)	590	697	
43	Utilisation (busy hour passengers per 100m²)	224	385	
44	Utilisation (% of processing capacity)	109%	86%	
45	Facilities for international transit & transfer passengers			
46	Floor space (m²)	N/A		
47	Number of screening points	N/A		
48	Notional capacity during the passenger busy hour (passengers/hour)*	N/A		
49	Estimated passenger throughput during the passenger busy hour			
50	(passengers/hour)	N/A		
51	Utilisation (busy hour passengers per 100m²)	N/A		
52	Utilisation (% of processing capacity)	N/A		
53	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
54				

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

Version 2.0

ref		International terminal	Domestic terminal	Common area †
62	**Airside circulation (outbound)**			
63	Passenger busy hour for airside circulation (outbound)—start time			
64	(day/month/year hour)	21 Jul 2013 3 p.m.	9 Apr 2013 6 p.m.	
65	Floor space (m²)	762	571	
66	Passenger throughput during the passenger busy hour (passengers/hour)	590	981	
67	Utilisation (busy hour passengers per 100m²)	77	172	
68	**Departure lounges**			
69	Passenger busy hour for departure lounges—start time (day/month/year hour)	21 Jul 2013 3 p.m.	9 Apr 2013 6 p.m.	
70	Floor space (m²)	1,184	1,370	
71	Number of seats	483	442	
72	Passenger throughput during the passenger busy hour (passengers/hour)	590	981	
73	Utilisation (busy hour passengers per 100m²)	50	72	
74	Utilisation (passengers per seat)	1.2	2.2	
75	**Inbound (Arriving) Passengers**			
76	**Airside circulation (inbound)**			
77	Passenger busy hour for airside circulation (inbound)—start time			
78	(day/month/year hour)	19 Dec 2013 12 a.m.	9 Nov 2013 8 a.m.	N/A
79	Floor space (m²)	1,401	571	N/A
80	Passenger throughput during the passenger busy hour (passengers/hour)	591	950	N/A
81	Utilisation (busy hour passengers per 100m²)	42	166	N/A
82	**Passport control (inbound)**			
83	Passenger busy hour for passport control (inbound)—start time			
84	(day/month/year hour)	19 Dec 2013 12 a.m.		
85	Floor space (m²)	329		
86	Number of immigration booths and kiosks	7		
87	Notional capacity during the passenger busy hour (passengers/hour) *	753		
88	Passenger throughput during the passenger busy hour (passengers/hour)	591		
89	Utilisation (busy hour passengers per 100m²)	180		
90	Utilisation (% of processing capacity)	78%		
91	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
92	**Landside circulation (inbound)**			
93	Passenger busy hour for landside circulation (inbound)—start time			
94	(day/month/year hour)	N/A	N/A	13 Oct 2013 2 p.m.
95	Floor space (m²)	N/A	N/A	2,291
96	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,122
97	Utilisation (busy hour passengers per 100m²)	N/A	N/A	49
98	**Baggage reclaim**			
99	Passenger busy hour for baggage reclaim—start time (day/month/year hour)	19 Dec 2013 12 a.m.	9 Nov 2013 8 a.m.	
100	Floor space (m²)	536	1,085	
101	Number of reclaim units	2	2	
102	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	3,600	3,600	
103	Bags processed during the passenger busy hour (bags/hour)*	375	760	
104	Passenger throughput during the passenger busy hour (passengers/hour)	591	950	
105	Utilisation (% of processing capacity)	10%	21%	
106	Utilisation (busy hour passengers per 100m²)	110	88	
107	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
108	**Bio-security screening and inspection and customs secondary inspection**			
109	Passenger busy hour for bio-security screening and inspection and			
110	customs secondary inspection—start time (day/month/year hour)	19 Dec 2013 12 a.m.		
111	Floor space (m²)	550		
112	Notional MAF secondary screening capacity during the passenger busy hour	750		
113	(passengers/hour)*			
114	Passenger throughput during the passenger busy hour (passengers/hour)	591		
115	Utilisation (% of processing capacity)	79%		
116	Utilisation (busy hour passengers per 100m²)	107		
117	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
118	**Arrivals concourse**			
119	Passenger busy hour for arrivals concourse—start time (day/month/year hour)	N/A	N/A	13 Oct 2013 2 p.m.
120	Floor space (m²)	N/A	N/A	962
121	Passenger throughput during the passenger busy hour (passengers/hour)	N/A	N/A	1,122
122	Utilisation (busy hour passengers per 100m²)	N/A	N/A	117

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

ref *Version 2.0*

		International terminal	Domestic terminal	Common area †
131	**Total terminal functional areas providing facilities and service directly for passengers**			
132	Floor space (m^2)	N/A	N/A	19,198
133	Number of working baggage trolleys available for passenger use			
134	at end of disclosure year	N/A	N/A	500

135 Commentary concerning capacity utilisation indicators for Passenger Terminal Activities

WIAL operates a common use terminal facility with areas directly provided to arriving or departing passengers where required by Customs border processing or Avsec security requirements. The utilisation data above reflects the use of the terminal by common use, international or domestic passengers as appropriate.

Passenger Data

WIAL commissioned Airbiz to provide passenger busy hour and 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 its 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 0.7 bags for each international passenger; and
- For domestic passengers - an average of 0.7 bags.
- These figures cover all passengers, including those who only travel with carry-on baggage.

WIAL has applied these assumptions in estimating the bags processed during the passenger busy hour.

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

Determination of Capacities

WIAL capacities were determined as follows:

- Airbiz were engaged to provide advice on all floor areas required to be reported in this Schedule. Airbiz developed the required measures from its review of building plans provided by WIAL.
- Baggage (outbound) - capacities were advised by the system manufacturer, Glidepath, for the two baggage outbound units operated by WIAL and Avsec for the X-ray machine process capability.
- Passport control (outbound) - advised by Airbiz following the receipt of Customs advice, namely 30 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to counter (for conventional counters) and 17 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to gate (for SmartGates).
- Security screening - advised by Airbiz following receipt of Aviation Security advice. Determined from number of screening stations multiplied by passengers per hour as advised by Avsec. International - 2 stations at 270 passengers/hour and domestic - 3 stations at 270 passengers/hour.
- Departure lounges number of seats - determined from physical count by WIAL operations staff. Temporary seating in the Cube area outside International Departures was no longer available for passengers as this area was converted to retail space in early March 2014.
- Passport control (inbound) - advised by Airbiz following receipt of Customs advice that for:
  - o a conventional counter - 50 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to counter; and
  - o a SmartGate biometric gate - 17 seconds per passenger processing time plus 5 seconds per passenger allowance to move from queue to gate.
- 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 likely to be lower with baggage handlers unlikely to be able to load bags to this capacity and recirculating bags reducing available capacity for new bags to be loaded.
- Biosecurity screening and inspection and customs secondary inspection - advised by Airbiz, based on practical capacity of 300 passenger per hour per screening station and the assumption that 20% of passengers are assessed.

Comment on Baggage (outbound) Utilisation

The utilisation statistic of 30% above provides the proportion of technical capacity that is utilised by bags loaded on the outbound baggage belts.

Terminal Floor Areas

WIAL has made some minor adjustments to the terminal floor space allocations in 2014 following a detailed review by WIAL in conjunction with Airbiz. The adjustments comprise:

- An area of Airside Circulation (inbound) which is no longer used for this purpose (passengers are routed in a different manner) offset by minor adjustment to Airside Circulation (inbound) to add space leading from the aerobridge at Gate 26 and 27.
- A minor adjustment to General Facilities for Passengers to include one set of toilets, a medical and luggage room that had previously not been included in this category.

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

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

Regulated Airport	Wellington International Airport Limited
For Year Ended	31 March 2014

SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref *Version 2.0*

Survey organisation

Survey organisation used	ACI
If "Other", please specify	DKMA

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

Domestic terminal	*Quarter for year ended*	**1 30 Jun 13**	**2 30 Sep 13**	**3 31 Dec 13**	**4 31 Mar 14**	**Annual average**
Ease of finding your way through an airport		4.3	4.3	4.2	4.2	4.2
Ease of making connections with other flights		4.2	4.0	4.1	4.3	4.2
Flight information display screens		4.1	4.2	4.0	4.2	4.1
Walking distance within and/or between terminals		4.0	4.1	4.0	4.1	4.0
Availability of baggage carts/trolleys		3.9	4.0	3.8	3.8	3.9
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.2	4.3	4.2	4.3	4.2
Availability of washrooms/toilets		3.9	4.0	3.8	4.0	3.9
Cleanliness of washrooms/toilets		3.9	4.0	3.8	4.0	3.9
Comfort of waiting/gate areas		3.4	3.5	3.3	3.6	3.4
Cleanliness of airport terminal		4.1	4.2	4.0	4.1	4.1
Ambience of the airport		3.9	4.0	3.8	4.0	3.9
Security inspection waiting time		4.3	4.3	4.3	4.4	4.3
Check-in waiting time		4.4	4.4	4.3	4.4	4.4
Feeling of being safe and secure		4.3	4.4	4.3	4.4	4.3
Average survey score		4.1	4.1	4.0	4.1	4.1

International terminal	*Quarter for year ended*	**1 30 Jun 13**	**2 30 Sep 13**	**3 31 Dec 13**	**4 31 Mar 14**	**Annual average**
Ease of finding your way through an airport		3.9	4.0	3.9	4.4	4.1
Ease of making connections with other flights		N/A	4.3	N/A	N/A	4.3
Flight information display screens		3.9	3.9	3.9	4.4	4.1
Walking distance within and/or between terminals		4.0	4.1	4.3	4.5	4.2
Availability of baggage carts/trolleys		3.6	3.9	4.0	4.4	4.0
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.0	4.4	4.6	4.4	4.3
Availability of washrooms/toilets		4.0	4.2	4.1	4.2	4.1
Cleanliness of washrooms/toilets		4.1	4.2	4.1	4.3	4.2
Comfort of waiting/gate areas		3.4	3.8	3.6	3.8	3.7
Cleanliness of airport terminal		4.3	4.4	4.3	4.5	4.4
Ambience of the airport		4.0	4.0	4.0	4.1	4.1
Passport and visa inspection waiting time		4.4	4.5	4.4	4.7	4.5
Security inspection waiting time		4.2	4.2	4.2	4.6	4.3
Check-in waiting time		4.4	4.5	4.1	4.4	4.4
Feeling of being safe and secure		4.2	4.4	4.4	4.6	4.4
Average survey score		4.0	4.2	4.2	4.4	4.2

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

WIAL operates a common use terminal facility with most of its facilities used by both domestic and international passengers. The survey outcomes of these facilities therefore reflect the survey views of the category of passengers rather than reflecting the service outcomes for separate terminals. The survey measures are reported on a scale with a maximum score of 5.
WIAL continues to rate highly in its ASQ scores, with an average domestic score of 4.1 and an average international score of 4.2 (based on those survey categories identified in Schedule 14) for 2014.

Domestic
Initiatives are underway to address the lower rated areas particularly in respect of the comfort of waiting/gate areas and availability of washrooms/toilets facilities. WIAL has now completed consultation with its major stakeholders with regard to the Terminal South Extension (TSE) project and anticipates construction to begin in September 2014. This project will see improvements to the South West Pier, including redesign of the departure gate lounges, and additional toilet facilities. Refer to Schedule 15 for further detail.

International
International passengers were asked to provide a score for "ease of making connections with other flights". WIAL notes that there were insufficient responses for three of the four quarterly surveys in 2014 as there were insufficient passengers that connected from other flights to enable a statistically representative average score to be calculated by the ASQ programme manager DKMA. This occurrence is because passengers largely travel direct to/from Wellington airport. DKMA therefore did not provide an average score for this survey question in these quarters, and the average survey score for these quarters is adjusted to exclude this measure.
In 2013, WIAL has received an on-going exemption from the Commission to not publish this score where it is not able to be provided by DKMA.

Accuracy of Passenger Data to Prepare Utilisation Indicators
Refer to the comments in Schedule 13.

Location of Survey Fieldwork Documentation
The survey fieldwork documentation is available on WIAL's website www.wellingtonairport.co.nz.

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

Regulated Airport	Wellington International Airport Limited
For Year Ended	31 March 2014

SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref *Version 2.0*

Disclosure of the operational improvement process

Service Quality Monitoring Undertaken by WIAL

During 2014 WIAL continued to focus on maintaining and improving service quality for its customers and enhancing WIAL's facilities to respond to customer feedback and changes in demand. WIAL continued to obtain passenger feedback from the ASQ quarterly surveys and undertook a variety of meetings and communications with airlines and other parties to monitor the quality of WIAL's operations and to implement service and process improvements where required. The service quality monitoring and operational improvement processes undertaken by WIAL in 2014 are detailed below:

• ASQ quarterly surveys of passengers continued in 2014 as detailed in Schedule 14. In response to the outcomes in the ASQ surveys and other feedback received, WIAL has incorporated upgrades to washrooms/toilets as well as the waiting/departure gate lounge congestion as part of the Terminal South Extension (TSE) and North Pier projects, with construction expected to commence in September 2014 (TSE) and August 2014 (North Pier).

• Airline consultation was completed in June 2014. The most significant capital consultation during 2014 was in relation to the proposed TSE and South West Pier (SWP) extension. The design phase for the TSE is now complete and as noted above construction is expected to commence in September 2014. This work is required in part following an increase in passenger volumes which has increased waiting/departure gate lounge congestion. The TSE design also accommodates more than double the existing toilet capacity and to undertake refurbishment of the toilets on Level 0.

• TEAM WLG meetings continued to be held in 2014, which as detailed earlier focus on service reliability, service performance and a review of ASQ results, as well as airport collaborative decision making as a model for improving passenger and aircraft processing. The meetings are supported by a TEAM WLG magazine. The latest issue has been circulated to 1,500 airport stakeholders and their staff.

• WIAL finalised capital works on its car park and vehicle precinct in September 2013. This project was undertaken following the commissioning of a number of surveys and studies regarding landside vehicle access and drop off facilities. These concluded that kerb drop off was at or near capacity and identified that the previous system was inefficient in part due to a significant portion of non-airport vehicles using the airport as a thorough fare.

• ACDM. WIAL, in conjunction with Auckland International Airport Limited (AIAL) has reinvigorated the Airport Collaborative Decision Making (ACDM) nationwide project with Airways Corporation (Airways), airlines and ground handlers, with a number of joint meetings held within the last year. ACDM is an operational concept that is being advanced by the International Civil Aviation Organisation (ICAO), and is also supported by Airports Council International (ACI) and the International Air Transport Association (IATA). ACDM is about aviation partners working together more efficiently and transparently resulting in operational efficiencies and enhanced traffic capacity. It is already a proven concept in North America and Europe. The concept is based upon the key stakeholders sharing operational information (often automatically from existing systems), into a common software platform, which provides all stakeholders with a common situational awareness of aircraft movement across a network.

• Extended clearways to the North and South. The extended clearways for WIAL's runway took effect from February 2014. Maritime buoys have been installed in Lyall Bay and Evans Bay to delineate the clearway extents and protect the areas from obstructions or obstacles. This extends WIAL's TODA (Take of Distance Available) to 2,300m in both directions. The TORA (Take of Run Available) remains at the current length of 1,815m. The extended clearways have the potential to increase the payload for certain aircraft types departing Wellington by up to 1000kg (approx. 9 passengers). The reason the clearway can increase payload is a function of aircraft performance calculations based on an engine failure during take-off scenario. In engine failure scenarios, the clearway provides an area in which the aircraft can remain clear of obstacles while climbing to a height of 35ft above the runway, assuming reduced climb performance. Take-off distances are calculated from a standing stop, to a height of 35ft above the runway.

•Gold Awards. In June 2013, WIAL won the ACC Workplace Safety Award at the Wellington Gold Awards. This award recognised the integrated Safety Management System that is in operation at WIAL. All WIAL's stakeholders have input on the yearly safety plan and contribute to a variety of safety meetings held throughout the year.

• Security Gate enhancement. New rules under Part 139 now require WIAL to issue a permit to every vehicle operating on the airfield, and install security controls at every access point onto the airfield whereby vehicles and drivers are positivity identified before being granted access. An Airside Vehicle Registration System has been put in place to comply with the new requirements. In order to transverse landside to airside and vice versa each vehicle is required to be fitted with a fob which will allow a long range reader on the airside access gates to identify the vehicle and acknowledge that it is able to operate airside. In addition, in order to open the gates, the driver of the vehicle fitted with the fob is required to have the gate access loaded onto his Airport Identity Card. This will ensure that the gate will only open with a registered vehicle containing a fob and with a driver who has met the requirements to drive airside.

• Airfield Guidance Signs. A project to install mandatory guidance signs to improve the routing of arriving and departing aircrafts was completed in 2013. This project was sponsored by WIAL, airlines and Airways and is an enhancement to the safety and efficiency processes at the airport.

• Improvements to WIAL Policies & Procedures. A new exposition was implemented during the period with six new operating guides introduced covering the majority of the operational functions. The new guides cover all operating procedures and contingency procedures for the applicable functional area as opposed to just the regulatory requirements previously documented. Amongst other operational initiatives included, the documents are all available electronically in the Q-Pulse document management system and partly on the airport community website.

• New fire appliances. Two new Rosenbauer Panther fire trucks were purchased to replace the 25 year old Trident fire trucks. These state of the art fire trucks were commissioned in March 2014. WIAL is now able to provide Aircraft Rescue and Firefighting (ARFF) Category 9 on request.

• Change in Gatehouse Security. The Civil Aviation Authority (CAA) ruled that gatehouse security is an aerodrome responsibility rather than an Aviation Security (Avsec) responsibility. Aerodromes were therefore required to take over gatehouse security from 1 April 2014.

• Computer based security training. An efficient online "security base" awareness training system has been developed by the WIAL Team. The test can be done at any time and replaces the lecture room run training sessions provided by AvSec.

• Gate Allocation. The installation & deployment of the Airport 20/20 Resource Management System (RMS) has been completed. The RMS interrogates WIAL's existing Airport Operational Database (AODB) & Flight Information Display System (FIDS) screens now providing WIAL the capability to manage the allocation of aircraft stands in real time. The new system is operational and has been configured with a range of business rules specific to WIAL with respect to the limitations, constraints and pinch points associated with the allocation of aircraft stands.

• IP Interoperability & Collaboration system (IPICS). An IPICS system has been implemented in the WIAL Operations Control Centre. This IP based communication system will simplify communication dispatch and improve response to incidents, emergencies and operational events. Being based in the WIAL Operations Control Room, it will remove the communication barriers between radio systems, mobile phones, landline phones and computers by integrating these independent channels into one standard PC platform. The system is also capable of integrating CCTV coverage and voice recording, which are separate projects in progress.

Service Quality Enhancements Implemented following Surveys and Feedback from Customers

A number of specific initiatives were commenced or continued during the year. These included:

• Completion of the car park precinct improvement project. This significantly increased the drop off and pick up facilities providing a more efficient drop off, removing non-airport traffic from the drop off area to promote safety and efficiency and providing improved way finding signage.

• TSE development including redesign and expansion of the SWP. The cost of the project is included in the capital expenditure forecasts for PSE3 and is scheduled to commence in September 2014 and be completed in March 2016.

• The installation of Rear Boarding Stairs and Vestibules to enable dual boarding (back and front doors) was requested by Air New Zealand and Jetstar for A320 operations. Rear stair boarding is now available for five jet gates.

• Quality survey tests were executed on the Baggage Handling System (BHS) to identify the current pinch points and give guidance to the longer term capital expenditure plan on BHS improvements and/or replacement. Some minor safety improvements were identified and consequently resolved.

• Flight Information Display enhancement. The upgrade of the Flight Information Display System (FIDS) was completed in July 2013. The new and revitalised look reflects WIAL's branding colours with sharp and crisp text and graphics. The look is enhanced further by incorporating an image of the airline 'tail' for quick and easy passenger referencing to each flight, and additional information on the bottom of the screen. Weather feeds are now being displayed on the FIDS.

• Passenger experience. WIAL continues to support Weta Workshop productions with visual displays in the Main Terminal Building in support of the Hobbit movies. There has been great response from passengers and national and international media coverage.

Requirement for Process Improvement

The Information Disclosure Determination requires WIAL to establish operational meetings with airlines to:

• Identify measures available to either reduce the likelihood of service losses which have caused significant disruption or on time delays from reoccurring; or to better manage the impact of service losses so as to reduce their impact;

• Confirm the responsibility for service interruptions as required; and

• Review quarterly passenger satisfaction surveys to identify where remedial action is required by the airport, airlines or border agencies.

As noted in Schedule 11, TEAM WLG was established, and first met in April 2011. The forum focuses on service reliability, service performance and review of ASQ results, as well as airport collaborative decision making as a model for improving passenger and aircraft processing. During the year there were 5 meetings held.

During 2014, TEAM WLG have reviewed and made improvements in the following areas:

• Baggage Delivery: ASQ results indicated that passenger perception for baggage delivery at WIAL was below average. However, there was no reliable system to verify this or to assess whether the short walking distance to the arrivals carrousel contributed to this perception. As a consequence TEAM WLG instigated the BIC (Baggage Input Console) project. The BIC is designed to better inform the arriving passengers on expected baggage delivery times to the reclaim belt. A time allowance is added to real time once the aircraft arrives 'on blocks' at the stand and is automatically displayed at the reclaim belt. The airline ground handlers must deliver the bags to the belt within the specified time allowance. By use of a touch screen at the reclaim belt, the ground handlers indicate delivery of first bag and then again for last the bag to the belt. This updates the information displayed front of house to the waiting passengers. The system became operational during 2014; however WIAL is working closely with the airlines to continue to improve operating processes to ensure the delivery times are being met.

• EDX replacement project. During the year WIAL undertook successful upgrade of the two online Avsec EDX units. This involved the shutdown of each half of the baggage belt systems for 4 days each at a time. This demonstrated excellent collaboration between the stakeholders to ensure any passenger disruption was minimised.

• MPI X-ray replacement. During the year a successful upgrade/replacement of Ministry for Primary Industries (MPI)'s biosecurity X-ray machines was undertaken. The transition to the new machines was smoothly managed by all stakeholders.

• Earthquake emergency response. New earthquake response procedures were adopted in 2013, based on similar principles adopted by Christchurch Airport with response requirements governed by readings from an accelerometer installed at WIAL. The August 2013 6.5 magnitude Seddon earthquake caused minimal disruption (the runway was closed for approximately 30 minutes while the required checks were carried out) and no damage to the Main Terminal or other structures was noted. The event however provided WIAL the opportunity to adjust the accelerometer trigger levels and refine its response procedures in conjunction with our service partners. Specific checklists for different parts of the terminal building and the airfield are now in place. This provides rapid area assessments for management to make a quick and considered decision to re-start airport operations.

• Pandemic emergency response. A successful pandemic exercise was held with great input from all stakeholders, improvements to existing procedures were made as a result of this table-top exercise.

• Slot Coordination New Zealand Limited (SCNZ). NZ Airports and airlines agreed to form a slot coordinating entity for NZ which has been tasked with the allocation of international slots for the three major airports and for domestic slots for Queenstown Airport. The allocation of international slots is expected to enhance the overall capacity and decrease passenger waiting times.

• Transitional facility. Vincent Aviation received their Transitional Facility approval from MPI. They can now self-service their international flights from Australia.

• Enhancing passenger experience. Two big screens were installed in the check-in area. These screens will be used for running promotions and tourism clips to enhance the passenger experience. In case of emergencies the screens can be used as information screens.

• ASQ scores. The refurbishment of the toilets of Level 1 of the Main Terminal Building has seen an increase in the ASQ scores relating to public facilities. For the first time ever an ASQ score above 4 (rating is out of 5) for washrooms was received. Results for parking facilities also improved in the current year following the completion of the car park precinct works and revised fee regime.

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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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref *Version 2.0*

16a: Aircraft statistics

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Aibus A320	1,046	80,542
Boeing 737-800	1,827	144,370
Boeing 767-300	1	187
Total	2,874	225,098

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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont)

ref *Version 2.0*

(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	6,134	445,870
Boeing 737-300	5,873	331,648
Boeing 737-800	17	1,343
Boeing 767-300	1	187
Total	12,025	779,048

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Aerospatiale AT72-500	3,811	86,891
Aerospatiale AT72-600	1,520	34,960
Cessna 208	4,149	16,472
Convair 580 CIB	182	4,392
Bombardier Q300	11,177	217,952
Beechcraft 1900D	6,993	54,336
Piper PA-31	60	191
Jetstream 32	378	2,773
Beechcraft 200	14	79
Total	28,284	418,044

Regulated Airport	**Wellington International Airport Limited**
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

ref *Version 2.0*

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

	Total number of landings	Total MCTOW (tonnes)
Air passenger service aircraft less than 3 tonnes MCTOW	517	842
Freight aircraft	318	4,893
Military and diplomatic aircraft	201	10,727
Other aircraft (including General Aviation)	4,185	15,979

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

	Total number of landings	Total MCTOW (tonnes)
Total	48,404	1,454,632

16b: Terminal access

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

	Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
International air passenger service movements	5,748	–	–	5,748
Domestic jet air passenger service movements	24,050	–	–	24,050

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

16c: Passenger statistics

	Domestic	International	Total
The total number of passengers during disclosure year			
Inbound passengers†	2,337,860	378,037	2,715,897
Outbound passengers†	2,346,071	375,318	2,721,389
Total (gross figure)	4,683,931	753,355	5,437,286
less estimated number of transfer and transit passengers		–	–
Total (net figure)			5,437,286

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

16d: Airline statistics

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

Domestic	International
Air New Zealand Limited	Air New Zealand Limited
Jetstar Airways Limited	Jetconnect Limited
Air Nelson Limited	Virgin Australia Airlines (NZ) Limited
Mount Cook Airline Limited	
Eagle Airways Limited	
air2there.com (2008) Limited	
Golden Bay Air Limited	
Air Chathams Limited	
Sounds Air Travel & Tourism Limited	

	Regulated Airport	**Wellington International Airport Limited**
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref *Version 2.0*

101 **Airline statistics (cont)**

102 **Domestic** **International**

103 **16e: Human Resource Statistics**

104		Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
105	Number of full-time equivalent employees	25.8	45.9	1.1	72.8
106	Human resource costs ($000)				6,441

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

108 WIAL received monthly business volume data as follows:
109 • Aircraft movement data from Airways;
110 • Passenger and flight details from major airlines operating scheduled services; and
111 • Passenger numbers on a monthly basis from the small regional commuter airlines.
112 This information was used to calculate the landings, aircraft Maximum Certified Take Off Weights (MCTOW) and passenger statistics detailed above.
113
114

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SCHEDULE 17: REPORT ON PRICING STATISTICS

ref *Version 2.0*

17a: Components of Pricing Statistics

	($000)
Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	5,113
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	21,281
Net operating charges from airfield activities relating to international flights	11,113
Net operating charges from specified passenger terminal activities relating to domestic passengers	23,650
Net operating charges from specified passenger terminal activities relating to international passengers	4,179

	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	1,702,151
Number of domestic passengers on flights of 30 tonnes MCTOW or more	2,977,610
Number of international passengers	**753,355**

	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	418,044
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	779,048
Total MCTOW of international flights	225,098

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	3.00	12.23
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	7.15	27.32
Average charge from airfield activities relating to international flights	14.75	49.37

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from specified passenger terminal activities	5.05	5.55

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	10.69	20.30

Commentary on Pricing Statistics

WIAL's charges for the year to 31 March 2014 were set as part of the PSE2 consultation which was competed in February 2012 for prices effective 1 April 2012 to 31 March 2017. In July 2013, WIAL announced that it would re-consult with its substantial customers, this lead to new prices being set effective 1 June 2014 to 31 March 2019. The Schedule of Charges for the PSE3 pricing period are available on WIAL's website (www.wellingtonairport.co.nz).

For the 2014 disclosures the aircraft weight and passenger statistics were derived from the Airways and airline data provided to WIAL as described in Schedule 16.
WIAL's charges are set for each service to incentivise the efficient use of the services. These include:
• Airfield services – a mix of aircraft weight and per passenger charges.
• Specified terminal services – per passenger charges.
• Aircraft parking – time based charges.
• Check in facilities – time and occupied area based charges.
• Noise mitigation and insulation – per passenger and aircraft charges.
Revenue from each of these charges has been grouped into each of the categories required in this Schedule. The average charges per tonne and passenger shown in the Schedule will therefore not correspond directly with WIAL's Schedule of Charges.

As noted in WIAL's 2013 Annual Disclosures, WIAL's average charge per international passenger and per tonne of aircraft weight demonstrate that the circumstances of each individual airport influence any direct comparison between airports. In particular:
• WIAL's total average charge per international passenger is between the average charges disclosed by Auckland and Christchurch airports in their 2013 Annual Disclosures.
• WIAL's average charge per tonne is considerably higher than those disclosed by both Auckland and Christchurch airports for jet aircraft. This is inconsistent with the average passenger charge and reflects the difference in the aircraft types using the three airports. In particular, both Auckland and Christchurch airports are serviced by wide body long haul aircraft which do not operate at WIAL. These aircraft have a significantly higher weight per passenger seat compared to the smaller aircraft operating at WIAL. This increases the relative volume of chargeable MCTOW and results in an average charge per tonne at Auckland and Christchurch airports that is below that at WIAL.

WIAL notes that it is continuing to hold commercial discussions with its major airlines to put in place a long term commercial contract to address the noise mitigation activities at the airport. It is currently proposed that the implementation of this contract would replace the noise mitigation or LUMINS charges currently set out in WIAL's Schedule of Charges.

The new Schedule of Charges implemented by WIAL from 1 June 2014 has been structured so that over the five year pricing period average revenue for each category of passenger will continue to become similar to reflect common use of the facilities. The change in charging approach will transition progressively over the five year period and will result in charges per international passenger decreasing and charges per domestic passenger increasing.

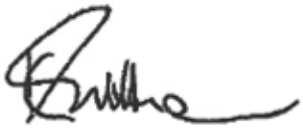
WIAL has adopted a pricing methodology designed to recover the cost of providing specified aeronautical services through charges which incentivise the efficient use of, and investment in, WIAL's assets in accordance with expert advice. This is consistent with the methodology adopted in PSE2 but with some enhancements to the methodology made to incorporate substantial customer feedback. Feedback was particularly relevant regarding the new charges implemented in PSE2 such as peak/shoulder charges and aircraft parking charges. Examples of price structure changes adopted for PSE3 are:
• A more gradual approach to the intensification of peak/shoulder charges;
• A reduction in the charges for check-in counter usage;
• A more gradual movement toward comparable charges per passenger across different aircraft types; and
• A relaxation of the times during which aircraft parking is to be payable.
These changes preserve WIAL's objective to encourage efficient use of WIAL's facilities but now also reflect the experience and learnings of PSE2 by incorporating modifications put forward by airlines to simplify the application of the price structure. Further comprehensive comment on WIAL's process, and methodology, to set prices for PSE3 is provided in the Price Setting Event Disclosure which is available on WIAL's website.

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

Schedule 20 – Certification for Disclosed Information

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

Tim Brown
Director
20 August 2014



Keith Sutton
Director
20 August 2014

Independent reasonable assurance report

To the directors of Wellington International Airport Limited

We have performed an engagement to provide reasonable assurance in relation to Schedules 1 to 17 for the regulatory year ended 31 March 2014 ('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 (the 'Determination').

Directors' responsibility for the Airport Disclosure Schedules

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

Auditor's responsibility

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

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE (NZ) 3000) and Standard on Assurance Engagements 3100 Compliance Engagements (SAE 3100) issued by the External Reporting Board. These standards require that we comply with ethical requirements and plan and perform our engagement to provide reasonable assurance about whether the Airport Disclosure Schedules have been prepared in all material respects in accordance with the Determination.

An engagement to provide reasonable assurance involves performing procedures to obtain evidence about the amounts and disclosures in the Airport Disclosure Schedules. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Airport Disclosure Schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the Airport Disclosure Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Partners and employees of our firm may deal with the company on normal terms within the ordinary course of trading activities of the company. We have provided financial statement audit services, other assurance services and taxation advice to the company. These matters have not impaired our independence as defined in the Determination as auditors of the company for this engagement. The firm has no other relationship with, or interest in, the company.

Use of this report

This report has been prepared for the directors for the purpose of complying with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 – Section 2.6. We

disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

Because of the inherent limitations of a reasonable assurance engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected. The opinion expressed in this report has been formed on the above basis.

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

Our reasonable assurance engagement provides assurance that the forecast information included in the disclosures required by Schedule 6 of the Determination has been extracted from the forecast information prepared by the company and used in the latest price setting event with the airlines. However, to avoid doubt, it does not provide assurance that forecast information was accurate or reasonable or achievable, or that it subsequently proved to be accurate. We have no obligation to update our report for any subsequent changes that affect forecast information.

Opinion

In our opinion:

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

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

Our engagement was completed on the 20th of August 2014 and our opinion is expressed as at that date.

KPMG

Wellington